



SHRIRAM PISTONS & RINGS LTD.

59TH ANNUAL REPORT
2022-23

***SPEEDING TO A NEW ERA
OF MOBILITY***





EMBRACING TECHNOLOGICAL MILESTONES WHERE INNOVATION BREATHES LIFE



Dr. Charat Ram
(1918- 2007)

Dr. Charat Ram, a pillar and visionary in the Indian business sector, played a significant role in shaping its development. He was not only the face of the Indian industry but also associated with a number of companies, institutions promoting art & education and industry bodies leaving a lasting impact on the nation's entrepreneurial landscape.

Driven by his relentless pursuit of excellence and his commitment to promoting professional management, he meticulously built up several successful companies, including DCM, Shriram Pistons & Rings Ltd, Usha International and Shriram Industrial Enterprises Ltd. (SIEL). In fact, Dr. Charat Ram made history by bringing the Honda Genset and Honda Car to India under joint ventures. By establishing this joint venture, Dr. Charat Ram expanded his business empire and contributed to the growth and development of the Indian automotive industry.

Building upon Dr. Charat Ram's legacy, Shriram Pistons & Rings (SPR) has emerged as a prominent Indian manufacturer of automotive components, renowned for its commitment to innovation and excellence. With a rich heritage spanning over 50 years, SPR continues to embrace new and cutting-edge technologies in the auto components industry. The organization's governance practices prioritize transparency, accountability, and responsible leadership, aiming to create long-term value for stakeholders while positively contributing to society and the environment.

SPR owes its success to six fundamental principles that serve as the driving force behind its operations. These principles encompass fostering core organizational values, implementing the OTTT (Openness, Transparency, Trust and Teamwork) Framework, continuously challenging the status quo to achieve continuous improvement, cultivating a culture of learning, prioritizing execution, and valuing and motivating performance at every level. It is through the relentless pursuit of these principles that SPR has established itself as an industry frontrunner, consistently delivering high-quality products and setting new benchmarks for success.

As a testament to its achievements, SPR has garnered widespread recognition within the automotive industry, receiving numerous prestigious awards and accolades, including the highly esteemed Golden Peacock Award for Excellence in Corporate Governance. As the company celebrates its Golden Jubilee, it stands on a solid foundation, poised to embark on a future filled with even more incredible accomplishments. With an unwavering commitment to innovation, growth, and excellence, SPR looks forward to many more years of success in the ever-evolving automotive landscape.

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CORPORATE OVERVIEW

Board of Directors

Shri Pradeep Dinodia	- Chairman
Shri Hari S. Bhartia	
Ms. Ferida Chopra	
Ms. Meenakshi Dass	
Shri Alok Ranjan	
Shri Klaus Semke	
Shri Inderdeep Singh	
Shri Shinichi Unno	
Shri Masaaki Yamaguchi	
Shri Krishnakumar Srinivasan	- Managing Director & CEO
Shri Luv D. Shriram	- Wholetime Director
Shri Yasunori Maekawa	- Alternate Director to Shri Masaaki Yamaguchi
Shri Sascha Putz	- Alternate Director to Shri Klaus Semke

Leadership Team

Shri Krishnakumar Srinivasan	- Managing Director & CEO
Shri Luv D. Shriram	- Whole Time Director
Shri Devendra Mishra	- Executive Director
Shri Sandeep Kalia	- Executive Director
Shri Sandeep Agrawal	- Executive Director & Chief Marketing Officer
Shri Rajan Nanda	- Executive Director
Ms. Poonam Bharti	- Executive Director & Chief HR Officer
Shri Prem Prakash Rathi	- Executive Director & CFO
Shri Arun Kumar Shukla	- Executive Director
Shri Atul K. Khanapurkar	- Dy. Executive Director
Shri Dharmendra Singh	- Dy. Executive Director
Shri Ashok Sinha	- Dy. Executive Director
Shri Pankaj Gupta	- Company Secretary
Shri Prashant Khairnar	- Chief Digital Officer
Shri Pankaj Kumar Jain	- Chief Quality Officer

Corporate Overview Cont ...

Technical Collaborators

KS Kolbenschmidt GmbH, Germany

Riken Corporation, Japan

Honda Foundry Co. Ltd., Japan

Fuji Oozx Inc., Japan

Statutory Auditors

Deloitte Haskins & Sells, Gurgaon, Haryana

Registered Office

3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110 001

Works

Industrial Area, Meerut Road, Ghaziabad (U.P.)

Industrial Area, Pathredi, District Alwar (Rajasthan)

Industrial Area, Bulandshahr Road, Ghaziabad (U.P.)

Bankers

UCO Bank

State Bank of India

Union Bank of India

Axis Bank Ltd.

HDFC Bank Ltd.

IDBI Bank Ltd.

Citibank N.A.

The Hongkong and Shanghai Banking Corporation Limited

DBS Bank India Ltd.

Canara Bank

DIRECTORS' PROFILE



Mr. Pradeep Dinodia

Chairman (Non-Executive Non Independent Director)

Mr. Dinodia has been on the Board of the Company since May 2003. He graduated in Economics with Honours from St. Stephens College, Delhi University and also obtained his Law Degree from Delhi University. He is a Fellow Member of Institute of Chartered Accountants of India and Chairman and Managing Partner of the Delhi based Chartered Accountancy firm M/s. S.R. Dinodia & Co. LLP. He is Non-Executive Independent Director of Hero FinCorp Ltd. and DCM Shriram Ltd. He is a Non-Executive and Non-Independent Director of Hero Motocorp Ltd. He has co-authored a book "Transfer Pricing Demystified".



Mr. Hari S. Bhartia

Independent Director

Mr. Bhartia has been on the Board of the Company since January 2009. He graduated with a Bachelor's degree in Chemical Engineering from the Indian Institute of Technology (IIT), Delhi. He is the Co-Chairman & MD of Jubilant Pharmova Limited, Co-Chairman of Jubilant Ingrevia Limited & Jubilant FoodWorks Limited. He is a former President of the CII. He is also a member of India-USA CEO forum and India-France CEO forum. He along with Mr. Shyam S Bhartia also received the Entrepreneur of the Year Award at the AIMA Managing India Awards and the Ernst & Young Entrepreneur of the Year Award.



Ms. Ferida Chopra

Independent Director

Ms. Chopra has been on the Board of the Company since March 2019. She graduated in Law from University of Delhi and also obtained Bachelor's Degree in Arts from Delhi University. She is practicing as an Independent Legal Counsel in Supreme Court of India, High Court of Delhi, Competition Commission of India and various other Tribunals.



Ms. Meenakshi Dass

Non- Executive Director

Ms. Dass has been on the Board of the Company since March 2009 and is one of the Promoters. She obtained a Degree in Textile Designing. She has vast experience in managing Company's affairs.



Mr. Alok Ranjan

Independent Director

Mr. Ranjan has been on the Board of the Company since March 2019. He graduated in Economics with Honours from St. Stephens College, Delhi University and obtained PGDM Degree from Indian Institute of Management, Ahmedabad. He was inducted in IAS (U.P Cadre) in 1978 and has served in various State/ Central Government Departments. He retired as Chief Secretary of Uttar Pradesh and served as Chief Advisor to Honb. Chief Minister of Uttar Pradesh & Chairman, UPSIDC.



Mr. Klaus Semke

Non- Executive Director

Mr. Semke has been on the Board of the Company since May 2023. He has obtained Metal Aircraft Builder Training and Graduated with Mechanical Engineering Studies at the Hamburg University of Applied Sciences in Hamburg, Germany. He is the President at KS Kolbenschmidt GmbH. Mr. Semke has long & varied experience and considerable exposure to international operations.



Mr. Inderdeep Singh
Independent Director

Mr. Singh has been on the Board of the Company since March 2008. He graduated in B.Sc. from St. Stephens College, University of Delhi and completed M.S. (Elec. Engg.) & MBA from Washington University, USA. He is the Managing Director of Continental Device India Pvt. Ltd. He has received an award for “Electronics Man of the Year” in 2011 by Electronics For You.



Mr. Shinichi Unno
Independent Director

Mr. Unno has been on the Board of the Company since May 2021. He graduated in BA in Metallurgical Engineering from Tokai University, Japan. He is Executive Officer & Plant Manager, Fuji Oozx Shizuoka, Japan. Mr. Unno has long & varied experience and considerable exposure to international operations.



Mr. Masaaki Yamaguchi
Non- Executive Director

Mr. Yamaguchi has been on the Board of the Company since April 2022. He graduated in Economics from The University of Tokyo, Faculty of Economics. He is the Managing Executive Officer of Riken Corporation and General Manager of Global Business, Operations Division and Overseas Operations Division. Mr. Yamaguchi has long & varied experience and considerable exposure to international operations.



Mr. Krishnakumar Srinivasan
Managing Director & CEO

Mr. Krishnakumar has been on the Board of the Company since February 2020. He graduated with a Bachelor’s degree in Mechanical Engineering, Master’s in Business Administration and PG Diploma in Export Management. He has long and varied experience of managing leadership roles with companies both in India and abroad primarily in the automotive space.



Mr. Luv D. Shriram
Whole time Director

Mr. Shriram has been on the Board of the Company since April 1, 2009 and is one of the Promoters. He graduated in B. Com. from Delhi University. He is holding Directorships in various other Companies.



Mr. Yasunori Maekawa
Alternate Director to Mr. Masaaki Yamaguchi

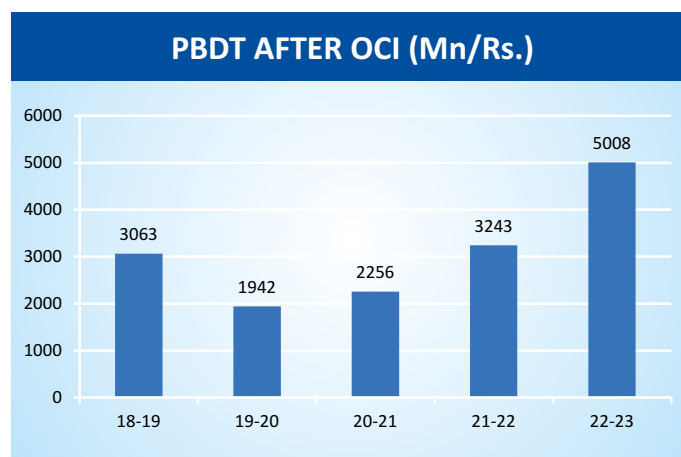
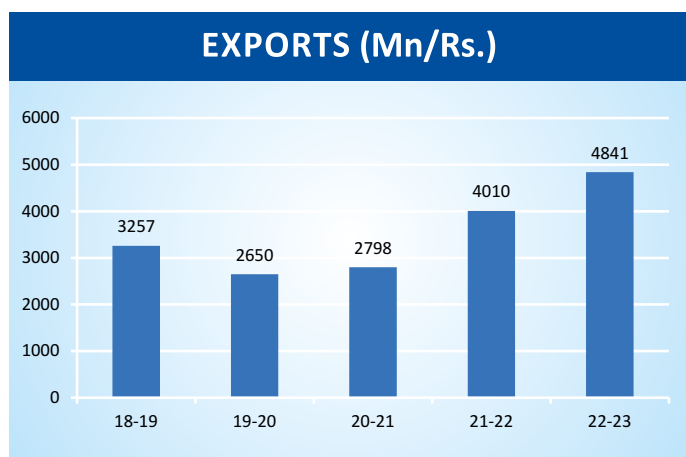
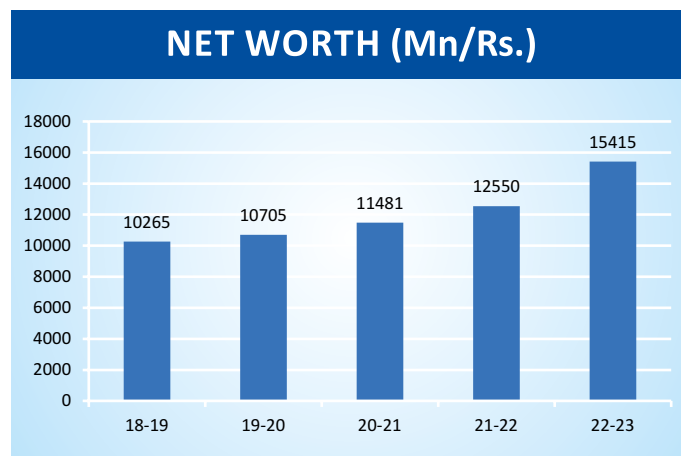
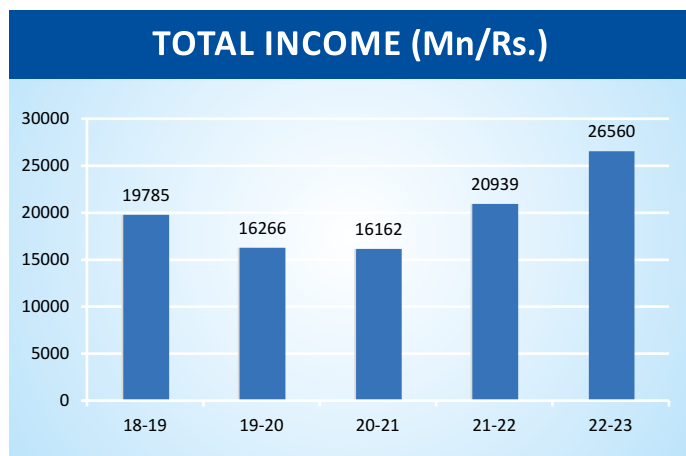
Mr. Maekawa has been on the Board of the Company since April 2022 as alternate director. Mr. Maekawa is the Representative Director, President, CEO and COO of Riken Corporation, Japan. Mr. Maekawa has long & varied experience and considerable exposure to international operations.



Mr. Sascha Putz
Alternate Director to Mr. Klaus Semke

Mr. Putz has been on the Board of the Company since May 2020 and w.e.f. May 23 he is a alternate director to Mr. Klaus Semke. He obtained Diploma in Industrial/Economical Engineering and in Production/ Manufacturing Engineering. He is Chief Operating Officer (COO) of Vehicle Systems Division at Rheinmetall. Mr. Putz has long and varied experience in international operations and general management.

FINANCIAL HIGHLIGHTS



SIGNIFICANT RATIOS

Ratio	Unit	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Current ratio	Times	2.51	2.31	2.10	1.95	2.07
Debt-Equity	Times	0.19	0.11	0.11	0.08	0.07
Return on equity	%	21.02	13.61	8.00	6.97	14.28
EBITDA	%	19.77	16.49	14.96	12.79	16.57
Profit before tax (PBT)	%	15.33	10.88	7.63	5.48	10.92
Profit after tax (net profit)	%	11.46	8.08	5.65	4.63	7.22
Earning per Share (EPS)	Rs. per share	133.43	74.26	39.67	32.64	61.88

Note : The data is based on consolidated financials

WORKING RESULTS AT A GLANCE

PARTICULARS	UNIT	YEAR ENDING MARCH										
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Paid-up Equity Share Capital	Mn/Rs.	220	220	224	224	224	224	224	224	224	224	
Reserves & Surplus	Mn/Rs.	15195	12330	11258	10481	10041	8909	7720	6730	5925	5376	
Net Worth	Mn/Rs.	15415	12550	11481	10705	10265	9133	7944	6954	6149	5600	
Gross Fixed Assets	Mn/Rs.	21082	19878	19139	18673	16907	15355	14803	14159	13699	13312	
Total Income - Value	- Total	Mn/Rs.	26560	20939	16162	16266	19785	17544	14886	14054	12567	11735
	- Export	Mn/Rs.	4841	4010	2798	2650	3257	2994	2823	2737	2301	2257
Profit before depreciation and taxes (PBDT) before OCI		Mn/Rs.	4877	3223	2225	1895	3036	3012	2608	2239	1753	2012
Profit before depreciation and taxes (PBDT) after OCI		Mn/Rs.	5008	3243	2256	1942	3063	3036	2523	2233	1753	2012
Profit before taxes (PBT) before OCI		Mn/Rs.	3930	2202	1200	864	2092	2108	1709	1311	793	1006
Profit after tax (PAT) before OCI		Mn/Rs.	2939	1636	888	730	1384	1389	1181	916	573	697
Equity Dividend	- Amount	Mn/Rs.	330	220	134	162	270	270	189	108	94	92
	- Rate	%	150.0	100.0	60.0	60.0	100.0	100.0	70.0	40.0	35.0	35.0

Notes:

1. Reserves & Surplus includes Revaluation Reserve of Rs. 97.27 Million as on 31.3.2023.
2. Gross Fixed Assets are stated at historical cost and include prepayment land leases.
3. Equity dividend represents dividend declared / proposed for the respective financial year and includes dividend distribution tax, as applicable.
4. The above data is based on consolidated financials.

BOARD'S REPORT

The Directors have the pleasure of presenting the 59th Annual Report along with the first Business Responsibility and Sustainability Report (BRSR) for the year ended March 31, 2023.

Sustainability is not just a corporate responsibility but also an opportunity to create long-term value for stakeholders. The Company is committed to promote sustainable development and making a positive contribution to society.

Care for the environment is one of the core focus areas, as the Company is persistent to contribute in shaping a better future, which is safe, inclusive and sustainable.

Furthermore, the Company has designed business strategies that incorporate social well-being in everything it does.

BRSR prepared in accordance with the nine principles of 'National Guidelines on Responsible Business Conduct' (NGRBC) and SEBI Guidelines, which outlines our sustainability performance. This is backed by the solid foundation of our integral values of the Company. The Company undertakes multiple initiatives to minimize its environmental footprint and give back to society.

The Company is committed to reducing greenhouse gas emissions, promoting the use of renewable energy sources, implementing energy-efficient practices, exploring innovative technologies to reduce energy consumption and committed to become Carbon Neutral by 2045.

The Company is also committed to manufacture products which ultimately help in reducing the carbon footprint like manufacturing products specifically for CNG, ethanol blending and Hydrogen fuel applications for its customers.

Financial & Operational Performance

During the year, the Company witnessed growth in the Sales despite the challenges posed by geopolitical situation leading to multiple supply chain challenges.

Company's revenue from operations grew by 26% from Rs. 20,647 Million (previous year) to Rs. 26,050 Million (during the year) and the total income increased by 27% from Rs. 20,939 Million (previous year) to Rs. 26,513 Million (during the year). Profit before Depreciation and Taxes [before Other Comprehensive Income (OCI)], after all interest charges but before depreciation and taxes, grew by 52% from Rs. 3,223 Million (previous year) to Rs. 4,903 Million for the year.

The improvement in performance was contributed by factors like increase in production & sales, increase in productivity, streamlining of the supply chain, digitization, focused approach to meet customer requirements, effective management of cash flow and implementation of cost optimization measures including effective utilization of resources.

Based on the strength of its financials, the Company is well positioned to invest in various avenues for overall growth of business. The Company has already done some strategic investment into technology growth areas through SPR Engenious Limited (wholly owned subsidiary) in EMF Innovations Private Limited, which is Singapore backed electric motor design & manufacturing company. The Board has approved acquisition of 75% stake in Takahata Precision India Private Limited which manufactures a wide range of products such as automotive parts, office automation equipment parts, optical equipment parts, residential facilities parts and medical equipment parts.

The Company aims to expand its presence in Electric Vehicle space to supply Electric Powertrain Components such as Motor & Controller covering all the vehicle segments from Two Wheelers, Three Wheelers, Passenger Vehicles, Commercial Vehicles and Buses.

The summarized standalone and consolidated results of the Company are as under:

(Rs./Million)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.3.2022	31.3.2023	31.3.2022	31.3.2023
Revenue from Operations	20,647	26,050	20,647	26,093
Other Income	292	462	292	467
Total Income	20,939	26,513	20,939	26,560
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	3,337	5,097	3,337	5,070
Profit before Depreciation and Taxes (before OCI)	3,223	4,903	3,223	4,877
Depreciation	1,020	933	1,020	939
Profit Before Tax (before OCI)	2,202	3,969	2,202	3,930
Income Tax (including for earlier years)	566	1,014	566	991
Net Profit After Tax (before OCI)	1,636	2,956	1,636	2,939
Dividend including Dividend Distribution Tax (on declared basis)	220	330	220	330
Amount transferred to General Reserve	1,082	2,735	1,082	2,714

Company's exports registered growth of almost 21% from Rs. 4,010 Million to Rs. 4,841 Million. This was due to strengthening of relationship with the existing customers, range expansion and entering new markets & product segments.

The Company continues to reap the benefit of investing in the right areas ahead of time. This helped the Company to increase its sales as the Covid pandemic abated globally and the global economy witnessed resurgence in business activity. The trend of increasing exports is expected to continue in this year as well. However, other global headwinds leading to uncertainties will be a critical factor for sales in the exports market.

The Company also improved its performance in the Aftermarket by re-designing its network strategy to increase the range and reach of its products.

The Company focuses on achieving the highest standards of quality, which has been well appreciated by all our customers.

The Company is taking persistent measures to de-risk its business as an integral part of Business Continuity Planning. The Company focuses on cost reduction by implementing affordable automation, digitization, interlinking of machines, energy conservation and productivity improvement across products, which helps the Company to remain cost competitive.

With a well-equipped Tech Centre, the Company is focusing on forward-looking technologies such as testing products for ethanol blending, solutions for hydrogen as a fuel and solutions for Non-ICE segments.

In the coming years, the Company is expected to face challenges due to the increased penetration of electric vehicles in two wheeler segment, uncertainty due to the Ukraine war and the on-going shortage of semi-conductor chips. The management is working to overcome these headwinds in the coming year and are also working diligently to find further avenues of growth for the Company.

Management is continuously focusing on the 6Ps (6 Principles) to transform the Company into a high performance organization. The 6Ps comprise of:

- Core Organization Values
- OTTT Framework
- Continuous Improvement through Challenging the Status quo,
- Creating a Learning Organization
- Culture of Execution and
- Appreciating and Motivating Performance at all levels.

Share Capital

During the year, there was no change in the authorized, issued, subscribed or paid up share capital of the Company.

During the year, the Company has not issued any equity shares with differential rights/sweat equity shares under the Companies (Share Capital and Debentures) Rules, 2014.

In Annual General Meeting held on 29.6.2022, Members of the Company accorded consent, to the Board to adopt and implement ESOP 2022 and to grant options and transfer shares on exercise of such options not exceeding 2% of the paid up equity capital of the Company as at March 31, 2022, to the eligible employees. However, it was decided to hold the implementation of ESOP 2022 plan till the stabilization of the new performance management system introduced last year.

Dividend

The Directors, in their meeting held on 8.5.2023, have recommended that equity shareholders be paid a special "Golden Jubilee" Dividend @ Rs. 5 per share for the year, apart from Rs. 10/- per share already paid as interim dividend. The equity dividend would absorb Rs. 330 Million against Rs. 220 Million last year and an amount of Rs. 2735 Million be transferred to the General Reserve Account.

Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") the Board of Directors of the Company had formulated and adopted the Dividend Distribution Policy ('DDP'). The Board of Directors while taking decisions for recommendations of the dividend take guidance from this policy and maintain a consistent approach to dividend pay-out plans.

The Dividend Policy is available on the Company's website viz. www.shrirampistons.com under the link "Investors' Guide" (<https://shrirampistons.com/investors-guide-2/>).

New Projects and Capacity Expansion

The Company has been able to increase its market share across all customer segments. The Company expects the Aftermarket, OE spares, Off road applications and Exports to have a much longer life span, thereby de-risking its business model.

In order to meet the Company's vision for diversification and growth in areas other than IC Engines, the Company has been actively working on identifying suitable opportunities to diversify its existing product portfolio.

Change in the nature of business

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

Material changes and commitment

No material change and/ or commitment affecting the financial position of the Company has occurred between 1.4.2023 and the date of signing of this Report.

Subsidiary Companies and their Annual Accounts

i. Closure of SPR International Auto Exports Limited:

SPR International Auto Exports Limited ("Subsidiary Company") was incorporated in 2005 but it could not commence any operations since then. The Board of Subsidiary Company in its meeting of 4.4.2022, resolved to make an application to the Registrar of Companies under Section 248(2) of the Companies Act, 2013 for removing the name of the Subsidiary Company from the Register of Companies.

The application was submitted on 13.9.2022. The name of the Company has been struck off by the Registrar of Companies vide Notice of Striking off and Dissolution in Form STK-7 dated 7.3.2023.

ii. Incorporation of SPR Engenious Limited:

SPR Engenious Limited has been formed as a wholly owned subsidiary ("WOS") of the Company for the purpose of diversifying its product portfolio in the area related to the automotive segment. The WOS has been incorporated with the Registrar of Companies (Delhi & Haryana) on 26.9.2022. The WOS has not commenced any operations yet, however it has started to take steps for commencement of operations.

Key Business developments:

i. Acquisition of 51% stake in EMF Innovations Private Limited ("EMFI")

The Company through its wholly owned subsidiary SPR Engenious Ltd. acquired 51% stake in the share capital (on a fully diluted basis) of EMFI (CIN: U29309TZ2016PTC027538), for a total consideration of INR 780.03 Mn.

EMFI is a Singapore backed electric motor design and manufacturing Company. EMFI is a young Technology company co-founded by engineering entrepreneurs with substantial R&D and operations in India and Singapore thereby providing localized cost effective e-mobility solutions to customers in India and abroad. EMFI has been leveraging on its strong power electronics & motors research base and extensive semi-automated manufacturing eco-system to deliver reliable EV Motors and Controllers for green mobility solutions and various other applications.

ii. Definitive Agreement to acquire 75% stake in Takahata Precision India Private Limited (TPIPL)

The Company through its wholly owned subsidiary SPR Engenious Ltd. has entered into definitive agreement to acquire 75% stake in the share capital (on a fully diluted basis) of TPIPL (CIN: U29220RJ2010FTC046888), at an Enterprise Value of INR 2,220 Mn. with adjustments for debt, debt like items and working capital to be calculated as on closing date subject to satisfactory completion of all conditions precedent.

TPIPL's existing portfolio of precision moulded parts, precision metal moulds parts, assembled parts having a variety of functional products for the automotive and other Industrial applications, fits into the Company's strategy of inorganic growth alongside de-risking its current business model.

Annual accounts of the Subsidiary Companies are available on Company's website and shall also be kept for inspection by any member in the Head Office & Registered Office. Copy of Annual Accounts of Subsidiary Companies would also be made available to members seeking such information.

In accordance with the Indian Accounting Standard (Ind AS-110) on consolidated financial statements, the consolidated financial statements are attached, which form part of the Annual Report.

The Policy for determining material subsidiaries is available on Company's Website viz. www.shrirampistons.com under the link "Investors' Guide" (<https://shrirampistons.com/investors-guide-2/>).

Board Meetings

During the year, Eight (8) meetings of the Board of Directors were held, details of which have been provided in the Report on Corporate Governance, Annexure-I to this Report.

Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholder's Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. Further, during the year under review, all recommendations made by the various Committees have been accepted by the Board.

Audit Committee

As of 31.3.2023, members of the Audit Committee of the Company are Shri Inderdeep Singh (Chairman), Shri Pradeep Dinodia, Ms. Ferida Chopra and Shri Alok Ranjan.

During the year, the Board has accepted all recommendations made by the Audit Committee.

Whistle Blower Policy

The Company has a Whistle Blower Policy for Directors, Employees and Stakeholders to report any kind of misuse of Company's properties, mismanagement or wrongful conduct prevailing/executed in the Company. As per the policy, all Whistle Blowers are granted access to the Chairman of the Audit Committee in appropriate cases.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) of Board has formulated a Nomination and Remuneration Policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company.

The Nomination and Remuneration Policy covers the criteria for appointment of Directors (including Independent Directors), KMPs and SMPs. The Policy also covers the criteria for remuneration.

There was no change in the Policy during the year.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs, SMPs and employees at all levels. It shall be determined taking into account the factors such as Company's performance and the remuneration structure as generally applicable in the industry.

The Directors affirm that remuneration paid to all Directors, KMPs, SMPs and all other employees is as per the remuneration policy of the Company.

The Nomination and Remuneration Policy of the Company is available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide" (<https://shrirampistons.com/investors-guide-2/>).

As of 31.03.2023, the number of permanent employees on rolls of the Company are 3,907.

Related Party Transactions

The Company's contracts/arrangements/transactions with related parties are in the ordinary course of business and on an arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable. During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be construed to be "material" in accordance with the "Policy for determining material Related Party Transactions" approved by the Board. Thus, there are no

transactions required to be reported in Form AOC-2. Details of all transactions with related parties are given in Note No. 32 of Notes forming part of Financial Statements.

The Company has complied with the Accounting Standards, Companies Act and Listing Regulations on Related Party Transactions.

Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants, were re-appointed as Statutory Auditors of the Company for a period of five years to hold office till the conclusion of 59th Annual General Meeting (AGM) to be held in the year 2023. They have served their 2 terms and are not eligible for further appointment.

As per recommendation of the Audit Committee, the Board in its meeting held on 29.3.2023 approved appointment of M/s Walker Chandiook & Co. LLP, Chartered Accountants (Firm's Registration No. 001076N/N500013) as Statutory Auditors of the Company for a term of five consecutive years to hold office commencing from the conclusion of 59th Annual General Meeting (AGM) till the conclusion of 64th Annual General Meeting to be held in 2028, subject to the approval of the members in ensuing AGM.

Internal Financial controls and their adequacy

The Company had appointed M/s Ernst & Young, M/s Grant Thornton and M/s RSM Astute as its Internal Auditors for F.Y. 2022-23, in addition to its in house team. The Internal Control System is commensurate with the size, scale and complexity of Company's operations. The Internal Auditors report to the Chairman of the Audit Committee.

The Internal Audit teams monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on their reports, the corrective actions in respective areas are taken to strengthen the controls and significant audit observations and corrective actions thereon are presented to the Audit Committee.

Reports forming part of Board's Report

Following reports which form an integral part of Boards' report are enclosed: -

1. Report on "Corporate Governance" - as per Annexure-I
2. Report on "Management Discussion and Analysis" - as per Annexure-II
3. Report on "Conservation of Energy", "Technology Absorption" and "Foreign Exchange Earning & Outgo" – as per Annexure-III
4. Data of "Employees" – as per Annexure-IV
5. "Report on CSR Activities Undertaken" – as per Annexure-V
6. "Secretarial Audit Report" – as per Annexure-VI
7. "Salient Features of Subsidiary Companies" – as per Annexure-VII

In terms of Listing Regulations, Business Responsibility & Sustainability report forms part of this Annual Report.

Disclosures on Company's website

The Company is committed to good corporate governance practice and corporate social responsibility. In line with the Company's principles/commitment, the following policies/ programmes/ reports are in place and are available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide" (<https://shrirampistons.com/investors-guide-2/>).

1. Corporate Social Responsibility (CSR) Policy
2. Vigil Mechanism/ Whistle Blower Policy
3. Company's policy on dealing with Related Party Transactions
4. Nomination and Remuneration Policy
5. Familiarization programmes for Independent Directors
6. Policy for distribution of Dividend
7. Policy on Materiality of Events
8. Policy for determining Material Subsidiaries
9. Annual Return of the Company F.Y. 2022-23
10. Environment Protection Policy
11. Environment Social and Governance Policy

12. Equal Opportunity for Work and Pay Policy
13. Equal Opportunity Policy
14. Human Rights Policy
15. Sustainable Procurement Policy
16. Sustainable Supply Chain Policy
17. Archival Policy for disclosures of Events/Information
18. Policy on Preservation of Documents
19. Code of Practices & Procedures for Fair Disclosure of UPSI

Directors' Responsibility Statement:

The Directors confirm that: -

1. in the preparation of the annual accounts, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and requirements of the Companies Act have been followed and there are no material departures from the same.
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2023 and of the profit of the Company for the same year.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.
5. internal financial controls are followed by the Company and are adequate and operating effectively.
6. proper and adequate systems have been devised to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

Other Disclosures:

1. During the year, no fraud has been reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.
2. No orders were passed by the Regulator(s) or Court(s) or Tribunal(s) which could impact going concern status and Company's operations in future.
3. There are no disqualifications, reservations or adverse remarks or disclaimers in the Statutory Auditors' and Secretarial Auditors' Report.
4. No Director of the Company is receiving commission from the Subsidiaries of the Company.
5. The Company has given loans and made investment in Wholly Owned Subsidiary in compliance with the provisions as contained under Section 186 of the Companies Act, 2013.
6. The Company has complied with applicable Secretarial Standards on Board Meetings and General Meetings.
7. The Company has not issued any of the following:
 - i) Equity Shares with differential rights,
 - ii) Sweat Equity Shares
 - iii) Shares issued pursuant to Employee Stock Option Scheme or Employee Stock Purchase Scheme
8. No application has been made or proceeding is pending against the Company under the Insolvency and Bankruptcy Code (IBC), 2016.
9. Disclosure w.r.t. difference between the amounts of the valuation executed at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions is not applicable.
10. As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers,

Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

Fixed Deposits

The Company has not renewed/accepted fixed deposits during the year. However, fixed deposits amounting to Rs. 11.33 Million accepted during the year, represents fixed deposits transferred in the name of nominee/joint holder in death cases. The fixed deposits amounting to Rs. 3.92 Million pertaining to 23 depositors remained unclaimed/ unpaid at the closing of the year. During the year, there was no default in the repayment of deposits and interest thereon. Fixed deposits accepted by the Company are in compliance with the requirements of Chapter V of the Companies Act, 2013.

Investor Education and Protection Fund

The amount lying in unpaid dividend accounts for the last seven years is Rs. 0.53 Million. Unclaimed final dividend amount of F.Y. 2015-16 is due to be transferred to the Investor Education and Protection Fund on 1.8.2023. Amount transferred to the Investor Education and Protection Fund during the year is Rs. 0.13 Million.

Disclosures w.r.t. shares lying in IEPF Account:

S. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the IEPF Authority account lying at the beginning of the year	14	17,273
2	Number of Shareholders who approached the Company for transfer of shares from IEPF Authority account during the year	NIL	NIL
3	Number of Shareholders to whom shares were transferred from IEPF Authority account during the year	NIL	NIL
4	Number of Shareholders whose shares were transferred to IEPF Authority account during the year	NIL	NIL
5	Aggregate number of Shareholders and the outstanding shares in the IEPF Authority account lying at the end of the year	14	17,273
Note:			
- The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.			
- On 4.4.2023, 197 nos. shares pertaining to 6 shareholders have been transferred to the IEPF.			

Maintenance of Cost Records and Cost Audit

As specified by the Central Government, the Company is required to maintain Cost Records and get these records audited by a Cost Accountant.

The Company is maintaining the Cost Records. The Cost Audit Report of the Company for the year ended March 31, 2022, duly audited by M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi, was submitted to the Ministry of Corporate Affairs, Government of India on 31.8.2022, within the due date of filing the said report.

On the recommendation of Audit Committee, M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi (Firm Registration No. 00239), has been appointed as Cost Auditors for the F.Y. 2023-24.

Details of CSR Activities undertaken by the Company

Against the requirement of Rs. 30.90 Million during the year, the Company has spent Rs. 28.81 Million on various CSR activities and an amount of Rs. 2.09 Million has been transferred to Unspent CSR Account 2022-23 which would be incurred in following years, as per the provisions of the Companies Act, 2013. Details of initiatives taken by the Company during the year in CSR activities and composition of the CSR Committee are provided in the Report on CSR Activities undertaken by the Company in 2022-23, Annexure-V to this Report.

Risk Management Framework

The Company has developed and implemented a Risk Management Policy including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The Company has also constituted a "Risk Management Committee". As of 31.03.2023, Members of the Committee are Shri Pradeep Dinodia (Chairman), Shri Inderdeep Singh, Shri Alok Ranjan, Ms. Meenakshi Dass, Shri Krishnakumar Srinivasan and Shri Luv D. Shriram.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace. The Company has complied with provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has in place a policy on prevention of sexual harassment at workplace. The Company has also constituted Internal Complaints Committees under the Act. No complaint was received/ pending under the above Act during the year.

Changes in Directors/ KMPs during the year and Appointment/ Re-appointment of Directors in the ensuing AGM

Shri Yukio Tanemura, Non-Executive Director of the Company, resigned w.e.f. closing hours of 5.4.2022. Consequent to his resignation, Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura, also ceased to be the Director of the Company.

The Board on the recommendation of Nomination & Remuneration Committee, appointed Shri Masaaki Yamaguchi as Director in the casual vacancy caused pursuant to resignation of Shri Yukio Tanemura and Shri Yasunori Maekawa as Alternate Director to Shri Masaaki Yamaguchi w.e.f. 6.4.2022 and the same was approved by the Shareholders at the AGM held on 29.6.2022.

Shri Sascha Putz, Non-Executive Director of the Company, resigned w.e.f. closing hours of 30.4.2023.

The Board on the recommendation of Nomination & Remuneration Committee, appointed Shri Klaus Semke as Director in the casual vacancy caused pursuant to resignation of Shri Sascha Putz and Shri Sascha Putz as Alternate Director to Shri Klaus Semke w.e.f. 1.5.2023. Appointment of Shri Klaus Semke as Non-Executive Non- Independent Director of the Company shall be subject to Shareholders' approval in the ensuing AGM.

Shri Naveen Agarwal, Alternate Company Secretary superannuated w.e.f. closing hours of 28.2.2023.

Ms. Meenakshi Dass and Shri Pradeep Dinodia, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume and other details of Directors seeking appointment/re-appointment are given in the 'Notice of the Annual General Meeting'.

The Board appreciated the services rendered and significant contribution to the Company of the Directors, who have ceased to be Directors during the year.

Declarations from Independent Directors

Shri Hari S. Bhartia, Ms. Ferida Chopra, Shri Alok Ranjan, Shri Inderdeep Singh and Shri Shinichi Unno are Independent Directors of the Company and have given the declarations to the Board that they meet the criteria of independence, as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and also confirmed that they have complied with the Code of Conduct of the Company. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

No Independent Director has resigned from the Company during the year under review.

In the opinion of the Board, Independent Directors possess relevant integrity, expertise and experiences required to perform their duties and fulfil the conditions specified in the Act and are independent of the management. Some of the Independent Directors are exempted from clearing the online proficiency test being conducted by Indian Institute of Corporate Affairs and the remaining Independent Directors are in the process of appearing for the same. They fulfil the conditions specified in the Act and are independent of the management.

Performance evaluation of Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, evaluation of the working of its Committees and the Directors individually. The manner in which the evaluation has been carried out has been explained in Report on Corporate Governance, Annexure-I to this Report.

Appreciation

The Directors place on record their appreciation:

- i) of the support extended to the Company by the Collaborators, the Bankers, its Business Associates and
- ii) of the work of all ranks of Company's personnel during the year.

On behalf of the Board

New Delhi
May 8, 2023

(PRADEEP DINODIA)
CHAIRMAN
DIN: 00027995

ANNEXURE - I TO BOARDS' REPORT

REPORT ON CORPORATE GOVERNANCE

1.0) Company's Philosophy on Code of Governance

Corporate governance is the system, which ensures overall transparency, ethical governance and confidence of stakeholders in a company. Good Corporate Governance maximizes the value of the company and for all the stakeholders i.e. shareholders, employees, customers, suppliers, environment and community. Corporate Governance practices are the foundation for the success of enterprise and their sustainable growth.

The Company's Corporate Governance philosophy in a nutshell encompasses integrity and ethical behaviour at all levels, disclosures & transparency, operational accountability, maximizing long-term shareholders' value & protecting their interest as well as interest of all other stakeholders and commitment for environmental sustainability.

The Company ensures full compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

During the year, the Company won the '**Golden Peacock Award for Excellence in Corporate Governance – 2022**' from the prestigious Institute of Directors (IOD), India.

The Company has a strong legacy of fair, transparent and ethical governance practices and is committed to good Corporate Governance in all its activities and processes.

The Corporate Governance Report in respect of the financial year ended 31.03.2023 as per the Listing Regulations is given below:

2.0) The Board of Directors

The Company is managed and controlled through a professional Board of Directors ("Board") comprising of an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Company is in conformity with the provisions of the Listing Regulations and the Companies Act, 2013. As of 31.3.2023, the Company had 2 Executive and 9 Non-Executive Directors. Out of 9 Non-Executive Directors, 5 Directors are Independent Directors which constitute 45.46% of the total strength of the Board.

2.1) Data of Directors' Directorship in other Companies and membership in Board Committees is as under: -

Name of Directors	See Note	Category of Directors	Directorship in other Indian Public Ltd. Cos. as of 31.3.2023 (Ref. Note No. vii)	Board Committee Membership in other Indian Public Ltd. Cos. as of 31.3.2023 (Ref. Note No. viii)	
				Member	Chairman
Non-Executive Directors					
Shri Pradeep Dinodia			3	6	5
Shri Hari S. Bhartia		Independent	4	1	-
Ms. Ferida Chopra		Independent	-	-	-
Ms. Meenakshi Dass	i	Promoter	2	-	-
Shri Sascha Putz	ii		-	-	-
Shri Alok Ranjan		Independent	-	-	-
Shri Inderdeep Singh		Independent	1*	-	-
Shri Masaaki Yamaguchi	iii		-	-	-
Shri Yasunori Maekawa (Alternate Director to Shri Masaaki Yamaguchi)	iv		-	-	-
Shri Shinichi Unno		Independent	-	-	-
Shri Yukio Tanemura	v		-	-	-

Name of Directors	See Note	Category of Directors	Directorship in other Indian Public Ltd. Cos. as of 31.3.2023 (Ref. Note No. vii)	Board Committee Membership in other Indian Public Ltd. Cos. as of 31.3.2023 (Ref. Note No. viii)	
				Member	Chairman
Shri Kaoru Ito (Alternate Director to Shri Yukio Tanemura)	vi		-	-	-
Executive Directors:					
Shri Luv D. Shriram (Whole Time Director)	i	Promoter	1	-	-
Shri Krishnakumar Srinivasan (Managing Director & CEO)			2 [#]	-	-
<p>i. Ms. Meenakshi Dass and Shri Luv D. Shriram are related to each other and are promoters of the Company.</p> <p>ii. Shri Sascha Putz, resigned w.e.f. 30.4.2023 and appointed as Alternate Director to Shri Klaus Semke w.e.f. 1.5.2023.</p> <p>iii. Shri Masaaki Yamaguchi was appointed as Director in a casual vacancy caused pursuant to the resignation of Shri Yukio Tanemura w.e.f. 6.4.2022.</p> <p>iv. Shri Yasunori Maekawa was appointed as Alternate Director to Shri Masaaki Yamaguchi w.e.f. 6.4.2022.</p> <p>v. Shri Yukio Tanemura, Non-Executive Director of the Company, resigned w.e.f. 5.4.2022.</p> <p>vi. Consequent to the resignation of Shri Yukio Tanemura, Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura, also ceased to be the Director of the Company w.e.f. 5.4.2022.</p> <p>vii. Directorships in other Companies of Directors exclude Companies formed under Section 8 of the Companies Act, 2013.</p> <p>viii. For calculating Board Committee membership/chairmanship, only the Audit Committee and the Stakeholders' Relationship Committee membership/chairmanship of Indian Public Limited Companies have been considered.</p> <p>ix. As of 31.3.2023, there is no Nominee Director on the Board of the Company.</p> <p>* Company under Voluntary winding up.</p> <p># includes directorship in one deemed public company.</p>					

2.2) Number of Board Meetings

During the financial year ended 31.3.2023, the Board of Directors met Eight (8) times i.e. 5.4.2022, 6.5.2022, 29.6.2022, 4.8.2022, 1.11.2022, 15.12.2022, 8.2.2023 and 29.3.2023. The maximum time gap between any two consecutive meetings was less than 120 days.

Attendance of the Board Members at the Board Meetings held during the financial year 2022-23 and the last Annual General Meeting of the Company is given herein below:

S. No.	Name of Director	Number of Board Meetings		Attendance at AGM held on 29.6.2022
		Held	Attended	
i	Shri Pradeep Dinodia	8	8	Yes
ii	Shri Hari S. Bhartia	8	2	No
iii	Ms. Ferida Chopra	8	8	Yes
iv	Ms. Meenakshi Dass	8	8	Yes
v	Shri Sascha Putz	8	7	Yes
vi	Shri Alok Ranjan	8	8	Yes
vii	Shri Inderdeep Singh	8	8	Yes
viii	Shri Yukio Tanemura	8	1 [*]	NA
ix	Shri Kaoru Ito (Alternate director to Shri Yukio Tanemura) [§]	8	-	NA
x	Shri Masaaki Yamaguchi	8	6 [#]	Yes

S. No.	Name of Director	Number of Board Meetings		Attendance at AGM held on 29.6.2022
		Held	Attended	
xi	Shri Yasunori Maekawa (Alternate director to Shri Masaaki Yamaguchi)	8	1 [@]	Yes
xii	Shri Shinichi Unno	8	7	Yes
xiii	Shri Luv D. Shriram	8	8	Yes
xiv	Shri Krishnakumar Srinivasan	8	8	Yes
<p>* Shri Yukio Tanemura, Non-Executive Director of the Company, resigned w.e.f. 5.4.2022.</p> <p>§ Consequent to the resignation of Shri Yukio Tanemura, Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura, also ceased to be the Director of the Company w.e.f. 5.4.2022.</p> <p># Shri Masaaki Yamaguchi was appointed as Director in a casual vacancy caused pursuant to the resignation of Shri Yukio Tanemura w.e.f. 6.4.2022.</p> <p>@ Shri Yasunori Maekawa was appointed as Alternate Director to Shri Masaaki Yamaguchi w.e.f. 6.4.2022.</p>				

2.3) Meeting of Independent Directors

In compliance of Schedule IV of the Companies Act, 2013 and Listing Regulations, a separate meeting of Independent Directors, was held on 21.3.2023 through video conferencing, which was attended by all the Independent Directors, except Shri Hari S. Bhartia.

2.4) Shares held by Non-Executive Directors as of 31.3.2023 in the Company are as under:

S. No.	Name of Non-executive Director	Number of shares held (Equity Shares of Rs. 10 each)
i	Shri Pradeep Dinodia	Nil
ii	Shri Hari S. Bhartia	Nil
iii	Ms. Ferida Chopra	Nil
iv	Ms. Meenakshi Dass	33,33,931 Equity shares held jointly as 1 st holder 33,33,931 Equity shares held jointly as 2 nd holder (In the capacity of Trustee - Shares belong to Deepak Shriram Family Benefit Trust)
		8,34,720 Equity shares
v	Shri Sascha Putz	Nil
vi	Shri Alok Ranjan	Nil
vii	Shri Inderdeep Singh	Nil
viii	Shri Yukio Tanemura*	Nil
ix	Shri Kaoru Ito (Alternate director to Shri Yukio Tanemura) [@]	Nil
x	Shri Masaaki Yamaguchi [#]	Nil
xi	Shri Yasunori Maekawa (Alternate Director to Shri Masaaki Yamaguchi) [§]	Nil
xii	Shri Shinichi Unno	Nil
<p>* Shri Yukio Tanemura, Non-Executive Director of the Company, resigned w.e.f. 5.4.2022.</p> <p>@ Consequent to the resignation of Shri Yukio Tanemura, Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura, also ceased to be the Director of the Company w.e.f. 5.4.2022.</p> <p># Shri Masaaki Yamaguchi was appointed as Director in a casual vacancy caused pursuant to the resignation of Shri Yukio Tanemura w.e.f. 6.4.2022.</p> <p>§ Shri Yasunori Maekawa was appointed as Alternate Director to Shri Masaaki Yamaguchi w.e.f. 6.4.2022.</p>		

There are no convertible instruments in the Company as on 31.3.2023.

2.5) List of listed companies where Directors are also Directors and category of directorship:-

Name of Director	Name of Listed Company	Category of Directorship
Shri Pradeep Dinodia	DCM Shriram Ltd.	Independent Director
	Hero Motocorp Ltd.	Non-Executive Director
Shri Hari S. Bhartia	Jubilant Ingrevia Ltd.	Co-Chairman & Non-Executive Director
	Jubilant Pharmova Ltd. (formerly known as Jubilant Life Sciences Ltd.)	Co-Chairman & Managing Director
	Jubilant Foodworks Ltd.	Co-Chairman & Non-Executive Director
	Global Health Ltd.	Independent Director
Shri Inderdeep Singh	Deltron Ltd. (under voluntary liquidation)	Non-Executive Director
<i>Other Directors are not director in any other Listed Company.</i>		

2.6) Familiarization Program for Independent Directors:

In accordance with the provisions of Regulation 25 (7) of Listing Regulations, the company has been conducting various familiarisation programs.

The details related to Familiarization Programmes imparted to Independent Directors are disclosed under the Company's website viz. www.shrirampistons.com under "Investor's Guide".

2.7) Core Skills / Expertise / Competencies available with the Board:

The Company operates primarily in the Automotive Components segment. The Board has identified certain skills/expertise/competencies fundamental for the effective functioning of the Company and the Board of Directors of the Company is diversified and possesses all relevant skills. The Company believes that the collective effectiveness of the Board is a pre-requisite for the overall performance and progress of the Company. The members of the Board amongst themselves should have an appropriate balance of skills, experience and diversity of perspectives. The Directors on the Board of the Company are professionals with extensive experience and expertise in their respective functional areas. The table given below shows the varied skills, expertise and competencies possessed by directors.

List of Core skills/ expertise/ competencies required by the Directors in order to discharge their duties effectively and names of Directors who possess such skills are:

S. No.	Skills	Name(s) of Directors who possesses such skills
i	Technical knowledge of the Industry in which the Company operates	- Shri Pradeep Dinodia - Shri Klaus Semke - Shri Sascha Putz - Shri Masaaki Yamaguchi - Shri Yasunori Maekawa - Shri Shinichi Unno - Shri Luv D. Shriram - Shri Krishnakumar Srinivasan
ii	Knowledge of finance, law, management, sales, marketing, administration, research and corporate governance	- Shri Pradeep Dinodia - Shri Hari S. Bhartia - Ms. Ferida Chopra - Ms. Meenakshi Dass - Shri Klaus Semke - Shri Sascha Putz - Shri Alok Ranjan - Shri Inderdeep Singh - Shri Masaaki Yamaguchi - Shri Yasunori Maekawa - Shri Shinichi Unno - Shri Luv D. Shriram - Shri Krishnakumar Srinivasan

2.8) Declaration of Independent Directors

Based on the information received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16 & 25 (8) of Listing Regulations and are independent of the Management. The Independent Directors have also confirmed that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

No Independent director has resigned from the company during the year under review.

3.0) Board Committees

With a view to have more focused attention on business and for better governance and accountability, the Board has the following mandatory committees:

- i. Audit Committee
- ii. Stakeholders' Relationship Committee
- iii. Nomination and Remuneration Committee
- vi. Corporate Social Responsibility Committee
- v. Risk Management Committee

The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time.

4.0) Audit Committee

4.1) The Company has an Audit Committee in line with provisions of Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013.

4.2) The Audit Committee has the following terms of reference, inter-alia: -

- Oversight of the financial reporting process
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing, with the Management, the Annual Financial Statements and Auditor's Report
- Review and monitor Auditor's independence & performance and the effectiveness of the audit process
- Review the functioning of the Whistle Blower Mechanism

4.3) During the financial year ended March 31, 2023, the Audit Committee met eight (8) times i.e. 5.4.2022, 6.5.2022, 4.8.2022, 12.9.2022, 1.11.2022, 15.12.2022, 8.2.2023 and 29.3.2023. The maximum time gap between any two consecutive meetings was less than 120 days.

4.4) The composition of the Audit Committee, Name of the members and their attendance is as under: -

Name of the Committee Member	Category	Designation	Number of Meetings during the FY 2022-23	
			Held	Attended
Shri Inderdeep Singh	Independent Director	Chairman	8	8
Ms. Ferida Chopra	Independent Director	Member	8	8
Shri Alok Ranjan	Independent Director	Member	8	8
Shri Pradeep Dinodia	Non-Executive Director	Member	8	8
Shri Pradeep Dinodia is a practicing Chartered Accountant and all other Members of the Audit Committee also have good exposure to financial matters				

4.5) The last Annual General Meeting of the Company was held on 29.6.2022 through Video Conferencing and was attended by Shri Inderdeep Singh, the Chairman of the Audit Committee.

5.0) Nomination and Remuneration Committee

5.1) The Company has a duly constituted Nomination and Remuneration Committee in line with provisions of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

5.2) The Nomination and Remuneration Committee has the following terms of reference, inter-alia:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment & removal;
- Recommendation for re-appointment of the Independent Directors, on the basis of performance evaluation report;
- Recommend for Board's consideration, the appointment of Directors, KMPs and Senior Management Personnel and their remuneration.
- Approval of revision in remuneration within the pay scale already approved.

5.3) During the financial year ended March 31, 2023, the Nomination and Remuneration Committee met three (3) times i.e. 5.4.2022, 6.5.2022 and 29.3.2023.

5.4) The composition of the Committee, Name of the members and their attendance are as under: -

Name of the Committee Member	Category	Designation	Number of Meetings during the FY 2022-23	
			Held	Attended
Shri Alok Ranjan	Independent Director	Chairman	3	3
Ms. Ferida Chopra	Independent Director	Member	3	3
Shri Inderdeep Singh	Independent Director	Member	3	3
Shri Pradeep Dinodia	Non-Executive Director	Member	3	3

5.5) Performance Evaluation Criteria:

Pursuant to the provisions of Section 134 and 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee has devised a performance evaluation criteria for Independent Directors and the Director being assessed on the following basis: -

- Ethical Standards of Integrity and Probity
- Implementation of best corporate governance practices in the Company
- Attendance and participation in the meetings
- Raising concerns to the Board
- Safeguarding confidential information
- Rendering independent, unbiased opinions and resolution of issues
- Knowledge about the economy and related movements of the automobile markets
- Initiative in terms of new ideas and planning for the Company
- Safeguarding interest of whistle-blowers under vigil mechanism
- Timely inputs on the minutes of the meetings of the Board and Committees, if any

5.6) Details of Remuneration paid to Directors during the year April 1, 2022 to March 31, 2023

Remuneration to Non-Executive Directors:

The Remuneration of Non-Executive Directors is approved by the Board of Directors.

Non-Executive Directors were paid Sitting fees of Rs. 1,00,000 for every meeting of the Board & Committees of the Board.

Commission of up to 1% of the profits of the Company is paid to Non-Executive Directors as determined by the Board. This was approved by the shareholders in the Annual General Meeting of 29.6.2022. The fees and commission paid/provided to Non-Executive Directors for the year ended March 31, 2023 are as under: -

(Rs./Million)

Directors	Sitting Fees for Board and Committee meetings paid during the year	Commission
Shri Pradeep Dinodia (Chairman)	2.40	29.87
Shri Hari S. Bhartia	0.20	0.75
Ms. Ferida Chopra	2.00	3.00
Ms. Meenakshi Dass	1.20	3.00
Shri Sascha Putz	0.70	1.50
Shri Alok Ranjan	2.10	3.00
Shri Inderdeep Singh	2.30	3.00
Shri Yukio Tanemura*	0.10	-
Shri Kaoru Ito (Alternate director to Shri Yukio Tanemura)**	-	-
Shri Masaaki Yamaguchi#	0.60	1.00
Shri Yasunori Maekawa## (Alternate Director to Shri Masaaki Yamaguchi)	0.10	0.50
Shri Shinichi Unno	0.70	1.50
<p>* Shri Yukio Tanemura, Non-Executive Director of the Company, resigned w.e.f. 5.4.2022.</p> <p>** Consequent to the resignation of Shri Yukio Tanemura, Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura, also ceased to be the Director of the Company w.e.f. 5.4.2022.</p> <p># Shri Masaaki Yamaguchi was appointed as Director in a casual vacancy caused pursuant to the resignation of Shri Yukio Tanemura w.e.f. 6.4.2022.</p> <p>## Shri Yasunori Maekawa was appointed as Alternate Director to Shri Masaaki Yamaguchi w.e.f. 6.4.2022.</p>		

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

Remuneration to Managing Director and Whole-time Director

The Remuneration to Managing Director and Whole-time Director for the year ended March 31, 2023 is as under: -

(Rs./ Million)

Directors	Salary	Commission	Company's Contribution to funds*	Perquisites and allowances	Total	Contract Period
Shri Krishnakumar Srinivasan (Managing Director & CEO)	10.80	49.78	2.48	6.20	69.26	11.2.2020 to 10.2.2025
Shri Luv D. Shriram (Whole Time Director)	6.55	42.31	0.0015	3.39	52.25	5.5.2019 to 4.5.2024
<p>Notes:</p> <p>i. The notice period is six months, on either side.</p> <p>ii. In the event of termination of appointment, compensation will be paid in accordance with the provisions of the Companies Act, 2013.</p> <p>iii. Performance criteria for determining commission is annual profits of the Company before depreciation, donation and taxes.</p> <p>iv. The Company does not have a scheme of stock options.</p> <p>v* Aggregate of the Company's contribution to the Provident Fund, Superannuation Fund & Gratuity Fund.</p>						

6.0) Stakeholders' Relationship Committee

- 6.1) In compliance with the provisions of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has a duly constituted "Stakeholders' Relationship Committee".
- 6.2) The role and terms of reference of the Stakeholders' Relationship Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013.
- 6.3) During the FY 2022-23, one (1) Meeting of the Stakeholders' Relationship Committee was held on 29.3.2023, which was attended by all members of committee. The composition of the Committee is as under: -

Name of Committee Members	Category	Designation
Ms. Ferida Chopra	Independent Director	Chairperson
Shri Pradeep Dinodia	Non-Executive Director	Member
Shri Krishnakumar Srinivasan	Managing Director & CEO	Member

6.4) Details of Shareholders' Complaints during FY 2022-23:

Particulars	Number of complaints
No. of complaints received	-
No. of complaints resolved	-
No. of complaints not solved to the satisfaction of shareholders	-
No. of complaints pending	-

7.0) Risk Management Committee (RMC)

- 7.1) Pursuant to the provisions of Regulation 21 read with Part D of Schedule II of the Listing Regulations, the Company has a duly constituted Risk Management Committee for the development and implementation of the Risk Management Policy, which includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.
- 7.2) The Committee assists the Board in its oversight of the Company's management of key risks as well as the guidelines, policies and procedures monitoring and integrating such risks within the overall business risk management framework.
- 7.3) The role and terms of reference of the Risk Management Committee include:
- Reviewing management of various risks across the Company including operational, financial, sectoral, compliance, information, sustainability (particularly Environment, Social and Governance (ESG) related risks) and cyber security risks.
 - Assessment of risks, along with their monitoring status and mitigation plans.
 - Ensuring the effectiveness of Enterprise Risk Management systems.
- 7.4) During the FY 2022-23, the Risk Management Committee met two times i.e. on 12.9.2022 and 8.2.2023.
- 7.5) The composition of the Committee and attendance of members are as under: -

Name of Committee Member	Category	Designation	No. of Meetings during the FY 2022-23	
			Held	Attended
Shri Pradeep Dinodia	Non-Executive Director	Chairman	2	2
Ms. Meenakshi Dass	Non-Executive Director	Member	2	2
Shri Alok Ranjan	Independent Director	Member	2	2
Shri Inderdeep Singh	Independent Director	Member	2	2
Shri Luv D. Shriram	Whole Time Director	Member	2	1
Shri Krishnakumar Srinivasan	Managing Director & CEO	Member	2	2

8.0) Corporate Social Responsibility Committee (CSR)

- 8.1) In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company has a duly constituted “Corporate Social Responsibility Committee”. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements under Section 135 of the Companies Act, 2013.
- 8.2) During the FY 2022-23, the Corporate Social Responsibility Committee met two (2) times i.e. on 12.9.2022 and 29.3.2023.
- 8.3) The composition of the Committee and attendance of members are as under: -

Name of Committee Member	Category	Designation	No. of Meetings during the FY 2022-23	
			Held	Attended
Shri Pradeep Dinodia	Non-Executive Director	Chairman	2	2
Ms. Meenakshi Dass	Non-Executive Director	Member	2	2
Shri Inderdeep Singh	Independent Director	Member	2	2
Shri Luv D. Shriram	Whole Time Director	Member	2	1
Shri Krishnakumar Srinivasan	Managing Director & CEO	Member	2	2

9.0) General Body Meetings

- 9.1) Date, Venue and Time for the last three Annual General Meetings (AGM) is as under: -

FINANCIAL YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2019-20	Due to COVID-19 pandemic, the meeting was held through Video Conferencing/ Other Audio-Visual Means. Deemed venue of the meeting was Registered Office of the Company i.e. 3 rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi - 110001	11.08.2020	5:00 p.m.	<ul style="list-style-type: none"> - Appointment of Shri Krishnakumar Srinivasan as Managing Director and approval of terms of remuneration. - Approval of payment of profit commission to Non-Executive Directors - Revision in terms of remuneration of Shri A. K. Taneja, Managing Director & CEO - Revision in terms of remuneration of Shri R. Srinivasan, Joint Managing Director - Revision in terms of remuneration of Shri Luv D. Shriram, Whole-Time Director
2020-21	Due to COVID pandemic, the meeting was held through Video Conferencing/ Other Audio-Visual Means. Deemed venue of the meeting was Registered Office of the Company i.e. 3 rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001	6.7.2021	4:00 p.m.	<ul style="list-style-type: none"> - Remuneration payable to Non-Executive Directors
2021-22	The meeting was held through Video Conferencing/ Other Audio-Visual Means. Deemed venue of the meeting was Registered Office of the Company i.e. 3 rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001	29.6.2022	4:00 p.m.	<ul style="list-style-type: none"> - Approval for payment of 0.6% of the profit commission to Chairman for the Financial Year 2022-23. - Approval for implementation of ‘SPR Employees’ Stock Option Plan 2022 (‘ESOP 2022’) and for grant of options to the eligible employees of the Company. - Approval for setting up of an ESOP Trust and acquisition of equity shares from secondary market by the Trust for the implementation of ESOP 2022. - Approval for extending financial assistance/ provisioning of money by the Company to the ESOP Trust to fund the acquisition of the equity shares of the Company, in terms of ESOP 2022.

- 9.2) No Special Resolution was passed during the financial year 2022-23 through Postal Ballot.
- 9.3) No Special Resolution is proposed to be conducted through postal ballot.
- 9.4) As required, Shareholders, in the Annual General Meeting held on 29.6.2022, had voted through remote e-voting and voting at AGM (through e-voting) on resolutions given in the notice.
- 9.5) Ms Preeti Grover, Practicing Company Secretary (Membership No. F5862), was appointed as the Scrutinizer. All the resolutions were passed with requisite majority.

10.0) Means of Communication:

Quarterly, Half-Yearly and Annual Results are published in “Financial Express” and “Jansatta”. The Quarterly results and official news are also displayed on Company’s website viz. www.shrirampistons.com under “Investor’s Guide”.

During the year, no presentations were made to institutional investors or to the analysts.

General Information for Shareholders: -

i 59th Annual General Meeting[@]

The 59th Annual General Meeting of the Company will be held on Tuesday, July 4, 2023 at 4:00 PM through Video Conferencing/ Other Audio Visual means (“VC/ OAVM”). Venue (deemed) of the Meeting would be Registered Office of the Company i.e. 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

ii Financial Year of the Company

Financial Year of the Company commences on 1st April and ends on 31st March. The four Quarters of the Company ends on 30th June, 30th September, 31st December and 31st March respectively.

iii Date of book closure[@]

The Register of Members and Share Transfer Books of the Company will remain closed from 28.6.2023 to 4.7.2023 (both days inclusive).

iv Date of Dividend Payment[@]

Dividend will be paid on or after 4.7.2023 (Date of AGM).

v Name and address of Stock Exchange(s) where equity shares of the Company are listed

The Equity shares of Company are listed on ‘National Stock Exchange of India Limited’ (NSE), having its office at Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E) Mumbai-400051

vi Annual Listing Fees

Annual Listing fees for the FY 2023-24 has been paid to NSE.

vii Stock Code and ISIN

The Stock Code of the Company is **SHRIPISTON** and ISIN No. is INE526E01018.

viii Stock Market Price Data and performance in comparison to NSE Nifty 50 Index

Share price data for FY 2022-23 (in ₹)

(Equity Shares of ₹ 10 each Paid Up Value)

Month	Total Volume (No. of shares)	Company’s share price (INR)		NSE Nifty 50 index	
		High	Low	High	Low
April, 2022	7,288	761.00	685.05	18,114.65	16,824.70
May, 2022	4,574	725.00	650.00	17,132.85	15,735.75
June, 2022	3,209	715.90	640.00	16,793.85	15,183.40

Month	Total Volume (No. of shares)	Company's share price (INR)		NSE Nifty 50 index	
		High	Low	High	Low
July, 2022	3,618	742.00	665.10	17,172.80	15,511.05
August, 2022	23,951	909.10	692.00	17,992.20	17,154.80
September, 2022	41,611	850.00	707.00	18,096.15	16,747.70
October, 2022	9,927	839.45	731.45	18,022.80	16,855.55
November, 2022	54,430	1,030.00	760.00	18,816.05	17,959.20
December, 2022	56,781	1,275.00	921.25	18,887.60	17,774.25
January, 2023	57,581	1,417.00	1,150.00	18,251.95	17,405.55
February, 2023	31,311	1,359.00	1,122.00	18,134.75	17,255.20
March, 2023	17,003	1,164.80	981.70	17,799.95	16,828.35

ix The Securities of the Company have not been suspended from trading.

x Registrar and Transfer Agents

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents. Alankit Assignments Ltd., having Registered office at Alankit House, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110 055, Telephone Number – 42541234 and Fax Number - 42541201 are Registrar & Share Transfer Agents (RTA) of the Company who handle share transfer work in Physical and Electronic mode.

xi Share Transfer System

SEBI has mandated that securities of listed companies can be transferred/traded only in dematerialized form. Further, SEBI vide its circular dated 25.1.2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificates, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition can also be processed in dematerialized form only.

Securities lodged at the Registrar's address are normally processed within 15 days from the date of lodgment, if documents are complete in all respects. All requests for dematerialization are processed and the confirmation is given to the Depositories i.e. the National Securities Depository Limited (NSDL) and the Central Depository Services India Limited (CDSL) within 15 days.

xii Distribution of Shareholding as on 31.3.2023

Class of Shares	Distribution of Shareholding	Number of shareholders	Percentage of shareholding
Equity Shares	Upto 500	2,930	0.48
	501-1000	47	0.16
	1001-2000	28	0.17
	2001-3000	11	0.12
	3001-4000	3	0.05
	4001-5000	3	0.06
	5001-10000	6	0.18
	10001 and above	15	98.78
	Total	3,043	100

xiii Category-wise Distribution of Shareholding as on 31.3.2023

S. No.	Category of Shareholders	Equity Shares	
		Number of shareholders	Percentage of shareholding
1	Indian Promoters	1,02,97,053	46.75
2	Financial Institution/ Banks/ NBFCs	-	-
3	Insurance Companies	22,13,912	10.05
4	Individuals/ HUFs/ Firms/ Trusts	2,43,714	1.11
5	Bodies Corporate:		
a.	Foreign	91,67,031	41.62
b.	Indian	85,929	0.39
6	IEPF Account	17,273	0.08
	Total	2,20,24,912	100

xiv Dematerialization of shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialized form by all categories of Investors. The electronic holding of the shares by members comprises 78.68% (previous year – 58.4%) of the paid up equity share capital of the Company as on March 31, 2023 held through National Securities Depository Ltd. (78.17% holding) and Central Depository Services (India) Ltd. (0.51% holding). ISIN allotted to Company's equity shares is INE526E01018

xv Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity

Company has not issued any warrants/ other instruments so far.

xvi Plant Locations

The Company's plants are located at Meerut Road, Ghaziabad (U.P.), Industrial Area, Pathredi, District Alwar (Rajasthan) and Industrial Area, Bulandshahr Road, Ghaziabad (U.P.).

Assembly units are located at Gurugram, Pune, Hosur, Becharji (Gujarat) and Sahibabad.

xvii Investors' correspondence may be addressed to:

The Company Secretary,
 Shriram Pistons & Rings Ltd.
 3rd Floor, Himalaya House,
 23, Kasturba Gandhi Marg,
 New Delhi - 110 001
 Ph. 23315941, Fax: 23311203
 E-mail: compliance.officer@shrirampistons.com

xviii Credit ratings obtained by the Company:

- Long-Term Issuer Rating : IND AA, Outlook: Stable
- Long-Term Bank Facilities : IND AA/STABLE
- Term Deposit Rating : IND AA/STABLE
- Short-Term Bank Facilities : IND A1+

During the year 2022-23, there was no revision in the Credit Ratings obtained by the Company.

11.0) OTHER DISCLOSURES

i Disclosure on materially significant related party transactions:

No transactions of a material nature have been entered into by the company with its Promoters, Directors or Key Management Personnel or their relatives, which could be construed to have potential conflict of interest with the Company.

Disclosures on related party transactions as per the Indian Accounting Standard 24 have been made at Note No. 32 of "Notes forming part of the Financial Statements" of the Annual Accounts.

"Policy for dealing with Related Party Transactions" is available on Company's website viz. www.shrirampistons.com under "Investors' Guide".

ii The Company complies with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

iii Details of non-compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital markets, during the last three years:

The Company has complied with all the requirement of regulatory authorities. No penalties/strictures or restrictions were imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last 3 years except penalty of Rs. 53,100/- (including GST) imposed by National Stock Exchange of India Ltd. for delayed filing under Regulation 23(9) of the Listing Regulations, 2015.

iv Details of establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

As a conscious and vigilant organization, the Company believes in conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has devised Whistle Blower Policy for Directors, Employees and Stakeholders to report any kind of misuse of Company's properties, mismanagement or wrongful conduct prevailing/executed in the Company. As per the policy, all Whistle Blowers are granted access to Chairman of the Audit Committee in appropriate cases.

The Whistle Blower Policy and establishment of Vigil Mechanism have been appropriately communicated within the Company and it is also available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide".

v Details of Compliance with Mandatory Requirements & adoption of Non-Mandatory Requirements/Discretionary Requirements:

a. Mandatory Requirements – All requirements have been complied with.

b. Non-mandatory requirements:

- The Board of Directors of Company, in their meeting held on 4.8.2022 has approved revision in payment towards shared usage for office at residence for Chairman w.e.f. 1.7.2022.
- The Internal Auditors of the Company, M/s Ernst & Young, Grand Thornton and RSM Astute, report directly to the Audit Committee.

vi Policy for determining Material Subsidiaries and Policy on Related Party Transactions is available on Company's website www.shrirampistons.com under link "Investors Guide".

vii Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement: The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations.

viii Disclosure of commodity price risks and commodity hedging activities: The disclosure pertaining to exposure and Commodity risk is not applicable to the Company as no Commodity which is being dealt which is material.

To mitigate the risk of adverse or volatile exchange rate, the Company takes all possible steps to mitigate it by hedging of foreign exchange.

- ix Performance Evaluation:** The Board has carried out Annual evaluation of its own performance and that of its Committees and individual Directors (excluding the Director being evaluated) as per criteria laid down by Nomination & Remuneration Committee.

The evaluation was carried out after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy and composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and discussion amongst Directors.

The performance evaluation of the Chairman, the Non Independent Directors and the Board as a whole was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

- x** The Company has obtained a certificate from CS Preeti Grover (FCS 5862, CP No. 6065) (Secretarial Auditor of the Company) regarding confirmation 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 Board i.e. SEBI, Ministry of Corporate Affairs or any such statutory authority. This Certificate is annexed to this Report.

- xi Acceptance of recommendations made by any Committee of the Board:**

During the year, the Board has accepted all recommendations made by Committees of the Board which are mandatorily required.

- xii** During the financial year ended March 31, 2023, the Company and its subsidiaries have paid total fees of Rs. 5.69 Mn. (Excluding GST) for all services, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

- xiii Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the said Act at its workplaces to redress the complaints of women employees.

During the financial year ended March 31, 2023:

- No. of complaints filed: NIL

- No. of complaints disposed of: NIL

- No. of complaints pending as on end of the Financial Year: NIL

- xiv** The Company has complied with requirement of Corporate Governance Report as per Listing Regulations.

On behalf of the Board

New Delhi
May 8, 2023

(PRADEEP DINODIA)
CHAIRMAN
DIN: 00027995

@In view of the consideration of Bonus Issue, the Board in its meeting held on 13.6.2023 postponed the date of 59th AGM & dividend payment date and also substituted the date of book closure with the record date for dividend. Consequent to this development the relevant information has been updated in the section "Means of Communication" of the Report on Corporate Governance for the year ended March 31, 2023: -

- i 59th Annual General Meeting**

The 59th Annual General Meeting of the Company will be held on Thursday, July 6, 2023 at 4:00 PM through Video Conferencing/ Other Audio Visual means ("VC/ OAVM"). Venue (deemed) of the Meeting would be Registered Office of the Company i.e. 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

- iii Record Date for Dividend**

The equity shareholders of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents/ List of Beneficial Owners, as received from the National Securities

Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on record date i.e., Friday, June 23, 2023 ("Record Date") will be considered for payment of dividend.

iv Date of Dividend Payment

Dividend will be paid on or after 6.7.2023 (Date of AGM).

On behalf of the Board

New Delhi
June 13, 2023

(PRADEEP DINODIA)
CHAIRMAN
DIN: 00027995

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCES

To
The Members
Shriram Pistons & Rings Ltd.
(CIN: L29112DL1963PLC004084)
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

We have examined the compliance of conditions of corporate governance by Shriram Pistons & Rings Ltd. ("the Company") as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the financial year ended March 31, 2023.

Management's Responsibility:

The compliance of the conditions of corporate governance is the responsibility of the Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility:

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

Opinion:

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 the above-mentioned SEBI Listing Regulations for the year ended on March 31, 2023.

We further state that such compliance 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.

Restriction on use:

The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirements of the SEBI Listing Regulations and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For PG & Associates
(Company Secretaries)

Preeti Grover
(Proprietor)

Place: Noida
Date: May 4, 2023
UDIN: F005862E000239810

FCS: 5862, C.P. No.: 6065
Peer Review No. 772/2020

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
Shriram Pistons & Rings Ltd.
(CIN: L29112DL1963PLC004084)
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram Pistons & Rings Ltd. having CIN L29112DL1963PLC004084 and having registered office at 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 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	Date of Appointment in Company
1	Shri Pradeep Dinodia	00027995	16.5.2003
2	Shri Hari S. Bhartia	00010499	27.1.2009
3	Ms. Ferida Chopra	08415847	30.3.2019
4	Ms. Meenakshi Dass	00524865	28.3.2009
5	Shri Sascha Putz [#]	08645364	30.3.2021
6	Shri Alok Ranjan	08254398	30.3.2019
7	Shri Inderdeep Singh	00173538	25.3.2008
8	Shri Masaaki Yamaguchi	07106759	6.4.2022
9	Shri Yasunori Maekawa (Alternate to Masaaki Yamaguchi)	06952173	6.4.2022
10	Shri Shinichi Unno	09189521	31.5.2021
11	Shri Krishnakumar Srinivasan	00692717	11.2.2020
12	Shri Luv Deepak Shriram	00051065	1.4.2009
13	Shri Yukio Tanemura ^{##}	08531888	27.7.2019
14	Shri Kaoru Ito ^{###} (Alternate to Yukio Tanemura)	08505822	10.7.2019
15	Shri Klaus Semke ^{###}	10133032	1.5.2023

[#] Resigned w.e.f. closing hours of April 30, 2023.

^{##} Ceased as Directors w.e.f April 05, 2022.

^{###} Appointment in casual vacancy pursuant to resignation of Shri Sascha Putz w.e.f. 01.05.2023.

Ensuring the eligibility of every Director for the appointment/continuity 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 PG & ASSOCIATES
(Company Secretaries)

Place: Noida
Date: May 04, 2023

UDIN: F005862E000239799

CS Preeti Grover
(Proprietor)
FCS: 5862, CP No.: 6065
Peer Review No. 772/2020

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct to be observed and implemented by all Directors and Senior Management Personnel of the Company in their official day-to-day activities, as required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Board members and Senior Management Personnel of the Company have affirmed to the Company that they have complied and implemented the Company's Code of Conduct in discharging their official day-to-day activities for the F.Y.E. March 31, 2022.

New Delhi
April 28, 2023

(Krishnakumar Srinivasan)
Managing Director & CEO
DIN: 00692717

ANNEXURE - II TO BOARDS' REPORT

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

The growth of domestic automobile market is dependent on the growth of the economy and consequent increase in income levels.

Production of all vehicle segments registered growth during 2022-23 i.e.

Vehicle Segment	Production Growth (in %)
Passenger Vehicles	25%
Medium & Heavy Commercial Vehicles	37%
Light Commercial Vehicles	44%
Small Commercial Vehicles	20%
Tractors	11%
Two wheelers	8%

Company's exports increased from Rs. 4,010 Million to Rs. 4,841 Million. The trend of increasing exports is expected to continue in this year as well. However, other global headwinds and geopolitical challenges leading to uncertainties will be a critical factor for sales in the exports market.

2. Opportunities

Overall growth momentum in the automobile sector in India, during 2023-24 is expected to continue. Passenger Vehicle and Commercial Vehicle segments are expected to register good growth. However, two-wheeler and three-wheeler segment is expected to register marginal growth.

Automotive sector is still being challenged by various factors including semiconductor chip shortages, high fuel prices, increase in interest rates and Russia - Ukraine conflict.

The growth prospects in medium to long term remain positive and the automotive component industry is also expected to grow in line with the growth in automobile production and growth in the aftermarket segment.

The latent demand for personal mobility and public transport remains strong. Going forward, improvement in rural demand based on normal monsoon and availability of finance will lead to improvement in demand. Government expenditure in Infrastructure projects will also lead to increase in demand of Commercial Vehicles. Further, Government focus on Panch tattva (five immediate measures) laid out recently will further fortify growth of automobile industry.

The Company is closely working with key OEMs for improving its market share by providing technology solutions. It is also focusing to improve distribution network in the aftermarket and has presence in all segments of the market including Commercial Vehicles, Cars/SUVs, Two & Three wheelers, Tractors, Off-highway vehicles and Industrial Engines for both OEMs and After Market. In order to increase operational flexibility, the Company is also trying to convert its 2 wheeler production line into 4 wheeler production line. This initiative is expected to save time and effectively fulfil customer demands.

In order to meet the vision of growth and de-risk its' business model, the Company has acquired majority stake in an e-Mobility company (EMF Innovations Pvt. Ltd.). Further as a part of its diversification strategy the Company has entered into an agreement to acquire majority stake in a Plastic Injection moulding part manufacturer (Takahata Precision India Pvt. Ltd.). The Company is also actively working on identifying further suitable opportunities for diversification.

Exports are likely to increase this year as well, as India has emerged as prominent auto exporter and based on China plus one strategy, the growth momentum is expected to continue in the near future. The Company is supplying its products to leading global OEMs with the active assistance of its Technology Partners and has also established effective distribution channel for sales in the Aftermarket in various countries. However, other global headwinds and geopolitical challenges leading to uncertainties will be a critical factor for sales in the exports market.

The Company is targeting to achieve growth, by increasing its market share with key OEMs and increased focus on the Aftermarket both in domestic and exports market.

3. Threats

The economic situation in the country improved in the year 2022-23. However, this year witnessed rising interest rates and high inflation levels which resulted in dampening of market sentiment, this remains a cause of concern for the year 2023-24.

The Company is also taking several initiatives and time bound actions to meet the changing expectations of customers, especially zero defect quality, traceability, digitization, automation and cost reduction measures across the organisation.

Volatile Exchange Rate due to uncertainty in global economy and intense competition may also impact profits of the Company in the coming year. The Company is taking all possible steps to minimise the impact of forex fluctuation.

The Government is encouraging introduction of electric vehicles in the market by offering various incentives. However, investment made by various OEMs for transition to BS-6 Engines, coupled with inadequate infrastructure for charging, inadequate facilities to manufacture batteries & motors, high cost structure for electric vehicles and safety related issues, appears to be the limitation for faster penetration of e-mobility especially for Passenger Vehicles and Commercial Vehicles. To further strengthen the FAME-II subsidy scheme the Government is working towards making the whole process more transparent and also ensuring that the EV manufacturers become more self-reliant thereby able to make the product at the right cost, this however would take time. Hence, e-mobility penetration in the market will be segment driven. Company is closely monitoring e-mobility trends along with the global partners. On the e-mobility fronts the company has made strategic investments to get a foothold in this sector and has invested judiciously. Company is also working on identifying suitable products and technology partners to help diversification into other adjacencies.

4. Segment-wise/ Product-wise performance

The Company deals principally in only one segment i.e. automotive components. Therefore, segment-wise performance is not applicable.

5. Outlook

Growth of Automobile sector in India in 2023-24 is dependent on various factors including geo-political situation. The long-term prospects for automobile production appears to be good, due to latent demand for personal mobility, rapid urbanisation, development of road infrastructure and focus on rural development.

Factors like normal monsoon, increasing infrastructure and overall economic growth indicators shall strengthen the positive outlook and will help the industry to perform better.

However, other economic measures like rationalising the GST rates on automobiles, increase in direct incentives on Exports and signing of bilateral treaties with other countries are needed to boost the demand.

With support of Technology Partners, export sales of Company's products to global OEMs are expected to further increase in the current year.

The domestic Aftermarket is growing and with increased focus, it is expected to contribute to Company's sales and profits.

The medium to long term outlook for automotive sector in India is positive. As mentioned above, introduction of e-mobility in near future has various limitations and may not have significant impact on the operations of the Company in the next few years.

6. Risk & Concerns

Increase in price of automobiles and fuel prices, shortage of semi-conductors, increase in interest rates and global headwinds are affecting demand. However, favourable Government policies to promote semiconductor manufacturing will provide fillip to the Industry.

Demand from customers for price reduction, increase in fuel prices, volatility in raw material prices due to geopolitical issues and impact on supply chain are the major concerns for the Company. Management continues to work on various options to improve the profitability levels.

The Company is taking various steps in a focussed manner to strengthen liquidity and to increase profitability by productivity improvement, rejection reduction, digitization of Business Processes and other Cost reduction measures.

The medium to long term outlook for the automotive sector remains positive, with increasing preference for personal mobility.

The Company has developed and implemented risk mitigation plan by being present across all market segments – OEMs and Aftermarket, both in domestic and export markets across all vehicle segments to optimise Plant utilisation and through its continuous drive for cost reduction. Company has a healthy mix of customers in OEMs, Aftermarket and Exports.

With strong support from our technology partners, the Company is fully geared to meet customer demand for latest technology products and to increase the number of models/ variants. Company expects to realize ongoing benefits of investments in world class technology and manufacturing systems in the years to come.

The Management is of the opinion that while risk factors may impact the profitability of the Company, however the same do not threaten the existence of the Company.

7. Internal Control Systems & their adequacy

The Company has an adequate internal financial control system over financial reporting and such internal financial controls are operating effectively and provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides external firms which are carrying out internal audits. The internal auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Company has in place adequate systems to periodically assess various risks, its likelihood and impact and an action plan to pro-actively mitigate the impact of various risks.

8. Financial/ Operational performance

Company's revenue from operations during the year ended March 31, 2023 were Rs. 26,050 Million.

Net profit after tax (before OCI) of the Company during the year ended 31st March, 2023 was Rs. 2,956 Million.

Earnings per share was Rs. 134 in 2022-23.

9. Human Resources/ Industrial Relations

The Management considers People as its key resource and provides development opportunities through various training and welfare programs for employees and their families.

Various steps are being undertaken on a continuing basis, for maintaining excellent industrial relations which are helping to strengthen cordial relations with employees and motivate them to contribute to the growth of the Company.

The Company is continuously taking steps to strengthen its Management structure to ensure Stability and Growth.

Dignity, respect, fairness, transparency and opportunity of growth for all employees are the core values of the Company and these are being reinforced continuously, through many initiatives.

As of 31.3.2023, numbers of permanent employees on rolls of the Company are 3907.

10. Changes in key financial ratios are as under:

S. No.	Ratios	Unit	2021-22	2022-23	%age change
i	Debtors Turnover	Times	5.97	6.82	14%
ii	Inventory Turnover	Times	4.99	5.67	14%
iii	Interest Coverage Ratio	Times	20.45	22.90	12%
iv	Current Ratio	Times	2.31	2.50	9%
v	Debt Equity Ratio	Times	0.11	0.19	81%
vi	Operating Profit Margin	%	10.44	14.87	42%
vii	Net Profit Margin	%	8.08	11.55	43%

Return on Net worth of the Company during Financial Year 2022-23 was 20.02% as compared to 13.15% last year.

11. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

ANNEXURE - III TO BOARDS' REPORT

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

[PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014]

A. Conservation of Energy

1. Energy Conservation measures taken during the year: -

Energy conservation is an environmentally sustainable and economically viable process and has been a priority focus area for the Company. Following measures were taken during the year:

At Ghaziabad:

- i) Energy saving through Solar Power
- ii) Reduction in Air Compressor's power consumption by simplification of existing pipe line system
- iii) Usage of EC fans in comfort cooling units
- iv) Energy Saving after installation of AC Drive on a compressor
- v) Replacing old & inefficient Transfer Pumps

At Pathredi:

- i) Replacement of Fans with BLDC technology
- ii) Reduction in T&D losses through transformer synchronisation
- iii) Melting furnace load limit set up, interlock and metering
- iv) Conversion of holding furnaces into thyristor heating mode
- v) Chlorination furnace heater modifications
- vi) Intelligent evaporator installed in ZLD for heat recovery from cooling towers

2. Steps taken by Company to utilize alternate sources of energy: -

Company has converted 15% of daily energy consumption from thermal to alternative renewable energy source (Solar energy) at one of its plants.

3. Impact of the above measures: -

These measures have resulted and will lead to further improvement in energy efficiency in operations and reduction in cost of production.

4. Capital Investment on energy conservation equipment: Rs. 16.88 Mn.

B. Technology Absorption

1. Efforts, in brief, made towards technology absorption: -

- i) Development of new Piston Assembly / Engine valves suitable for alternate fuel systems i.e. CNG / LNG / Hydrogen.
- ii) Upgrade existing product line to run on Flex fuels. (>20% blended fuels) with special coatings (e.g. hard anodizing on pistons and PVD coated rings)
- iii) Expanded the current application range to make parts for large bore diesel engines. Aluminum Pistons diameter up to 170.0 mm and large size engine valves (head diameter 90 mm, length 325 mm with special features).
- iv) Piston skirt friction reduced by 25% with special interface of new coating with surface tribology. Test results proven on floating liner test conducted at Japan. To be used along with ultra-light pistons for gasoline engines.
- v) In-house designed Aluminum forged pistons for high performance 2-Wheeler applications (350cc ~ 1000 cc) matched with special high diameter thin cross-section rings.
- vi) Developed special Piston Assembly for large cold storage machines, ammonia compressors and engine valves for recreational engines e.g. snow bikes, boats etc.

2. Benefits derived as a result of the above effort: -

- i) Enhanced the contribution of new products into the business to sustain market share and improve turnover.
- ii) Explore business opportunities with new export and domestic customers.
- iii) Building trust & long term business relation with customers to emerge as 'preferred supplier'.

3. Imported technology: -

Technology is being continuously received from Technical Collaborators viz. M/s KS Kolbenschmidt GmbH, Germany, M/s Honda Foundry, Japan, M/s Riken Corporation, Japan and M/s Fuji Oozx, Japan under subsisting Technical Collaboration Agreements for manufacture of Pistons, Piston Rings and Engine Valves.

Details of technology imported during last three years (reckoned from the beginning of financial year):

S. No.	Details of technology imported	Year of import	Whether technology has been fully absorbed	Reason for non-absorption of technology, if any
Pistons:				
i	New FEA simulation software (ANSA/META)	2019-20	Yes	-
ii	Development of premium Diesel piston alloy KS312	2019-20	Yes	-
Rings:				
i	Technology for Inlaid/Semi-inlaid coating time reduction	2019-20	Yes	-
ii	SSG profile - Spacers	2020-21	Yes	-
iii	SGN treatment - Spacer	2020-21	Yes	-
iv	GNT technology - Spacer	2020-21	Yes	-
v	Taper OD profile for Rails	2020-21	Yes	-
EV:				
i	Introduced Pyromet alloy for Exhaust valve for high durability in power GEN application	2021-22	No	Under Implementation

4. Expenditure on R & D: -

- Capital/Intangible : Rs. 22 Million
- Recurring : Rs. 211 Million
- Total : Rs. 233 Million
- Total R&D expenditure as percentage of total income: 0.88%

C. Foreign Exchange Earnings & Outgo
1. Exports: -

- i) Exports continue to remain focus area for the Company. The Company made exports worth Rs. 4,841 Million in the year as compared to Rs. 4,010 Million in the previous year.
- ii) Several initiatives have been taken for long term growth of Company's export to global OEMs and in the Aftermarket, in close coordination with our Collaborators.
- iii) Company is targeting to achieve double digit growth in export levels from previous year. This will however be determined by the global headwinds and geopolitical challenges.

2. Foreign Exchange earned - Rs. 4,641 Million

Foreign Exchange utilized/outgo - Rs. 2,121 Million

ANNEXURE - IV TO BOARDS' REPORT

DATA OF EMPLOYEES

[UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

1. Particulars of Employees:

Name	Designation/ Duties	Remuneration (Rs.)	Qualifications	Experience (Years)	Commencement of Employment	Age (Years)	%age of Equity Shares held	Last Employment Held
Sandeep Agrawal	Executive Director & Chief Marketing Officer	2,28,81,964	B.Sc (Mechanical Engineering), PGDBM	36	Apr-21	57	-	Head Network Management and CEO, Gulf Ashley Ltd with Ashok Leyland
Poonam Bharti	Executive Director & Chief HR Officer	2,06,05,210	B.Sc., Masters in HR & IR	28	Mar-18	52	-	Global HR Head, Ranbaxy/ Sun Pharma
Sandeep Kalia	Executive Director	1,90,70,533	B.E. Mechanical, Diploma in Management	39	Jul-15	61	-	Member of Board of Director-Mushashi Auto Parts India Pvt. Ltd
Devendra Mishra	Executive Director	2,20,29,583	B.E., PGDBM	35	Jul-11	58	-	VP-Manufacturing, National Engineering Industries
Rajan Nanda	Executive Director	1,80,19,189	B.E. Mechanical, MBA Finance & Operations	32	Jun-15	54	-	Head Key Account Management (Automotive)- Schaeffler India
Arun Kumar Shukla	Dy. Executive Director	1,61,48,065	B.Tech	36	Aug-09	58	-	Vice President - Operations, Uniparts India Ltd.
Prem Prakash Rathi	Dy. Executive Director & CFO	1,54,71,162	FCA, B.Com (Hons.)	24	Jan-21	49	-	Chief Financial Officer-Raymond Ltd. (Garmenting Division)
Atul K Khanapurkar	Dy. Executive Director	1,44,14,638	B.E. (Electronics)	37	Mar-19	59	-	Sr. General Manager, Bosch Ltd.
Ashok Sinha [#]	Dy. Executive Director	1,25,00,100	B.Sc. Engg. (Mechanical), PGDBM, MBA	26	Apr-22	47	-	SCM Director - Cummins Engine
Dharmendra Singh	Dy. Executive Director	1,20,68,797	B.Sc. Engg. (Mechanical)	36	Aug-89	57	-	
Naveen Agarwal [#]	Executive Director and Alternate Company Secretary	1,97,95,188	B.Com (Hons.), LL.B, ACMA, ACS	44	Jun-96	62	0.00002	Dy. General Manager, Jay Engineering Works Ltd.
Luv D. Shriram [*]	Wholetime Director	5,22,57,316	B.Com	30	May-14	51	30.29 ⁵	Managing Director, Shriram Veritech Solutions Pvt. Ltd.
Krishnakumar Srinivasan [*]	Managing Director & CEO	6,92,64,236	B.E. (Mech.), MBA, Diploma in Exports	36	Feb-20	57	-	President and Director, Europe and Strategic Business, Bharat Forge Ltd.

Notes:

- (i) Year of experience include experience prior to joining the Company.
- (ii) All employees are on regular employment.
- (iii) Remuneration includes payment of salaries, allowances, expenses on perquisites and contribution to provident fund, gratuity fund, superannuation fund & other benefits on payment basis.
- (iv) * Employees on Contract.
- (v) [#] Employed for part of the year.
- (vi) ⁵ Shri Luv D. Shriram (First named shareholder) and Ms. Meenakshi Dass (Second named shareholder) jointly hold 15.14% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.
Ms. Meenakshi Dass (First named shareholder) and Shri Luv D. Shriram (Second named shareholder) jointly hold 15.14% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.
Shri Luv D. Shriram (First named shareholder) and Shri Kush D. Shriram (Second named shareholder) jointly hold 0.00001% shares of the Company on behalf of NAK Benefit Trust.
Shri Luv D. Shriram also holds 0.02% shares of the Company in his name.
Shri Luv D. Shriram is a relative of Ms. Meenakshi Dass, who is a Non-Executive Director of the Company.
- (vii) There was no employee who was in receipt of remuneration which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director and holds by himself or along with his/ her spouse and dependent children, not less than 2% equity shares of the Company.

2. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio of remuneration to median remuneration of employees (Times)
Shri Pradeep Dinodia	65.63
Shri Hari S. Bhartia	1.93
Ms. Ferida Chopra	10.17
Ms. Meenakshi Dass	8.54
Shri Sascha Putz	4.47
Shri Alok Ranjan	10.37
Shri Inderdeep Singh	10.78
Shri Yukio Tanemura [#]	-
Shri Shinichi Unno	4.47
Shri Krishnakumar Srinivasan	140.86
Shri Masaaki Yamaguchi [#]	-
Shri Yasunori Maekawa [#]	-
Shri Luv D. Shriram	106.27

[#]Employed for part of the year in 2022-23. Hence, their ratio of remuneration to median remuneration is not comparable and therefore not stated.

3. Percentage increase in remuneration of Directors, CFO, CEO and CS:

Name of the Director / CFO / CEO / CS	% age increase in remuneration
Shri Pradeep Dinodia	54.77
Shri Hari S. Bhartia	35.71
Ms. Ferida Chopra	66.67
Ms. Meenakshi Dass	75.00
Shri Sascha Putz	15.79
Shri Alok Ranjan	64.52
Shri Inderdeep Singh	65.63
Shri Yukio Tanemura [*]	-
Shri Shinichi Unno	15.79
Shri Masaaki Yamaguchi [*]	-
Shri Yasunori Maekawa [*]	-
Shri Krishnakumar Srinivasan	39.57
Shri Luv D. Shriram	42.31
Shri Prem Prakash Rathi	35.40
Shri Naveen Agarwal [*]	-
Shri Pankaj Gupta [*]	-

^{*}Employed for part of the year in 2021-22 or 2022-23. Hence, their percentage increase in remuneration is not comparable and therefore not stated.

4. Percentage increase in the median remuneration of employees in the financial year: 8.59
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:
- (i) Average Percentile Increase in the Salaries of Employees: 7.96%
- (ii) Average Percentile Increase in Managerial Remuneration: 39.57%
6. The remuneration is as per the Remuneration Policy of the Company.

ANNEXURE - V TO BOARDS' REPORT

REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING FY 2022-23

1. Brief outline on CSR Policy of the Company

Company's policy is to conduct its business responsibly and improve the quality of life of people, especially in Society close to our areas of operation while creating long term value for all stakeholders.

The Company's priority is to take up CSR projects/programmes/activities in the following areas:-

- (i) Education
- (ii) Health Care (Construction of Medical Block in Old Age Home, Garhmukteshwar etc.)
- (iii) Sanitation
- (iv) Environment preservation
- (v) Any other areas as approved by the CSR Committee/Board.

Projects/programmes/activities aimed at persons from disadvantaged background or persons who are differently abled have priority over others.

2. Composition of CSR Committee as of 31.3.2023:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Shri Pradeep Dinodia	Chairman (Non- Executive Director)	2	2
ii	Shri Inderdeep Singh	Independent Director	2	2
iii	Ms. Meenakshi Dass	Non-Executive Director	2	2
iv	Shri Luv D. Shriram	Whole-Time Director	2	1
v	Shri Krishnakumar Srinivasan	Managing Director & CEO	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://shrirampistons.com/investors-guide-2/>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable
5.
 - i Average net profit of the company as per sub-section (5) of section 135: Rs. 1542 Mn.
 - ii Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs. 30.90 Mn.
 - iii Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 - iv Amount required to be set off for the financial year, if any: NIL
 - v Total CSR obligation for the financial year [(ii)+(iii)-(iv)]: Rs. 30.90 Mn.
6.
 - i Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 29.44 Mn
 - ii Amount spent in Administrative Overheads: Rs. 1.46 Mn
 - iii Amount spent on Impact Assessment, if applicable: NIL
 - iv Total amount spent for the Financial Year [(i+ii+iii)] Rs. 30.90 Mn
 - v CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Mn Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount Mn Rs.	Date of transfer	Name of the Fund	Amount	Date of transfer
28.81	2.09	28.4.2023	-	-	-

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

Sl. No.	Particular	Amount (in Mn Rs.)
i	Two percent of average net profit of the company as per sub section (5) of section 135	30.90
ii	Total amount spent for the Financial Year	30.90
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Mn Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Mn Rs.)	Amount spent in the reporting Financial Year (in Mn Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of transfer		
i	2020-21	10.26	7.10	3.09	-	-	-	4.01	-
ii	2021-22	9.08	9.08	7.14	-	-	-	1.94	-
	Total	19.34	16.18	10.23	-	-	-	5.95	-

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

Yes No

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, Flat No., House No., Municipal Officer/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

New Delhi
8th May, 2023

(Krishnakumar Srinivasan)
Managing Director & CEO
DIN: 00692717

(Pradeep Dinodia)
Chairman - CSR Committee
DIN: 00027995

ANNEXURE - VI TO BOARDS' REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Shriram Pistons & Rings Limited
(CIN L29112DL1963PLC004084)
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **M/s. Shriram Pistons & Rings Limited** (herein after called "the Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes' 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, I hereby report that in my 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-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:
4. 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;
5. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 viz:-
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
 - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iv) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018:
 - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018; **Not applicable**
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable**
 - (vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable**
 - (viii) 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;
 - (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**
 - (x) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; **Not Applicable**

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

Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observations:

1. One of the employees purchased 5(Five) equity shares for a total consideration of Rs. 6295/-(Rupees Six Thousand Two Hundred Ninety Five) on 4th January, 2023 during the closure of trading window. On becoming aware, proper intimation was given by Company to National Stock Exchange (NSE) regarding the non-compliance of Code of Conduct formulated pursuant to The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Board of Directors of the Company was appraised and due Penalty was imposed against the employee.
2. The company has generally complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchange or SEBI except a penalty of Rs. 53,100/- paid to NSE on 26.07.2022 for delayed filing under Regulation 23(9) of SEBI (LODR) Regulations, 2015.

On the basis of management representation, recording in the Minutes of Board Meetings and documents provided, I am of the view that the Company has ensured compliance with other laws generally applicable to it like:

1. The Water (Prevention and Control of Pollution) Act, 1974;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Environment (Protection) Act, 1986;
4. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. Factories Act, 1948.
6. Payment of Wages Act. 1936.
7. Minimum Wages Act, 1948.
8. Employees' State Insurance Act, 1948.
9. Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
10. Goods & Service Tax (GST) Act, 2017.
11. Income Tax Act, 1961.

I 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 (except in cases where meetings were convened at a shorter notice for which necessary approval was obtained as per applicable provisions) 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.

As per the minutes of the meetings of the Board and Committees of the Board, duly signed by the Chairman, all the decisions of the Board were unanimously passed and members views, if any, were captured and recorded as part of the minutes.

I further report that based on their view of the Compliance mechanism established by the Company and on the basis of compliance reports issued by the Company Secretary and Managing Director & CEO based on the updates issued by Functional heads and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc are :

- i. The Company made an application under Section 248(2) of the Companies Act, 2013 read with Rule 4,5,6 and 8 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, for removing the name of SPR International Auto Exports Limited, WOS of the Company from Register of Companies which was approved by ROC, Delhi & Haryana on 07.03.2023.

- ii. The Company has incorporated M/s SPR Engenious Limited as a wholly owned subsidiary (WOS) with the ROC, Delhi & Haryana on September 26, 2022.

For PG & ASSOCIATES
(Company Secretaries)

Place: Noida
Date: May 5, 2023

CS PREETI GROVER
(Proprietor)
FCS: 5862, CP No.: 6065
Peer Review No.: 772/2020

UDIN: F005862E000250975

Note: This report is to be read with our letter of even date annexed to this Report as Annexure-A, which forms part of this Report.

Annexure-A

To,
The Members,
Shriram Pistons & Rings Limited
(CIN L29112DL1963PLC004084)
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. 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.
5. 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.
6. We have relied on the Management representation about the compliance of laws, rules and regulations and happening of events etc.

For PG & ASSOCIATES
(Company Secretaries)

Place: Noida
Date: May 5, 2023
UDIN: F005862E000250975

CS PREETI GROVER
(Proprietor)
FCS: 5862, C.P. No.: 6065
Peer Review No.: 772/2020

ANNEXURE - VII TO BOARDS' REPORT

Form AOC-1

[Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Subsidiary 1	Subsidiary 2*
1	Name of the subsidiary	SPR Engenious Limited	EMF Innovations Private Limited
2	The date since when subsidiary was acquired	26.9.2022 (Date of Incorporation)	11.1.2023
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Not applicable as reporting period of Holding and Subsidiary Company are same i.e. from 1.4.2022 to 31.3.2023, since the Company was incorporated on 26.9.2022, 1 st reporting period is from 26.9.2022 to 31.3.2023	Not applicable as reporting period of Holding and Subsidiary Company are same i.e. from 1.4.2022 to 31.3.2023
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
5	Share capital: Authorised share capital : Paid-up share capital:	Rs. 125,00,00,000 Rs. 120,00,00,000	Rs. 35,00,00,000 Rs. 12,00,52,710
6	Reserves & surplus (Rs./Mn.)	(14.22)	167.12
7	Total assets (Rs./Mn.)	1281.59	474.35
8	Total Liabilities (Rs./Mn.)	1281.59	474.35
9	Investments (Rs./Mn.)	780	NIL
10	Turnover/Total Income (Rs./Mn.)	5.15	231.95
11	Profit before taxation (Rs./Mn.)	(7.72)	(70.29)
12	Provision for taxation (Rs./Mn.)	(1.90)	(17.71)
13	Profit after taxation (Rs./Mn.)	(5.82)	(52.58)
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	51%*

1. Names of subsidiaries which are yet to commence operations: SPR Engenious Limited
2. Names of subsidiaries which have been liquidated or sold during the year: NIL
3. Names of subsidiaries which have been struck off during the year: SPR International Auto Exports Limited

*Holding 51% shares through SPR Engenious Ltd., Wholly owned subsidiary.

Part "B": Associates and Joint Ventures

This is not applicable, as there are no Associate Companies or Joint Venture Companies of the Company.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Place: New Delhi
Date : May 8, 2023

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

Luv D. Shriram
Whole - Time Director
DIN : 00051065

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

INTRODUCTION

This report has been prepared in accordance with the SEBI Guidelines for Business Responsibility and Sustainability Reporting (BRSR). It aims to showcase enhanced transparency around how businesses are creating value by contributing towards a sustainable economy.

As this is the first year of reporting of BRSR for Shriram Pistons & Rings Limited (SPRL), the report has been prepared on best effort basis. This report underlines our incessant effort to create long-term value for our stakeholders, as we contribute towards promoting sustainable development.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN)	L29112DL1963PLC004084
2.	Name of the Listed Entity	Shriram Pistons & Rings Limited
3.	Year of incorporation	1963
4.	Registered office address	3 rd Floor, Himalaya House, 23,
5.	Corporate address	Kasturba Gandhi Marg, New Delhi- 110001
6.	E-mail	compliance.officer@shrirampistons.com
7.	Telephone	011-23315941
8.	Website	https://shrirampistons.com/
9.	The financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange
11.	Paid-up Capital	₹ 22,02,49,120
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Name: Pankaj Gupta Designation: Company Secretary Email: compliance.officer@shrirampistons.com Phone: 011-23315941
13.	Reporting boundary	The disclosures under this report are made on Standalone basis.

II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
i	Manufacturing & Sale of automotive components	Pistons, Pins, Rings, Engine Valves, Cylinder Liners etc.	95%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
i	Piston, Piston Rings, Pistons Pins, Engine Valves and Cylinder Liner	281; Sub-division: 2811	95%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	3 plants and 5 assembly units	1 Head Office and 5 Regional Sales Office	14
International	-	-	-

17. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	28 States and 6 Union Territories
International (No. of Countries)	30

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

	FY 2022-23
Contribution of Exports	19%

c. A brief on types of customers

Shriram Pistons & Rings Ltd. (SPRL)'s customers can be broadly classified into the following categories:

Domestic	- OEMs
	- Aftermarket
International	- OEMs
	- Aftermarket

IV. Employees
18. Details as at the end of the 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						
i	Permanent (D)	1359	1305	96.0	54	4.0
ii	Other than Permanent (E)	22	18	81.8	4	18.2
iii	Total employees (D + E)	1381	1323	95.8	58	4.2
Workers						
iv	Permanent (F)	2548	2548	100	-	-
v	Other than Permanent (G)	4385	4301	98.1	84	1.9
vi	Total workers* (F + G)	6933	6849	98.8	84	1.2
* Excludes Contractual Workmen						

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently-abled employees						
i	Permanent (D)	1	1	100	-	-
ii	Other than Permanent (E)	-	-	-	-	-
iii	Total differently abled employees (D+E)	1	1	100	-	-
Differently-abled workers						
iv	Permanent (F)	10	10	100	-	-
v	Other than permanent (G)	18	18	100	-	-
vi	Total differently abled workers (F+G)	28	28	100	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11*	2	18.18
Key Management Personnel	3	-	-

*Apart from the above there is one Alternate Director.

20. The turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total
Permanent Employees	7%	15%	8%	6%	4%	6%
Permanent Workers	2%	-	2%	3%	-	3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
21. (a) Names of holding/subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary(A)	Type	% of shares held by the listed entity	Is the entity indicated in the Business Responsibility initiatives? (Yes/No)
i	SPR Engenious Limited	Wholly owned subsidiary of the Company	100	No
ii	EMF Innovations Private Limited	Step-down Subsidiary	51% through SPR Engenious Ltd. (Wholly owned Subsidiary of the Company)	No

VI. CSR Details
22. i Whether CSR is applicable : Yes

Turnover (Mn. Rs.) : 26,050

Net worth (Mn. Rs.) : 15,296

CSR Spend (Mn. Rs.) : 30.9*

*Includes unspent amount of Rs. 2.09 Million transferred to Unspent CSR Account as per sub-section (6) of Section 135 of the Companies Act, 2013.

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	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		No. of complaints filed	No. of complaints pending resolution	Remarks	Number of complaints filed during the year	No. of complaints pending resolution	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	Nil	Nil	-

Stakeholder group	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		No. of complaints filed	No. of complaints pending resolution	Remarks	Number of complaints filed during the year	No. of complaints pending resolution	Remarks
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	77	Nil	Refer Note*	62	Nil	Refer Note*
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-

*Considering normal turnaround time required for resolution of consumer complaints, all the complaints have been resolved during the year for all the businesses up to the customer satisfaction

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
i	Threat to IC Engine due to Electrification and changes due to Advancement in Alternate Fuels	Both	Government push towards Electrification & use of Alternate Fuels in Vehicles to reduce Carbon Imprint	<ul style="list-style-type: none"> Capture higher Market Share by continuously upgrading product technology to meet Alternate Fuel Engine specifications. Capturing market share in Electric Vehicles through EMFi 	Opportunity to increase Sales and Profits by designing niche products for Alternate Fuels IC Engines and also make inroads in Electric Vehicle market based on products in EMFi range
ii	Cyber Security	R	Information relating to Company's Operations, Business Partners, is available on various software being used	<ul style="list-style-type: none"> Getting Cyber Risk Assessment done. Implementation of Business Continuity Plans. Data Centre Security & Network Security by having physical access controls. Configuration of password policy in SAP/Non SAP system 	Negative - Cyber Risk Assessment by independent party has been done to mitigate the risk. All precautions to ensure Hardware and Software safety are being undertaken.
iii	Natural Calamities, Fire & Environmental Issues	R	Disruption in Operations due to these factors can have an adverse impact on Company	<ul style="list-style-type: none"> Meet & Exceed Statutory requirements. Reservoirs with dewatering pumps to counter flooding, taking necessary steps to ensure Fire Safety 	Negative- Any disruption in operations can lead to setback in achieving long term goals of the company
iv	Disruptions in Supply Chain & Economic Slowdown	R	Disruptions in Supply Chain due to ongoing Geopolitical situation and its impact of Economy	<ul style="list-style-type: none"> Localization of Critical Imported Items. Inventory Management. Development of Flexible Production Model. 	Negative- Any disruption in Supply Chain can have adverse impact on Company Operations. This is being effectively mitigated by taking all necessary measures.

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	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://shrirampiston.com/investors-guide-2/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/ labels/ standards	ISO 14001 ISO 45001 IATF16949								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> • Maximise use of solar power & maximise heat recovery • Minimise ground water extraction • Compliance with all government rules and regulations • To achieve carbon neutrality by 2045 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> • 15% of total electricity requirement in Ghaziabad plant met from Solar Power. This is being explored in Pathredi Plant also. • R.O. of 200 KLD at Ghaziabad & 400 KLD at Pathredi installed to maximise recycling of water and to minimise water extraction. Both the plants are Zero Liquid Discharge. • All environment related authorizations/ approvals are in place • Current carbon footprint is 14.19 KgCO₂Eq/ Kg of Dispatch in Ghaziabad and 16.24 KgCO₂Eq/ Kg of Dispatch in Pathredi 								
Governance, leadership and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>)	<p>At Shriram Pistons & Rings Limited, we recognize that our business activities have a significant impact on the environment and society. As a responsible corporate citizen, we are committed to promoting sustainable development and reducing our carbon footprint.</p> <p>We are committed to reducing our greenhouse gas emissions and promoting the use of renewable energy sources. We have implemented energy-efficient practices and are exploring innovative technologies to reduce energy consumption and improve energy efficiency.</p> <p>We also recognize the importance of ethical labour practices and are committed to ensuring that our employees are treated with dignity and respect. We provide our employees with a safe and healthy work environment and offer training and development opportunities to help them grow to their full potential.</p> <p>In addition, we are committed to supporting local communities and creating social value through our business activities. We engage with our stakeholders to understand their needs and concerns and work collaboratively to address them.</p>								

	<p>We are working towards providing support to local communities in the areas of Healthcare, Education, Skill Enhancement & Women Empowerment. It is our endeavour to work towards the betterment of the marginalized section of the society.</p> <p>We believe that transparency and accountability are essential to our sustainability efforts and we are committed to maintaining open and transparent communication with all our stakeholders. We regularly monitor and report on our sustainability performance and strive to continually improve practices and reduce environmental impact.</p> <p>We believe that sustainability is not just a corporate responsibility but also an opportunity to create long-term value for all stakeholders. We are committed to promoting sustainable development and making a positive impact on society.</p>
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
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.	Shriram Pistons & Rings Limited has established a steering committee, led by the MD & CEO and comprises of Executive Director - Works (Ghaziabad / Pathredi), Executive Director - Marketing, CFO, CHRO, and SCM-Head, to oversee the organization's sustainability efforts. The committee is responsible for making decisions related to the organization's sustainability goals, performance, and future measures.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly								

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency?

No.

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

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/and human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 trainings held	Topics/principles covered under the training and its impact	% age of persons covered
Board of Directors	Being done on a regular basis	The Companies Act 2013, Sustainability Reporting, Project Safety, Business Responsibility Initiatives, Global Financial, Business Trends, CSR and Financial reporting etc.	100
Key Managerial Personnel	Being done on a regular basis	Code of Conduct, PERCOM Competency Pillar (Performance Management System), ESG, Sustainability Reporting, Prevention of Sexual Harassment, Global Business Trends, HR Policies and Employee Welfare	100
Employees other than BoD and KMPs	34	Town-hall Meetings with employees to share Management Vision, Prevention of Sexual Harassment, PERCOM Competency Pillar, Communication skills, Daily work management, Finance for Non-Finance, Negotiation Skills, Managerial Excellence, Effective Leadership, Strategic Planning & Goal Setting, ESS Training, Handling Customer Complaints, Effective Leadership and Conflict Management at Workplace	95
Workers	1087	Town-hall Meetings with workmen to share Management Vision, 5S & TPM Awareness, PERCOM Awareness, Abnormal Situation Handling, Training on Handling & Maintenance of Specific Machines, Final Inspection, Training on route cause analysis of various in process defects, Behaviour & Discipline, On time Delivery, Prevention of sexual harassment, EHS Awareness and Hazard Identification & Risk Assessment (HIRA)	88.33

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 Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principles	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an Appeal been preferred? (Yes/ No)
Penalty/ fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

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

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

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

Yes, the Company has defined guidelines on anti-corruption as a part of Code of Conduct. The web-link is: <https://shrirampiston.com/investors-guide-2/>.

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

	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2022-23		FY 2021-22	
	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 awareness programmes
15	Safety Practices, Management Programs, Fire Safety, Core Tools, Green Supplier Certification	100

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. This is covered under the Code of Conduct which is available on the Company's website. Annual declaration regarding compliance of Code of Conduct is taken from all the Board Members.

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 impact of products and processes to total R&D and Capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of Improvements in environmental and social impact
R&D	100%	100%	R&D is being done to design products to meet the emission norms set by the Government
Capex	7%	5%	<ul style="list-style-type: none"> i. Solar Power ii. Replacing office fans having conventional motor with fans having BLDC motor iii. Replacing conventional motors of shop floor fans with BLDC motor iv. Replacing conventional lights with LED's v. Conversion of chip melting and DG on PNG gas vi. Installation of intelligent evaporator for final water treatment vii. Contactless temp monitoring system viii. RO units and mist extractions

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

Yes, the Company has procedures in place for sustainable sourcing.

- b. If yes, what percentage of inputs were sourced sustainably?**

Sustainable sourcing is done for domestic purchase (>60% by value) from suppliers, who are either certified for ISO 14000 or OHSAS 18000.

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

We have ideal waste management practices in place for plastics, e-waste, and hazardous waste. We work with certified partners to co-process waste.

Waste is collected, dismantled, segregated and stored based on the category of waste, with hazardous waste disposed off within 90 days. All waste is disposed off for recycling or final disposal in accordance with generation, accumulation, and safety standards. The following is the disposal process for the various types of waste:

Plastic Waste - Disposed off to the authorized vendor for re-cycling

E-waste - Disposed off to the authorized vendor for re-cycling

Hazardous Waste –

- i. Oily Cotton Rags - Disposed off to the authorized party for co-processing
- ii. Grinding Sludge - Disposed off to the authorized party for treatment & recycling
- iii. ETP Sludge - Disposed off to the authorized party for co-processing
- iv. Used/ Waste Oil - Disposed off to the authorized party for incineration
- v. Empty Container - Disposed off to the authorized party for treatment & recycling
- vi. Multi Effect Evaporator Salt - Disposed off to the authorized party for landfilling at Government authorized site
- vii. Aluminium Dross - Disposed off to the authorized party for recycling

Other Waste - All other non-hazardous waste are sold off to established scrap dealers.

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 EPR plan submitted to Pollution Control Boards (PCB)? If not, provide steps taken to address the same.**

Yes. Waste collection plan was in line with the EPR Plan submitted with PCB.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
Essential Indicators
1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	1305	1305	100	1305	100	-	-	-	-	-	-
Female	54	54	100	54	100	54	100	-	-	-	-
Total	1359	1359	100	1359	100	54	3.97	-	-	-	-
Other than Permanent employees											
Male	18	18	100	18	100	-	-	-	-	-	-
Female	4	4	100	4	100	4	100	-	-	-	-
Total	22	22	100	22	100	4	18.2	-	-	-	-

b. 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	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent workers											
Male	2548	2548	100	2548	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	2548	2548	100	2548	100	-	-	-	-	-	-
Other than Permanent workers											
Male	4301	4301	100	1467	34.11	-	-	-	-	-	-
Female	84	84	100	29	34.52	31	36.9	-	-	-	-
Total	4385	4385	100	1496	34.11	31	0.71	-	-	-	-

2. Details of retirement benefits, for the current and previous financial year

Benefits	FY 2022-23			FY 2021-22		
	% of total employees covered	% of workers covered	Deducted and deposited with the authority (Y/N/N.A.)	% of total employees covered	% of workers covered	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	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.

Yes, necessary arrangements are done to promote accessibility for differently abled employees and workers.

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.

Yes, currently the company has adopted a policy on equal opportunity as per the Rights of Persons with Disabilities Act, 2016. The web-link is <https://shrirampiston.com/investors-guide-2/>.

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	N/ A	N/ A	N/ A	N/ A
Female	100%	100%	N/ A	N/A
Total	100%	100%	N/A	N/A

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, an approved Grievance Committee of 20 members, including workers and staff from each plant has been setup, so that entire plant is covered. Monthly meeting is conducted in which grievances are noted from each plant representative. The issues are further escalated to the concerned Department for resolving within the defined time frame. The status of resolved or pending issues are informed to all concerned.
Other than Permanent Workers	
Permanent employees	
Other than permanent employees	

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

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or union (D)	% (D / C)
Total Permanent Employees	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers	3248	3248	100	3437	3437	100
- Male	3248	3248	100	3437	3437	100
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill up gradation		Total (A)	On health and safety measures		On skill up gradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Male	1323	784	59	1105	84	1316	730	56	1263	96
Female	58	21	36	54	93	56	32	57	39	70
Total	1381	805	58	1159	84	1372	762	56	1302	95
Workers										
Male	6849	4573	67	5141	75	7087	4745	92	4825	68
Female	84	61	73	71	85	42	39	55	30	71
Total	6933	4634	67	5212	75	7129	4784	92	4855	68

* Data is based on actual attendance.

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (A)	No. (B)	% (B / A)
Employees						
Male	1323	1323	100	1316	1316	100
Female	58	58	100	56	56	100
Total	1381	1381	100	1372	1372	100
Workers						
Male	6849	6849	100	7087	7087	100
Female	84	84	100	42	42	100
Total	6933	6933	100	7129	7129	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 of such a system?**

Yes, a robust occupational health and safety management system has been implemented to ensure the safety of the entire workforce involved in the production process in the plants.

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

Regular inspections are conducted at plants to identify work-related hazards and assess risks.

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

Yes, the Company has a safety incident reporting mechanism, as per which employees and workers can report any accidents, near miss incidents or identified safety hazards (unsafe acts and unsafe conditions) to site level safety committees and to the EHS department

- d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.9	-
	Workers	0.21	0.4
Total recordable work-related injuries	Employees	-	-
	Workers	4	4
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The Company recognises its workforce as the most valued asset and is dedicated to ensuring their safety and well-being. Measures have been implemented at all locations to provide everyone with a safe working environment. The following measures are implemented to ensure a safe working environment.

- Medical Insurance coverage is provided to all Company personnel.
- First Aid and other medical services are readily available for all personnel at all locations.
- The Company believes in training its personnel on the best safety procedures and skills to ensure that they carry out their duties in an efficient and safe manner.

- iv. Occupational Health is another aspect that is carefully monitored to ensure that all processes are safe and do not pose potential harm to health of its personnel.
- v. Inspection Systems are put in place and regular audits are conducted to identify any potential shortcomings of the processes and ensure that any and all potential safety and health issues are mitigated.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	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:

Machinery has been updated to reduce potential threats posed towards the safety of the workers. Public areas of the plant are regularly assessed to identify threats to safety of all personnel and strict action is taken to remove the threats such as potholes in roads or any harmful objects idly present in the public areas of the plant.

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, In the event of death of an employee/ worker, the Company provides appropriate compensation including accidental insurance compensation.

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

Business agreements with value chain partners mandates that the value chain partners comply with all the statutory laws, Regulations and rules made thereunder. The company undertakes due diligence from time to time to ensure compliance by the value chain partners.

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	FY 2021-22	FY 2022-23	FY 2021-22
Employees	1	Nil	1	Nil
Workers	Nil	Nil	Nil	Nil

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

Extensions/ Contractual employment is given to retiring employees on case to case basis. Additionally, medical insurance continuity is being provided for retirees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	100
Working Conditions	100

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

No significant risks or concerns were identified from assessment of health and safety practices and working conditions of value chain partners.

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.

Stakeholders were selected based on their influence (via internal decisions and policies) on Company and impact on their business due to the Companies business choices and the implications of those decisions. The Company has identified both internal stakeholders (employees, senior management, and the Board of Directors) and external stakeholders (value chain partners, consumers and community).

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Y/N)	Channel of Communication (Email/SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Other please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Employees	No	Emails, Meetings, Training programs, Employee engagement activities, Town hall meetings, Interaction with Leadership team	Regularly	Vision of the Company, Short term/ Medium term/ Long term goal sharing, Welfare of employees and their families, sensitising on core values
Shareholders	No	Annual General Meeting, Corporate website, Annual Report, Social media, Grievance Redressal Mechanism	Quarterly/ Annually	Improved profitability and growth of organisation, Transparent and effective communication, Investor servicing, Sound corporate governance mechanisms
Regulatory Bodies	No	Regular inspections, Periodic reports, Regular direct and indirect interactions through industrial associations and other bodies	Monthly/ Annually/ need based	Compliance of rules and regulations, Submission of reports under various statutes at specific intervals, Response to any issues raised by government/ regulatory authority, Tax revenues,
Communities	Yes	Open dialogue with local communities, Need based surveys to understand community requirements, Awareness meets and Health camps, Celebration of cultural festivals (Holi, Shriram Mela, Navratri, Raksha Bandhan etc.) and other occasions (Environment day, Safety day, Founders Day etc.)	Regularly	Health and hygiene in rural community, Education & infrastructure, Water conservation

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Y/N)	Channel of Communication (Email/SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Other please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Value Chain Partners	No	Regular Meet with suppliers, Plant visits	Need Based	Share best practices among industries, Competency development of local vendors
Customers	No	Regular personal interactions and discussions, Market surveys, Customer surveys, Plant visits	Need Based	Prompt response to customer complaints, Focus on Product/service quality and timely delivery, Building trust among the customers

Leadership Indicators

- 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.**

The review of all shareholder related matters are reviewed by the Stakeholders Relationship Committee (SRC) and the Corporate Social Responsibility (CSR) programmes of the Company are reviewed by the Corporate Social Responsibility Committee of the Company. The Board is kept abreast on various developments and feedback on the same is sought from the Directors.

- 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, the Company undertakes consultation with stakeholders to help identify and prioritize environmental and social issues as part of its CSR activities.

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

The Company through its CSR initiatives, provide necessary support to the vulnerable/marginalised community. Through its various CSR initiatives, the Company provides healthcare support, old age home development, education support to the students, skill development trainings, support to specially-abled group and women empowerment.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

- 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			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1359	536	39.4	1387	459	33.1
Other than permanent	22	7	31.8	16	3	18.8
Total Employees	1381	543	39.3	1403	462	32.9
Workers						
Permanent	2548	2400	94.1	2737	2537	92.7
Other than permanent	4385	3827	87.3	4253	4009	94.3
Total Workers	6933	6227	89.8	6990	6546	93.6

2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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	1359	-	-	1359	100	1095	-	-	1095	100
Male	1305	-	-	1305	100	1070	-	-	1070	100
Female	54	-	-	54	100	25	-	-	25	100
Other than Permanent	22	-	-	22	100	18	-	-	18	100
Male	18	-	-	18	100	17	-	-	17	100
Female	4	-	-	4	100	1	-	-	1	100
Workers										
Permanent	2548	-	-	2548	100	2737	-	-	2737	100
Male	2548	-	-	2548	100	2737	-	-	2737	100
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	5403*	964	18	4439	82	4829	445	9	4384	91
Male	5317	962	18	4355	82	4817	445	9	4372	91
Female	86	2	2	84	98	12	-	-	12	100

* Includes Contractual workers

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs. Mn)	Number	Median remuneration/ salary/ wages of respective category (Rs. Mn)
Board of Directors (BoD)	9	5.1	2	4.6
Key Managerial Personnel	3	15.5	-	-
Employees other than BoD and KMP	1305	0.74	54	0.79
Workers*	5333	0.29	84	0.15

*Does not include Contractual Workers

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed by the business?

An ESG Steering Committee under the social pillar has a meeting every quarter for addressing human rights impacts or issues caused or contributed by the business.

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

Monthly grievance meeting is held in all departments wherein the HRD team along with plant manager and core team members help redress all grievances raised by employees of that department.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the 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

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases are a part of the Grievance Policy, POSH Policy, and Whistle Blower Policy.

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 the entity or statutory authorities or third parties)
Child labour	100
Forced Labour/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

No concerns were raised from the assessments.

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:

Parameter	FY (2022-23) In MJ	FY (2021-22) In MJ
Total electricity consumption (A)	624,745,832	705,001,252
Total fuel consumption (B)	64,753,359	57,950,311
Energy consumption through other sources (Solar) (C)	21,746,682	-
Total energy consumption (A+B+C)	711,245,873	762,951,563
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	27,303,11 MJ/Mn.Rs	39,952,18 MJ/Mn.Rs

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.

No, the entity doesn't have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India

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

Parameter	FY (2022-23)	FY (2021-22)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	3,50,016	3,31,092
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,50,016	3,31,092
Total volume of water consumption (in kilolitres)	3,50,016	3,31,092
Water intensity per rupee of turnover (Water consumed / turnover)	13.4 KL/Million Rs.	16.0 KL/ Million Rs.

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

Mechanism for Zero Liquid Discharge has been implemented in both plants – Ghaziabad and Pathredi.

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

Parameter	Unit	FY (2022-23)	FY (2021-22)
Nox	PPM	346.17	282.92
Sox	µg/m ³	4.17	4.63
Particulate matter (PM)	µg/m ³	58.52	55.16
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others (Co ₂)	-	-	-

Note: The sources of air emissions primarily originate from the DG, Furnaces and Fume Extractors, and these sources are monitored at specific intervals by a recognized laboratory or agency, as mandated by the Central and respective State Pollution Control Boards. The specifics of the air emissions are then disclosed to the PCB on an annual basis through Form-5 (Annual Environment Statement).

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

Parameter	Unit	FY (2022-23)	FY (2021-22)
Total Scope 1 emissions	TCo ₂ e	3673	3872
Total Scope 2 emissions	TCo ₂ e	176250	156118
Total Scope 1 and Scope 2 emissions per rupee of turnover	KgCo ₂ e/Rs	6.91	7.75

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

The plant at Ghaziabad has started procuring renewable power from the grid as a part of the total power procured. Further initiatives have also been taken as given below:

- The Company has converted all operations running on HSD to PNG, e.g.- Boiler, Furnaces, Canteen cooling, Foundry operations.

- Energy saving initiatives have been taken such as Conventional fan motors replaced with BLDC and Conventional lights replaced with LED
- Installed VFD in chilled water pumps for saving energy

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

Parameter	FY (2022-23)	FY (2021-22)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	117	100
E-waste (B)+ Battery waste (E)	18	11
Bio-medical waste(C)	-	-
Construction and demolition waste (D)	-	-
Empty container (H)	29	24
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	3482	3037
Other Non-hazardous waste generated (H). Please specify, if any.	7632	7412
Total (A+B + C + D + E + F + G)	11278	10584
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	2714	2072.5
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	2714	2072.5
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
(i) Incineration	188	203
(ii) Landfilling	108	111
(iii) Other disposal operations	12616	11833
Total	12912	12147

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

Our waste management methods ensure that hazardous waste, e-waste, and other waste is disposed off safely. We handle, separate, store, and transport hazardous waste in compliance with industry regulations and best practices. Hazardous waste is disposed off and recycled in an environmentally sustainable manner by licenced vendors, as per regulations.

10. If the entity has operations/offices in/around ecologically sensitive areas where environmental approvals/clearances are required, please specify details

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance being complied with? (Y/N)
N/A	N/A	N/A	N/A

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws

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

Yes

S. No.	Specify the law/ regulation/ guidelines which were 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
None				

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. Number of affiliations with trade and industry chambers/ associations:

14 (fourteen)

2. 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.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Indo German Chamber of Commerce	International
3	Automotive Component Manufacturers Association of India	National
4	Engineering Export Promotion Council	National
5	PHD Chamber of Commerce and Industry	National
6	Indian Trade Promotion Organisation	National
7	Association Chamber of Commerce & Industry of Uttar Pradesh	National
8	Aluminium Association of India	National
9	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
10	The Associated Chambers of Commerce & Industry in India (ASSOCHAM)	National

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

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

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.

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
The company has not conducted any social impact assessment.					

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

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

As part of the program design regular feedback is taken and grievances of the community are addressed. Suggestions schemes are available at both Plants.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	205	195
Sourced directly from within the district and neighbouring districts	36%	33%

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No.	State	Aspirational District	Amount spent (In Million INR)
1	Uttar Pradesh	Ghaziabad	15.7
2	Rajasthan	Alwar	15.2

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

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

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

While the criteria for selection of goods and services is quality, reliability and cost, Company gives preference to diversified supply chain partners with small scale industries who meet its quality, delivery, cost and technology expectations.

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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 benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Environment Preservation	15,000+	60
2	Healthcare	70,000	90
3	Education	3500	100
4	Rural Development	2000	80
5	Self-defence training	150	90
6	Vocational skills initiative	200	100
7	Sanitation Initiatives	1000	100

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

The Company provides multiple avenues to customers to raise queries or complaints and provide feedback. Our Sales/QA team is in regular touch with our customers to ensure that timely resolution of customer queries is provided.

2. Turnover of products and/or 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	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	100

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

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential Services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of a product recall on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N/A
Forced recalls	Nil	N/A

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, the Company has in place a Cyber Security Policy. The web-link is <https://shrirampiston.com/investors-guide-2/>.

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 the safety of products / services:**

Post a breach in systems, a “system restoration plan” was implemented to restore safety of systems and further protection was provided via installation of latest Antivirus products on all systems.



END TO END PRODUCT DEVELOPMENT FACILITY

CONCEPT DESIGN

- Concept Design
- Design Algorithm
- CAD Platforms



SIMULATION

- Piston FEA
- Engine Valve FEA
- Ring Dynamic
- Piston Dynamic
- Casting
- CFD Simulation



PROTO LINE

- Piston Sample Manufacturing Facility
- Rapid Prototyping



RIG TESTING

- Hydro- Pulsator
- Wear & Tear
- Coating Scuffing



ENGINE TESTING

- Performance
- Endurance
- Cold & Hot Scuff
- Micro-welding
- Temperature



LAB ANALYSIS

- Fine Measurements
- 3D Scanning
- SCM Analysis
- Metallurgic Analysis



Recognition by DSIR- Govt. of India



Tech Centre

EMERGING TECHNOLOGIES

SPR Initiatives towards H₂ Fuel

Internal combustion engines (ICE) have excellent cost, reliability and also good efficiency compared to other possibilities like batteries or fuel cells.



+

H₂ has potential to become the fuel of the future:

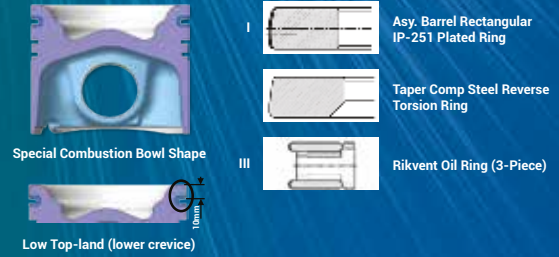
- Less conversion loss than e-Fuels.
- CO₂ neutral.



Challenges with H₂

- ϵ 10:1 - 12:1 → Accommodate combustion bowl geometry ;
- Oil consumption → CO₂ emissions (<1%);
- Blow-by → Possible ignition at crankcase(?);
- Surface temperature → Pre-ignition + knocking + embrittlement ;
- Top land crevice volume → H₂ unburnt emissions & efficiency

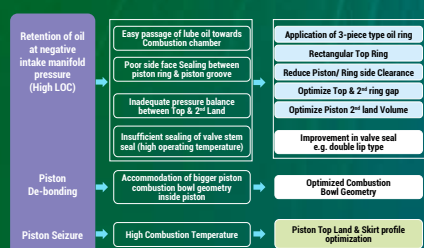
Solutions for Piston Assy :



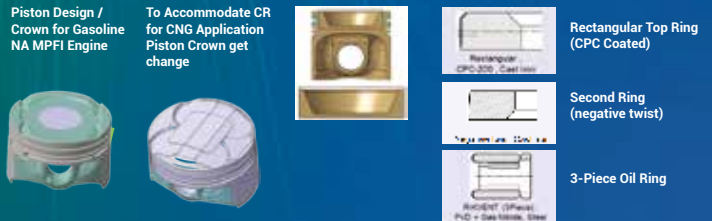
SPR Initiatives towards CNG Fuel

CNG is becoming a very popular choice of Fuel due to its low emissions characteristics. It is becoming a preferred choice for personal and public transportation.

Challenges with CNG



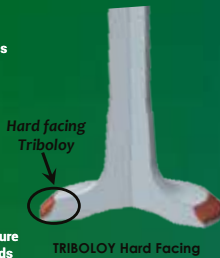
Solutions for Piston Assy :



CNG Application: Engine Valve Technologies

Challenges with CNG Fuel

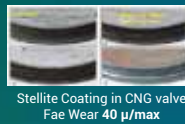
CNG environment is very Dry and contains little oxygen and lubrication. Leading to very high wear rates in traditional hard facing alloys (stellite materials)



Engine valve solution

Tribology T-400 material used Microstructure of T-400 contains intermetallic compounds of Mo and Si which maintains hardness even at high temperature

Existing: Stellite



Stellite Coating in CNG valve
Face Wear 40 μm/max

New Technology: Tribology



Tribology Coating in CNG valve
Face Wear 14 μm/max

65% reduction in Wear rate



Stellite



Tribology

Matrix : Co - Cr Solid solution
Carbide : M₃C₆ (M = Cr, Mo)
Intermetallic compound : (Co, Mo)₃Si
Intermetallic phase: Laves phase

Thermally stable upto 790° C
Contains 28% Mo for higher wear resistance

Ethanol Blended Fuel Application Piston Assembly Technologies

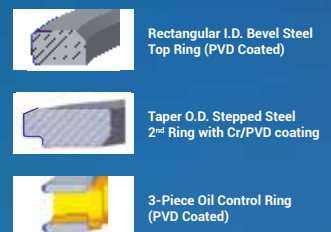
Government is focusing on use of alternative fuel for automotive application to restricts the import of fuel & also to meet the clean environmental goal.



Challenges with Ethanol Blended Fuel

Concern	Affect On Piston Assembly	Potential Countermeasures
Lube Oil Dilution	High ring wear	PVD coated Top Ring
High Sludge	High groove wear	Cr/PVD coated 2 nd ring
Formation	Top Ring Sticking	PVD coated Oil ring
High corrosive environment		Piston Top Groove Anodizing
High groove wear		

Ring Pack Solutions



Ethanol Blended Fuel Application: Engine Valve Technologies

Challenges with Ethanol Blended Fuel

- High thermal stresses
- High Seat wear due to metal to metal contact
- Rusting/corrosion
- Fatigue Failure

Engine valve solutions for Ethanol Blending

HEAD MATERIAL

Below are countermeasures for high thermal stresses

- Intake: Austenitic material used at head side
- Exhaust: Nickel based materials used in higher % of Ethanol



SEAT HARD FACING/ NITRIDED SEAT

Below are countermeasures for high seat wear/ fatigue failure

- Intake: Nitrided seat used & for higher % ethanol seat hard facing is used
- Exhaust: Seat hard facing is used to improve wear resistance

AWARDS AND ACCOLADES



Award for Delivery Management - **Honda 2 Wheelers**



Award for Quality System Excellence - **FICCI**



Award for Golden Peacock for Excellence in Corporate Governance - **IOD, London**



Award for Atmanirbhar Excellence in Exports - **ACMA**



Award for Top 50 Innovative Companies - **CII**



Award for Appreciation for NPD Partnership - **Kirloskar Oil Engines**

AWARDS AND ACCOLADES



Award for Excellence in
Quality & Delivery -
Honda India Power Products



Award for Partnership
Excellence - **my TVS**



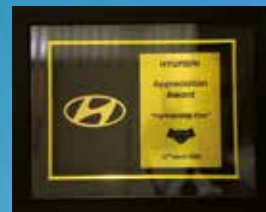
Award for TPM Excellence for
Ghaziabad & Pathredi Plant -
JPIM, Japan



**BHAMASHAH SAMMAN (CSR) -
Government of Rajasthan**



Award for Quality
(Gold & Silver Category) -
Bajaj Auto Limited



Appreciation Award -
Hyundai



GOLDEN PEACOCK AWARD

for "Excellence in Corporate Governance" 2022



Shri Pradeep Dinodia, Chairman and Shri Krishnakumar Srinivasan, MD & CEO receiving the award

Effective corporate governance is critical to our success and helps us ensure that we work towards our long-term goals and objectives, managing potential risks, complying with legal and regulatory requirements, and making informed decisions that align with our organizational goals.

DYNAMIC MANAGEMENT TEAM



Sitting L-R: Sh. Sandeep Agrawal, Sh. Devendra Mishra, Sh. Krishnakumar Srinivasan,
Sh. Sandeep Kalia, Ms. Poonam Bharti, Sh. Prem Prakash Rathi

Standing L-R: Sh. Rajan Nanda, Sh. Pankaj Gupta, Sh. Prashant Khairnar, Sh. Pankaj Kumar Jain,
Sh. Ashok Sinha, Sh. Arun Kumar Shukla, Sh. Dharmendra Singh, Sh. Atul K. Khanapurkar

INDEPENDENT AUDITOR'S REPORT

To The Members of Shriram Pistons & Rings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Shriram Pistons & Rings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the 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 March 31, 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. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition with respect to cut-off: Revenue from contracts with customers for the year ended March 31, 2023 is Rs. 26,050.26 Million. Revenue from sale of products is recognized upon transfer of control to the customers. There is risk of cut-off in which revenue transactions occurring close to and after the year end could be recorded in the financial year ended March 31, 2023. This is considered as a key audit matter. (Refer to Note 20 to the standalone financial statements)</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • We have assessed the Company's accounting policy relating to revenue recognition. We have compared the policy with the Accounting Standards on "Revenue Recognition"; • We understood the processes and evaluated the design and implementation of the Company's controls; • We tested the operating effectiveness of the Company's controls over the recording of sales close to the year end; • We selected samples for detailed testing. We obtained the understanding of the terms of sales and tested the documentation including proof of delivery of the goods, underlying contracts and agreements.

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 Management Discussion and Analysis, Board's Report including Annexures to the Board's Report and Business Responsibility and Sustainability Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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, 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 standalone 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 44 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company- Refer Note 45 to the standalone financial statements.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the 39(i) 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 its knowledge and belief, 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, 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

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

As stated in Note 12(f) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 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.015125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 23087104BGYKWW8024)

Place: New Delhi
Date: May 8, 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 Shriram Pistons & Rings Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 of the Company 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 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, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the 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.

Place: New Delhi
Date: May 8, 2023

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.015125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 23087104BGYKWW8024)

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) (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 of assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals.
- No material discrepancies were noticed on such verification.
- (c) Based on the examination of confirmation received by us from "IDBI Bank", custodian on behalf of all the term loans and working capital loan lenders, we report that, the title deeds of all the immovable 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 Right of use Assets are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 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 and stocks held with third parties), 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. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, 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 Rs. 5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with such banks are in agreement with unaudited books of account of the Company of the respective quarters. The Company is yet to submit the statement for the quarter ended March 31, 2023 with the banks.
- (iii) (a) The Company has not provided any guarantee or security to Companies, firms, Limited Liability Partnerships or any other parties during the year. However, the Company has made investments and granted loans or advances in the nature of loans during the year, in respect of which:

Details of investment made are as mentioned below:

(Amount in Rs. Mn)

Name of the Party	Type of instrument	Amount of Investment made
SPR Engenious Ltd.	Equity instrument	1,200

Details of loan granted are as mentioned below:

(Amount in Rs. Mn)

Particulars	Amount of Loans	Advances in the nature of loans
A. Aggregate amount granted / provided during the year:		
- Subsidiary	15	-
- Others	-	27.82
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	-	-
- Others	-	20.41

- (b) The investments made, and the terms and conditions of the grant of the above-mentioned loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. In respect of advances in the nature of loans provided by the Company, the schedule of repayment of principal has been stipulated, other than payment of interest and the repayments of principal amounts and receipts of interest, wherever applicable are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (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) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 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 March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates (various years covering the period)	Forum where dispute is pending	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)
The Income tax Act, 1961	Income tax	2003-04, 2004-05, 2015-16, 2016-17, 2017-18, 2018-19 & 2020-21	Appellate authority up to Commissioners' level	63.75	0.00
Central Excise Act, 1944	Excise Duty	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	9.54	9.33
Goods & Service Tax Act, 2017	Goods & Services Tax	2017-18, 2018-19	Appellate authority up to Commissioners' level	0.11	0.11
Central Sales Tax Act, 1956	Sales Tax	2012-13, 2015-16	Appellate Tribunal	1.60	1.19
Finance Act, 1994	Service Tax	2012-13, 2013-14, 2014-15 & 2015-16	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	18.77	18.26
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	2007-08, 2008-09, 2016-17, 2017-18	Appellate authority up to Commissioners' level	51.34	42.93
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	2010-11, 2011-12, 2012-13, 2015-16	Appellate Tribunal	35.52	21.15

*amount as per demand orders including interest and penalty wherever quantified in order.

The following matters, which have been excluded from the table above, have been decided in favour of the company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates (various years covering the period)	Forum where dispute is pending	Amount* (Rs Million)
The Income tax Act, 1961	Income tax	2013-14 & 2014-15	Income tax Appellate Tribunal	10.03

*amount as per demand orders including interest and penalty wherever quantified in the order.

- (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, the term loans were obtained by the Company during the year for the reimbursement of capital expenditure incurred in current and earlier years. Since, the purpose of the utilization of the term loans obtained by the Company was not stipulated. Hence, reporting under clause (ix)(c) of the Order is not applicable.
- (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 taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (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 issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (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 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 finalised and issued to the Company during the year and covering the period upto March 31, 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary company, associate company or persons connected with such 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) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.015125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 23087104BGYKWW8024)

Place: New Delhi
Date: May 8, 2023

Standalone Balance Sheet as at March 31, 2023

		Rs. million	
	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	5,374.25	5,763.35
b) Capital work-in-progress	3	45.73	46.94
c) Goodwill	4	14.85	14.85
d) Other Intangible assets	4	213.67	223.38
e) Right of use assets	4	662.91	888.66
f) Intangible assets under development	4	-	8.52
g) Financial assets			
(i) Investments	5	1,248.00	48.50
(ii) Other financial assets	6	865.96	254.99
h) Other non-current assets	8	270.96	252.59
		8,696.33	7,501.78
Current assets			
a) Inventories	9	3,315.82	3,334.79
b) Financial assets			
(i) Investments	5	674.97	271.75
(ii) Trade receivables	10	3,956.64	3,545.64
(iii) Cash and cash equivalents	11	285.38	195.18
(iv) Other bank balances other than (iii) above	11	5,923.77	3,301.98
(v) Other financial assets	6	199.37	72.79
c) Other current assets	8	298.88	277.29
		14,654.83	10,999.42
TOTAL ASSETS		23,351.16	18,501.20
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	220.25	220.25
b) Other equity		15,075.28	12,330.01
		15,295.53	12,550.26
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	1,372.91	403.39
(ii) Lease liabilities	34	228.59	193.44
(iii) Other financial liabilities	19	90.13	101.43
b) Provisions	14	287.22	262.65
c) Deferred tax liabilities (net)	16	220.87	220.16
d) Other non-current liabilities	15	4.40	4.04
		2,204.12	1,185.11
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	1,528.48	914.68
(ii) Lease liabilities	34	63.31	56.44
(iii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		125.48	89.10
- Total outstanding dues of creditors other than micro and small enterprises		3,310.04	2,969.93
(iv) Other financial liabilities	19	122.71	147.84
b) Other Current Liabilities	15	526.92	481.26
c) Provisions	14	137.61	76.71
d) Current tax liabilities (net)	7	36.96	29.87
		5,851.51	4,765.83
TOTAL EQUITY AND LIABILITIES		23,351.16	18,501.20

See accompanying notes to the standalone financial statements
In terms of our report attached

1-53

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

		Rs. million		
	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022	
I	Revenue from operations	20	26,050.26	20,646.64
II	Other income	21	462.30	292.12
III	Total income (I+II)		26,512.56	20,938.76
IV	Expenses			
	Cost of materials consumed	22	9,888.32	7,664.40
	Purchase of stock-in-trade		973.42	802.11
	(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	23	81.74	(596.81)
	Employee benefit expenses	24	4,136.96	3,917.64
	Finance costs	25	194.45	114.23
	Depreciation and amortisation expense	26	933.43	1,020.46
	Other expenses	27	6,335.05	5,814.68
	Total expenses		22,543.37	18,736.71
V	Profit before tax (III-IV)		3,969.19	2,202.05
VI	Tax expense:			
	i) Current tax	16	1,045.88	604.51
	ii) Deferred tax	16	(32.27)	(38.10)
			1,013.61	566.41
VII	Profit for the year (V-VI)		2,955.58	1,635.64
VIII	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the post employment defined benefit plans		117.17	33.06
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(29.49)	(8.32)
B	(i) Items that will be reclassified to profit or loss			
	a) Fair value change of cash flow hedge		13.87	(13.03)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(3.49)	3.28
	Total other comprehensive income		98.06	14.99
	Total Comprehensive income (VII+VIII)		3,053.64	1,650.63
	Earnings per share (of Rs. 10/- each)	29		
	Basic (Rs.)		134.19	74.26
	Diluted (Rs.)		134.19	74.26
	See accompanying notes to the standalone financial statements	1-53		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Standalone statement of Cash flows for the year ended March 31, 2023

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from Operating Activities		
Profit for the year	2,955.58	1,635.64
Adjustments for :		
Tax expenses recognised in statement of profit and loss	1,013.61	566.41
Depreciation/amortisation	933.43	1,020.46
Finance costs	194.45	114.23
Bad debts/advances written off	0.51	14.05
Provision for doubtful debts (net)	6.55	(15.31)
Interest income	(319.23)	(138.51)
Net gain on sale/ fair valuation of current investment	(32.25)	(11.73)
Unrealised exchange rate variation (net)	(27.24)	(26.26)
Investment written off	0.50	-
Profit/loss on sale / retirement of property, plant and equipment	(30.90)	(7.86)
Fair value change in Cash flow hedges (net of tax)	10.38	(9.75)
Remeasurement of post employment defined benefit plans (net of tax)	87.68	24.74
Operating profit before working capital changes	4,793.07	3,166.11
Adjustments for:		
(Increase)/ Decrease in inventories	18.97	(592.63)
(Increase)/ Decrease in trade receivables	(395.66)	(296.96)
(Increase)/ Decrease in loans and other financial assets (current and non current)	(36.10)	(3.27)
(Increase)/ Decrease in other assets (current and non current)	(12.45)	97.39
Increase/ (Decrease) in trade payables	376.83	189.66
Increase/ (Decrease) in other financial liabilities (current and non current)	167.24	139.88
Increase/ (Decrease) in other liabilities and provisions (current and non current)	118.45	65.94
Cash Generated from operations	5,030.35	2,766.12
Income tax paid	(1,038.80)	(572.94)
Net cash from operating activities	(A) 3,991.55	2,193.18
B. Cash Flow from Investing Activities		
Interest received	189.39	95.35
Sale of tangible assets	55.02	18.98
Proceeds from right of use assets (land)	259.74	-
Investment in equity shares	(1,200.00)	(48.00)
Purchase of tangible assets	(484.09)	(295.41)
Purchase of intangible assets	(130.81)	(338.39)
Purchase of Current Investment	(14,201.52)	(9,374.15)
Proceeds from sale of Current Investment	13,830.54	9,458.20
Increase/(Decrease) in margin money with banks	(49.71)	0.07
Increase / (Decrease) in Deposits more than 12 months	(521.90)	(79.63)
Net cash (used) in investing activities	(B) (2,253.34)	(562.98)

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash Flow from Financing Activities		
Payment of lease liability	(81.37)	(76.45)
Interest on lease liability	(22.04)	(23.64)
Interest paid	(168.20)	(89.77)
Dividend paid	(308.35)	(132.15)
Payment for buyback of shares including transaction cost	-	(449.67)
Net proceeds / (repayment) of borrowings	1,350.77	-
Proceeds from deposits	11.33	210.63
Payment of deposits	(206.12)	(346.17)
Net cash from/(used) in financing activities	(C) 576.02	(907.22)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 2,314.23	722.98
Cash and cash equivalents at the beginning of the year	2,772.84	2,049.86
Cash and cash equivalents at the end of the year	5,087.07	2,772.84
Components of cash and cash equivalents		
Cash in hand	0.43	0.89
Balances with banks		
- current accounts	284.95	184.29
- Other bank balances	5,923.77	3,311.98
Working Capital loan from banks (Secured / Unsecured)	(1,122.08)	(724.32)
	5,087.07	2,772.84

Notes to statement of cash flows:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7.
- Disclosure under Para 44A as set out in IND AS on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Changes in liabilities arising from financing activities

Rs. Million				
Particular	Outstanding balance as on April 01,2022	Net proceeds / (repayment) of borrowings	Unrealised foreign exchange gain/ (loss)	Outstanding balance as on March 31,2023
Long term borrowing (Including current maturities of long term debt)	-	1,350.77	(23.68)	1,374.45

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Standalone Statement of Change in Equity as at March 31, 2023

a) Fully paid up equity shares

(face value of Rs. 10/- each)

	Nos of shares	Rs. million
Balance as at March 31, 2022	2,20,24,912	220.25
Changes during the year	-	-
Balance as at March 31, 2023 (refer note 12)	2,20,24,912	220.25

(b) Other Equity

Particulars	Reserves and surplus						Items of other comprehensive income	Total
	Preference share redemption reserve*	Capital redemption reserve*	Revaluation reserve*	Retained earnings	General reserve	Sub Total	Effective portion of cash flow hedge reserve	
Balance as at March 31, 2021	388.58	-	97.32	1,300.00	9,472.12	11,258.02	(0.30)	11,257.72
Profit for the year				1,635.64		1,635.64	-	1,635.64
Reversal on disposal of revalued assets			(0.03)	-	-	(0.03)	-	(0.03)
Dividends			-	(132.15)		(132.15)	-	(132.15)
Expense on buyback of equity shares**			-	(10.31)		(10.31)	-	(10.31)
Tax on buyback of equity shares**				(82.35)		(82.35)		(82.35)
Buyback of equity shares**		3.50	-	(353.50)	(3.50)	(353.50)	-	(353.50)
Other comprehensive income for the year, net of tax			-	24.74	-	24.74	(9.75)	14.99
Transfer to General reserve			-	(1,082.07)	1,082.07	-	-	-
Balance as at March 31, 2022	388.58	3.50	97.29	1,300.00	10,550.69	12,340.06	(10.05)	12,330.01
Profit for the year				2,955.58		2,955.58	-	2,955.58
Reversal on disposal of revalued assets			(0.02)	-	-	(0.02)	-	(0.02)
Dividends			-	(308.35)		(308.35)	-	(308.35)
Other comprehensive income for the year, net of tax			-	87.68	-	87.68	10.38	98.06
Transfer to General reserve			-	(2,734.91)	2,734.91	-	-	-
Balance as at March 31, 2023	388.58	3.50	97.27	1,300.00	13,285.60	15,074.95	0.33	15,075.28

* The revaluation reserve, preference share redemption reserve and capital redemption reserve are not "free Reserve" as per Companies Act 2013, hence not available for distribution of dividend.

** Refer note 48

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Notes to the standalone financial statements for the year ended March 31, 2023

1. Corporate information

Shriram Pistons & Rings Limited (“the Company”) having CIN No.- L29112DL1963PLC004084 is a public Company domiciled in India and incorporated on December 9, 1963 under the provisions of the Companies Act, applicable in India. Its equity share is listed on National Stock Exchange of India Ltd. The registered office of the Company is located at 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi 110001.

The Company’s business activity falls under “automotive component”. Primary products manufactured by the Company are pistons, piston pins, piston rings and engine valves.

The financial statements of the Company are approved for issuance by the Company’s Board of Directors on May 08, 2023

2. Significant accounting policies

2.1.1 Basis of accounting and preparation of financial statements

The Standalone financial statements (“financial statements”) have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs (‘MCA’).

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

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.

The buyback of equity shares and related transaction costs are recorded as reduction of retained earnings/general reserves. Capital redemption reserve is created as an apportionment from general reserves.

2.1.2 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: This level includes financial assets and liabilities, measured using 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).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.3 Operating Cycle

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

Notes to the standalone financial statements for the year ended March 31, 2023

2.2. Use of estimates

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS) and requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3. Revenue recognition

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts and is measured at transaction price.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.5.1. Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.2. Intangible assets

Intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.3. Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5.4. Intangible assets under development

All development costs incurred in respect of new model development projects are capitalised under Intangible Assets under Development. Once the new model is commercialised, the cost accumulated in Intangible Assets under Development are classified as Intangible Assets corresponding to the new model development project.

Notes to the standalone financial statements for the year ended March 31, 2023

2.5.5. Leases

Lessee Accounting

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee. Right of use asset are amortise over the lease term.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Company is following written down value method in case of Furniture, fixtures and office equipment and straight line method in respect of other assets.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Plant and machinery

- General	- twenty years
- Electric Installation / Equipment	- fifteen years
- Dies	- three years
Road	- twenty years
Bore well	- fifteen years
Vehicle	- five years
Furniture and Fixture / Office Equipment	- five years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

Computer Software	- three years
Product Design	- three years
Right of Use Assets - enabling assets	- fifteen years
Right of Use Assets under leases	- over the lease period
Trademarks acquired on acquisition	- ten years
Customer Contracts acquired on acquisition	- ten years

Assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis except for Furniture, Fixtures and Equipments where full year's depreciation is computed in the year of acquisition and no depreciation is provided in the year of sale.

Notes to the standalone financial statements for the year ended March 31, 2023

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment and intangible asset is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

- i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) The contractual terms of the instrument 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

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

Investments

Investment in subsidiaries is carried at amortised cost less impairment. Any permanent diminution in the value of investments is provided for in the books of account.

Investments in mutual funds and investment in equity instrument are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note no 40.

Notes to the standalone financial statements for the year ended March 31, 2023

2.8. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Company designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Company generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Company matches critical terms of hedge item and hedge instruments.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note no 40.

Notes to the standalone financial statements for the year ended March 31, 2023

2.9. Inventories

Inventories are valued on the following basis:

- i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.
- ii) Stock in process – at lower of cost or net realisable value.
- iii) Finished goods stock/Stock-in-trade - at lower of cost or net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and an appropriate proportion of manufacturing overheads based on the normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10. Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Advance received or paid in foreign currency are recognised at the exchange rate on the date of transaction and are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

2.11. Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund and Superannuation Fund is paid as per the statutory provisions/Company's scheme. These benefits are charged to the statement of profit and loss of the year when they become due. For the provident fund trust administrated by the trustees, the Company is liable to meet the shortfall, if any, in payment of interest at the rates declared by Central Government and such liability is recognised in the year of shortfall. For defined post-employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

Notes to the standalone financial statements for the year ended March 31, 2023

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) Net interest expense or income; and
- iii) Remeasurement.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company's scheme. Employees are entitled to accumulate leaves subject to certain limit as per Company's scheme.

Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Employee benefits in the form of long service awards is provided as per Company scheme. The liability is determined through actuarial valuation using projected unit credit method.

2.12. Research and development

Revenue expenditure on research and development, inclusive of dies for new model development, is charged as expense in the year in which incurred. Capital expenditure is included in Property, plant, equipment and intangible assets.

2.13. Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.14. Borrowing costs

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

Notes to the standalone financial statements for the year ended March 31, 2023

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.15. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

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

2.16. Impairment of assets

The carrying values of Property, plant and equipment and Intangible assets or cash generating units are reviewed at each Balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2.17. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

Notes to the standalone financial statements for the year ended March 31, 2023

3. Property, plant & equipment

	Rs. million						
Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2022							
Gross carrying amount							
Opening gross carrying amount	1,622.78	9,072.13	55.85	133.53	181.74	143.48	11,209.51
Additions	10.72	476.63	7.88	2.96	33.57	27.06	558.82
Disposals	(1.44)	(18.40)	(3.38)	(10.31)	(13.36)	(10.76)	(57.65)
Closing gross carrying amount as at March 31, 2022	1,632.06	9,530.36	60.35	126.18	201.95	159.78	11,710.68
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	357.24	4,360.26	44.65	72.67	135.96	103.30	5,074.08
Depreciation charged during the year	66.11	773.70	6.59	23.05	29.56	19.72	918.73
Disposals	(0.44)	(12.61)	(2.73)	(8.92)	(10.73)	(10.05)	(45.48)
Closing accumulated depreciation and impairment as at March 31, 2022	422.91	5,121.35	48.51	86.80	154.79	112.97	5,947.33
Net carrying amount as at March 31, 2022	1,209.15	4,409.01	11.84	39.38	47.16	46.81	5,763.35
Year ended 31 March 2023							
Gross carrying amount							
Opening gross carrying amount	1,632.06	9,530.36	60.35	126.18	201.95	159.78	11,710.68
Additions	34.15	301.15	6.08	47.54	36.02	41.56	466.50
Disposals	(1.99)	(9.97)	(5.97)	(128.09)	(17.31)	(16.96)	(180.29)
Closing gross carrying amount as at March 31, 2023	1,664.22	9,821.54	60.46	45.63	220.66	184.38	11,996.89
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	422.91	5,121.35	48.51	86.80	154.79	112.97	5,947.33
Depreciation charged during the year	66.09	680.52	6.17	20.35	31.25	22.52	826.90
Disposals	(1.52)	(6.93)	(5.33)	(107.15)	(14.61)	(16.05)	(151.59)
Closing accumulated depreciation and impairment as at March 31, 2023	487.48	5,794.94	49.35	-	171.43	119.44	6,622.64
Net carrying amount as at March 31, 2023	1,176.74	4,026.60	11.11	45.63	49.23	64.94	5,374.25

The above assets are pledged as security against borrowings, refer note no. 13 & 17.

Notes to the standalone financial statements for the year ended March 31, 2023

Capital-Work-in Progress (CWIP)

Capital-work-in progress ageing schedule is as under:

Particulars	As on 31 st March 2022				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	46.70	-	0.24	-	46.94
Projects temporarily suspended	-	-	-	-	-

*The projects in progress as on 31st March 2022, will be completed within 1 year.

Particulars	As on 31 st March 2023				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	45.13	0.31	0.29	-	45.73
Projects temporarily suspended	-	-	-	-	-

The above assets are pledged as security against borrowings, refer note no. 13 & 17.

**The projects in progress as on 31st March 2023, will be completed within 1 year.

4. Intangible assets

Particulars	Goodwill	Right of use assets - leases (refer note 34)	Other intangible assets					Sub total	Grand Total
			Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trademarks		
Year ended 31 March 2022									
Gross carrying amount									
Opening gross carrying amount	14.85	762.21	74.16	62.59	85.59	114.36	103.78	440.48	1,217.54
Additions	-	313.30	14.46	10.68	-	-	-	25.14	338.44
Disposals	-	-	-	(0.80)	-	-	-	(0.80)	(0.80)
Closing gross carrying amount as at March 31, 2022	14.85	1,075.51	88.62	72.47	85.59	114.36	103.78	464.82	1,555.18
Accumulated amortization and impairment									
Opening accumulated depreciation and impairment	-	120.70	68.44	62.58	10.15	34.31	31.14	206.62	327.32
Depreciation / amortisation charged during the year	-	66.15	4.75	3.56	5.46	11.44	10.37	35.58	101.73
Disposals	-	-	-	(0.76)	-	-	-	(0.76)	(0.76)
Closing accumulated depreciation and impairment as at March 31, 2022	-	186.85	73.19	65.38	15.61	45.75	41.51	241.44	428.29
Net carrying amount as at March 31, 2022	14.85	888.66	15.43	7.09	69.98	68.61	62.27	223.38	1,126.89

Notes to the standalone financial statements for the year ended March 31, 2023

Rs. million

Particulars	Goodwill	Right of use assets - leases (refer note 34)	Other intangible assets					Sub total	Grand Total
			Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trademarks		
Year ended 31 March 2023									
Gross carrying amount									
Opening gross carrying amount	14.85	1,075.51	88.62	72.47	85.59	114.36	103.78	464.82	1,555.18
Additions	-	101.35	7.11	19.80	-	-	-	26.91	128.26
Disposals (refer note 34)	-	(259.74)	-	-	-	-	-	-	(259.74)
Closing gross carrying amount as at March 31, 2023	14.85	917.12	95.73	92.27	85.59	114.36	103.78	491.73	1,423.70
Accumulated amortization and impairment									
Opening accumulated depreciation and impairment	-	186.85	73.19	65.38	15.61	45.75	41.51	241.44	428.29
Depreciation / amortisation charged during the year	-	69.91	2.92	6.31	5.57	11.44	10.38	36.62	106.53
Disposals	-	(2.55)	-	-	-	-	-	-	(2.55)
Closing accumulated depreciation and Impairment as at March 31, 2023	-	254.21	76.11	71.69	21.18	57.19	51.89	278.06	532.27
Net carrying amount as at March 31, 2023	14.85	662.91	19.62	20.58	64.41	57.17	51.89	213.67	891.43

The right of use assets (land) is mortgaged as security against borrowings, refer note no. 13 & 17.

Goodwill represents goodwill arisen on amalgamation of Shriram Automotive Product Limited. Goodwill is tested for impairment on annual basis and wherever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including in business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculation are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Intangible assets under development

Intangible assets under development ageing schedule is as under:

Particulars	As on 31 st March 2022				Total
	Amount in Intangible under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	8.52	-	-	8.52
Projects temporarily suspended	-	-	-	-	-

*The projects in progress as on 31st March 2022, will be completed within 1 year.

Notes to the standalone financial statements for the year ended March 31, 2023

Particulars	As on 31 st March 2023				Total
	Amount in Intangible under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

5. Investments

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. million	No. of shares	Rs. million
Non Current Investment (Unquoted)				
Equity instrument:				
Investment carried at amortised cost				
SPR International Auto Exports Limited (fully paid up of Rs. 10 each) (refer note 49)	-	-	50,000	0.50
SPR Engeninous Limited (fully paid up of Rs. 10 each) (refer note 50)	12,00,00,000	1,200.00	-	-
Investment carried at Fair value through Profit or Loss				
Lalganj Power Private Limited (fully paid up of Rs. 10 each)	36,36,364	48.00	36,36,364	48.00
	12,36,36,364	1,248.00	36,86,364	48.50
Current Investment (Unquoted)				
Carried at fair value through Statement of Profit and loss				
Investment in Mutual fund (Liquid fund) Units of Face value of Rs. 1000 each				
- 126846 units (Previous year: 75808) Axis Overnight Fund Direct Growth		150.38		85.20
- 3855 units (Previous year: 15341) SBI Overnight Fund Direct Growth		14.07		53.10
- 97111 units (Previous year: 31864) Axis Liquid Fund - Direct Growth		242.86		75.33
- 1740 units (Previous year: 19974) UTI Overnight Fund - Direct Plan - Growth		5.34		58.12
- 3433 units (Previous year: Nil) SBI Liquid Fund Direct Growth		12.10		-
- 31833 units (Previous year: Nil) UTI Liquid Cash Plan - Direct Plan - Growth		117.44		-
- 59218 units (Previous year: Nil) HSBC Liquid Fund Direct Growth		132.78		-
		674.97		271.75

Notes to the standalone financial statements for the year ended March 31, 2023

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

Rs. million

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
	Bank Deposit more than 12 months (refer note 11)	-	601.52	-
Security Deposit	3.01	194.09	3.76	174.63
Interest accrued on deposits	190.89	-	69.03	-
Derivative instrument (refer note 40)	5.47	19.90	-	-
Deposit with banks held as margin money (refer note 11)	-	50.45	-	0.73
	199.37	865.96	72.79	254.99

7. Tax assets/ (liabilities) net

Rs. million

	As at March 31, 2023	As at March 31, 2022
Advance income tax	1008.92	574.64
less: Provision for income tax	(1,045.88)	(604.51)
Net	(36.96)	(29.87)

8. Other assets

(Unsecured, considered good unless stated otherwise)

Rs. million

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
	i) Capital advances	-	63.89	-
ii) Advances other than capital advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	102.82	-	61.51	-
Unsecured, Considered doubtful	14.60	-	10.25	-
	117.42	-	71.76	-
Provision for doubtful advances	(14.60)	-	(10.25)	-
	102.82	-	61.51	-

Notes to the standalone financial statements for the year ended March 31, 2023

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
iii) Export incentive receivable				
Unsecured, considered good	22.61	13.67	63.14	27.95
Unsecured, considered doubtful	0.72	3.57	0.56	3.30
	<u>23.33</u>	<u>17.24</u>	<u>63.70</u>	<u>31.25</u>
Provision for doubtful advances	(0.72)	(3.57)	(0.56)	(3.30)
	<u>22.61</u>	<u>13.67</u>	<u>63.14</u>	<u>27.95</u>
iv) Balance with government authorities- Goods and service tax	52.53	-	52.02	-
v) Prepaid expenses	43.30	10.99	78.69	8.49
vi) Other assets				
Unsecured, considered good*	77.62	182.41	21.93	184.14
Unsecured, considered doubtful	3.83	-	3.95	-
	<u>81.45</u>	<u>182.41</u>	<u>25.88</u>	<u>184.14</u>
Provision for doubtful	(3.83)	-	(3.95)	-
	<u>77.62</u>	<u>182.41</u>	<u>21.93</u>	<u>184.14</u>
	<u>298.88</u>	<u>270.96</u>	<u>277.29</u>	<u>252.59</u>

* Other assets - non current, represents paid under protest to government authorities.

9. Inventories

(valued at lower of cost or net realisable value)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Raw material and components (includes in transit Rs. 4.39 million (previous year: Rs. Nil million))	664.48	612.99
Work-in-progress (includes in transit Rs. 8.09 million (previous year: Rs. 4.94 million))	993.46	1,079.57
Finished goods (includes in transit Rs. 64.72 million (previous year: Rs. 85.54 million))	1,281.86	1,278.79
Stock- in - trade (includes in transit Rs. 1.97 million (previous year: Rs. 11.12 million))	44.61	43.31
Stores and spares (includes in transit Rs. 0.88 million (previous year: Rs. 3.00 million))	293.75	279.88
Loose tools	37.66	40.25
	<u>3,315.82</u>	<u>3,334.79</u>

The inventories are hypothecated as security against working capital loans from banks, refer note no 17

Notes to the standalone financial statements for the year ended March 31, 2023

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

	As at March 31, 2023	As at March 31, 2022
		Rs. million
Current		
Considered good*	3,956.64	3,545.64
Credit impaired	32.07	30.16
	<u>3,988.71</u>	<u>3,575.80</u>
Impairment of trade receivables	(32.07)	(30.16)
	<u>3,956.64</u>	<u>3,545.64</u>

The trade receivables are pledged as security against working capital loans from banks, refer note no 17

* There is no trade receivable which have significant increase in credit risk.

Trade receivable ageing as on 31st March 2022 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	3,145.20	387.89	12.55	-	-	-	3,545.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.48	2.13	5.86	6.51	11.30	29.28
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	0.88	0.88
	<u>-</u>	<u>3,145.20</u>	<u>391.37</u>	<u>14.68</u>	<u>5.86</u>	<u>6.51</u>	<u>12.18</u>	<u>3,575.80</u>

Notes to the standalone financial statements for the year ended March 31, 2023

Trade receivable ageing as on 31st March 2023 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total	Rs. Million
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
			(i) Undisputed Trade receivables – considered good	-	3,511.73	425.64	19.27		-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	4.41	4.31	5.88	3.38	13.21	31.19	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	0.88	0.88	
Total	-	3,511.73	430.05	23.58	5.88	3.38	14.09	3,988.71	

11. Cash and cash equivalents and other bank balances

(At amortised cost)

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
i) Cash and cash equivalents				
Cash on hand	0.43	-	0.89	-
Balances with banks				
- Deposits with banks, with original maturity less than 3 months	-	-	10.00	-
- current accounts	284.95	-	184.29	-
	285.38	-	195.18	-
ii) Other bank balances				
- Unclaimed dividend account	0.53	-	0.66	-
- Unspent CSR account	5.50	-	7.22	-
- Deposits with banks, with original maturity more than 3 months	5,602.34	601.52	3,188.47	79.63
- Deposits with banks held as margin money	315.40	50.45	105.63	0.73
	5,923.77	651.97	3,301.98	80.36
	6,209.15	651.97	3,497.16	80.36
Less : Amounts disclosed under other financial assets (refer note 6)	-	(651.97)	-	(80.36)
	6,209.15	-	3,497.16	-

Notes to the standalone financial statements for the year ended March 31, 2023

12. Equity share capital

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
52,500,000 (previous year 52,500,000) equity shares of Rs. 10 each	525.00	525.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	825.00	825.00

a. Issued, subscribed and fully paid up shares

22,024,912 (previous year 22,024,912) equity shares of Rs. 10 each	220.25	220.25
	220.25	220.25

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of equity shares outstanding at the beginning and at the end of reporting year

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. million	No. of shares	Rs. million
Opening balance	2,20,24,912	220.25	2,23,74,912	223.75
Issued during the year	-	-	-	-
Buyback during the year (refer note 48)	-	-	3,50,000	3.50
Closing balance	2,20,24,912	220.25	2,20,24,912	220.25

d. Details of equity shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% shareholding	No. of shares	% shareholding
Equity shares of Rs. 10 each fully paid				
Riken Corporation	46,92,057	21.30	46,92,057	21.30
KS Kolbenschmidt GmbH	44,74,974	20.32	44,74,974	20.32
Luv D. Shriram and Meenakshi Dass*	33,33,931	15.14	33,33,931	15.14
Meenakshi Dass and Luv D. Shriram *	33,33,931	15.14	33,33,931	15.14
National Insurance Company Limited	13,84,055	6.28	13,84,733	6.29

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

Notes to the standalone financial statements for the year ended March 31, 2023

e) Details of Shares held by Promoters at the end of the year

Name of promotor	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% shareholding	% Change during the year	No. of shares	% shareholding	% Change during the year
Meenakshi Dass & Luv D. Shriram*	33,33,931	15.14	-	33,33,931	15.14	0.23
Luv D. Shriram & Meenakshi Dass*	33,33,931	15.14	-	33,33,931	15.14	0.23
Meenakshi Dass	8,34,720	3.79	-	8,34,720	3.79	(1.29)
Nandishi Shriram	865	0.004	-	865	0.004	(0.0003)
Luv D. Shriram and Kush D. Shriram**	2	0.00001	-	2	0.00001	0.0000001
Luv D. Shriram	5,450	0.02	-	5,450	0.02	0.02
Sarva Commercial Pvt. Ltd.	10,66,580	4.84	-	10,66,580	4.84	0.09
Sera Com Pvt. Ltd.	9,50,397	4.32	-	9,50,397	4.32	0.09
Manisha Commercial Pvt. Ltd.	6,67,979	3.03	-	6,67,979	3.03	0.06
Shabnam Commercial Pvt. Ltd.	1,03,197	0.47	-	1,03,197	0.47	0.01
Kush D. Shriram	1	0.000005	-	1	0.000005	-

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

** Shares held on behalf NAK Benefit Trust.

- f) The Board of directors, in its meeting of May 08, 2023, has proposed final special "Golden Jubilee" dividend of Rs. 5/- per equity share (face value of Rs. 10 per equity share) to equity shareholders for the year ended March 31, 2023. This dividend together with the interim dividend of Rs. 10/- per equity share, aggregating total dividend to Rs. 15/- per equity share for the financial year 2022-23. The final dividend is subject to the approval of shareholders in Annual General Meeting of the Company and same has not been recognised as liability in financial statements for the year ended March 31, 2023.

13. Borrowings

(At amortised cost)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Secured				
Term loans from banks	180.12	1,194.33	-	-
Unsecured				
Deposits	192.98	167.80	164.67	359.30
Deposits from related parties (refer note 32)	33.31	10.78	21.65	44.09
	406.41	1,372.91	186.32	403.39
Less : Current maturities of long term debt (refer note 17)	(406.41)	-	(186.32)	-
	-	1,372.91	-	403.39

Rs. million

Notes to the standalone financial statements for the year ended March 31, 2023

- i) Term loans from banks of Rs. 1374.45 million (previous year: nil) are secured by way of first pari passu charge on all the movable and immovable property, plant & equipment and right of use assets (land) of the company, present and future.

Amount outstanding		Repayment period from origination (years)	Instalments outstanding No.	Effective Rate of Interest per annum %
As at March 31, 2023 (Rs. million)	As at March 31, 2022 (Rs. million)			
400.00	-	6*	20	Quarterly 7.30
623.68	-	6*	20	Quarterly 7.18
196.00	-	6	23	Quarterly 7.56
89.77	-	6	23	Quarterly 7.62
65.00	-	6	24	Quarterly 8.00
1,374.45	-			

* The repayment period includes moratorium of 1 year from the date of origination

- ii) The long term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

Amount outstanding		Repayment period from origination (years)	Rate of Interest per annum (%)	
As at March 31, 2023 (Rs. million)	As at March 31, 2022 (Rs. million)		As at March 31, 2023	As at March 31, 2022
5.42	29.59	2		
399.44	560.12	3	6.00-9.50	8.00-9.50
404.86	589.71			

14. Provisions

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Provision for employee benefits	137.61	287.22	76.71	262.65
	137.61	287.22	76.71	262.65

15. Other liabilities

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Security deposits*	128.91	4.40	126.15	4.04
Advances from customers	90.65	-	62.27	-
Statutory dues	256.85	-	236.12	-
Others	50.51	-	56.72	-
	526.92	4.40	481.26	4.04

*The security deposits have been received by the Company from customers/vendors in the normal course of business.

Notes to the standalone financial statements for the year ended March 31, 2023

16. a) Deferred tax liability (net)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	316.85	330.79
Unrealised Income on Mutual Fund	-	0.09
	316.85	330.88
Deferred tax assets		
Expenses deductible on payment basis	131.09	114.42
Provision for doubtful debts/advances	13.78	12.14
Deferred tax assets on other comprehensive income		
Fair value change in Cash flow hedges	4.73	8.22
Remeasurment of post employment defined benefit plans	(53.62)	(24.06)
	95.98	110.72
Net deferred tax liability	220.87	220.16

b) Reconciliation of tax expenses and accounting profit

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Profit before tax from continuing operation	3,969.19	2,202.05
Income tax expenses calculated at current tax rate	998.95	554.21
Add : Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	7.78	7.48
(ii) Donation under section 80G	0.91	0.63
(iii) Interest to MSMED parties	0.01	0.02
(iv) Interest on Income Tax	1.72	0.39
(v) Amortisation of right of use (land)	2.14	1.58
(vi) Amortisation of intangible assets (Goodwill)	2.10	2.10
Income tax expenses recognised in statement of profit & loss	1013.61	566.41

Notes to the standalone financial statements for the year ended March 31, 2023

17. Short term borrowings

(At amortised cost)

	As at March 31, 2023	As at March 31, 2022
		Rs. million
Secured		
Working capital loans from banks repayable on demand [#]	1,122.08	724.32
Current maturities of long term borrowing (refer note 13)	180.12	-
Unsecured		
Deposits*	-	4.04
Current maturities of long term borrowing (refer note 13)	226.28	186.32
	1,528.48	914.68

[#]Working capital loans of Rs. 1017.08 million. are secured by way of first pari passu charge on inventories and trade receivables of the Company, present and future and second pari passu charge on all the movable and immovable property, plant & equipment and right of use assets (land) of the Company, present and future and Rs. 105.00 million is secured by way of lien on the bank deposit of Rs. 250.50 million.

*The short term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 1 year.

18. Trade payables

(At amortised cost)

	As at March 31, 2023	As at March 31, 2022
		Rs. million
- Total outstanding dues of micro and small enterprises	125.48	89.10
- Total outstanding dues of creditors other than micro and small enterprises	3,310.04	2,969.93
	3,435.52	3,059.03

Trade payable includes Rs. 117.03 million (previous year: Rs. 80.42 million) due to related parties (refer note 32)

Trade Payables ageing schedule as on 31st March 2022 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	79.35	9.75	-	-	-	89.10
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	2,682.27	277.92	2.68	5.73	1.33	2,969.93
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	2,761.62	287.67	2.68	5.73	1.33	3,059.03

Notes to the standalone financial statements for the year ended March 31, 2023

Trade Payables ageing schedule as on 31st March 2023 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	125.48	-	-	-	-	125.48
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	2,939.62	363.00	0.37	0.51	6.54	3,310.04
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	3,065.10	363.00	0.37	0.51	6.54	3,435.52

19. Other financial liabilities

(At amortised cost)

Rs. million

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Interest accrued but not due on borrowings	60.62	-	56.41	-
Unclaimed dividends*	0.53	-	0.66	-
Unclaimed matured deposits and interest accrued thereon*	5.11	-	13.00	-
Capital creditors	56.45	90.13	65.59	101.43
Derivative instrument (refer note 40)	-	-	12.18	-
	122.71	90.13	147.84	101.43

*Not due for transfer to investor education and protection fund

20. Revenue from operations

Rs. million

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	25,599.15	20,233.98
Other operating revenues		
- sale of scrap	350.68	335.82
- export benefits*	95.58	67.83
- others	4.85	9.01
	26,050.26	20,646.64

*Export benefits are in the nature of government grants covering following:

Rs. million

	As at March 31, 2023	As at March 31, 2022
Remission of Duties and Taxes on Export Products (RoDTEP)	22.17	6.85
Duty draw backs	73.40	60.98
	95.57	67.83

Notes to the standalone financial statements for the year ended March 31, 2023

21. Other income

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- Bank deposits	311.25	129.76
- Others	7.98	8.75
Net gain on sale/fair valuation of current investment	32.25	11.73
Profit / gain on sale/disposal of property, plant and equipment / right of use of assets (land)	30.90	7.85
Foreign exchange gain (net)	30.65	95.80
Provision for doubtful debts and advances written back (net)	-	15.31
Other non-operating income	49.27	22.92
	462.30	292.12

22. Cost of material consumed

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Cost of raw material and components consumed	9,331.98	7,213.36
Cost of packing material consumed	556.34	451.04
	9,888.32	7,664.40

23. (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Work-in-progress	993.46	1,079.57
Finished goods	1,281.86	1,278.79
Stock-in-trade	44.61	43.31
	2,319.93	2,401.67
Inventories at the beginning of the year		
Work-in-progress	1,079.57	871.04
Finished goods	1,278.79	897.02
Stock-in-trade	43.31	36.80
	2,401.67	1,804.86
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	81.74	(596.81)

Notes to the standalone financial statements for the year ended March 31, 2023

24. Employee benefits expense

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	3,627.90	3,379.62
Contribution to provident and other funds	291.19	296.42
Staff welfare expenses	217.87	241.60
	4,136.96	3,917.64

25. Finance costs

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	160.95	86.96
Interest expense on lease liabilities (refer note 34)	22.05	23.64
Interest expense on income tax	6.85	1.54
Other borrowing costs	4.60	2.09
	194.45	114.23

26. Depreciation and amortisation expense

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
- Depreciation on Property, Plant and Equipment (refer note 3)	826.90	918.73
- Depreciation on Right of use assets (refer note 4)	69.91	66.15
- Amortisation of Intangible Assets (refer note 4)	36.62	35.58
	933.43	1,020.46

27. Other expenses

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	2,059.23	1,758.19
Power and fuel	1,380.43	1,302.06
Job work charges	537.18	530.00
Freight expenses	362.02	369.41
Royalty	463.92	358.36
Rent	19.73	17.45
Rates and taxes	11.46	9.31
Insurance	39.04	36.65
Sub-contracting expenses	304.73	235.19

Notes to the standalone financial statements for the year ended March 31, 2023

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Repair and maintenance		
-Plant and machinery	185.39	143.54
-Buildings	92.43	94.59
-Others	27.01	28.69
Auditor's remuneration (refer note 28)	5.35	4.86
Directors' fees	12.40	8.70
Provision for doubtful debts and advances (net)	6.55	-
Bad debts and advances written off	0.51	14.05
Corporate social responsibilities expenses (refer note 46)	30.90	29.73
Travelling expenses	64.84	23.92
Legal and professional expenses	58.41	53.02
Miscellaneous expenses	673.52	796.96
	6,335.05	5,814.68

28. Payment to auditor

(excluding goods and service tax, as applicable)

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
- Audit fee	3.23	3.22
- Limited review	1.40	1.40
- Other services	0.26	0.19
- Reimbursement of expenses	0.46	0.05
	5.35	4.86

29. Earnings per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders (Rs. million)	2,955.58	1,635.64
Weighted average number of equity shares (Nos. million)	22.02	22.02
Earning per share		
- Basic (Rs.)	134.19	74.26
- Diluted (Rs.)	134.19	74.26

Notes to the standalone financial statements for the year ended March 31, 2023

30. Research and development expenditure

The details of research and development expenditure incurred by the Company and included in the respective account heads are as under:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Capital expenditure	22.09	12.57
Revenue expenditure	211.05	203.53
	233.14	216.10

The details of revenue expenditure incurred on research and development is as under:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	59.55	66.23
Salaries and wages	117.43	105.97
Contribution to provident and other funds	7.43	8.29
Staff welfare expenses	1.39	1.96
Power and fuel	4.66	4.25
Repair and maintenance		
- Plant and Machinery	14.89	11.20
- Buildings	0.18	0.16
Loss on sale/retirement of fixed assets (net)	0.17	0.06
Travelling expenses	1.27	0.18
Miscellaneous expenses	4.08	5.23
	211.05	203.53

31. Employee benefits

The Company has classified the various employee benefits as under:

i) Defined contribution plans

The Company has recognised the following amount in the statement of profit and loss:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Employers' contribution to Provident fund	174.63	173.81
Employers' contribution to Superannuation fund	29.38	36.44
Employers' contribution to State Insurance fund	28.32	28.11
	232.33	238.36

Notes to the standalone financial statements for the year ended March 31, 2023

ii) Defined benefit plans - Gratuity

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for Gratuity and details of the same are given below :

Particulars	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognized in statement of Profit & Loss A/c		
Current service cost	78.52	79.86
Net Interest cost on defined benefit/ liability	1.10	(1.81)
Total expense recognised in the Statement of Profit and Loss	79.62	78.05
Actual contribution and benefit payments for the year		
Actual benefit payments	57.16	(60.51)
Actual contributions	30.00	-
	87.16	(60.51)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1,110.64	1,127.57
Fair value of plan assets	1,161.81	1,111.19
Funded status [Surplus / (Deficit)]	51.17	(16.38)
Net asset / (liability) recognised in the Balance Sheet	51.17	(16.38)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	1,127.57	1,066.44
Current service cost	78.52	79.86
Interest cost	75.49	67.67
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)		
- Changes in Demographic assumptions	-	9.51
- Changes in Financial assumptions	(66.93)	(34.33)
- Experience Variance	(46.85)	(1.07)
Benefits paid	(57.16)	(60.51)
Present value of DBO at the end of the year	1110.64	1127.57
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	1,111.19	1,095.04
Expected return on plan assets	74.40	69.49
Contributions	30.00	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	3.38	7.17
Benefits paid	(57.16)	(60.51)
Plan assets at the end of the year	1,161.81	1,111.19
Actual return on plan assets	77.78	76.66
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	-	9.51
- Changes in Financial assumptions	(66.93)	(34.33)
- Experience Variance	(46.85)	(1.07)
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(3.39)	(7.17)
	(117.17)	(33.06)

Notes to the standalone financial statements for the year ended March 31, 2023

Actuarial assumptions for Gratuity	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.40%	6.70%
Expected return on plan assets	7.00%	7.00%
Salary escalation	10.00%	10.00%
Attrition	5 /10 %, p.a.	5 /10 %, p.a.
Mortality table used	IAL 2012-14	IAL 2012-14

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Rs. million

Sensitivity Analysis for significant actuarial assumptions		Year ended March 31, 2023		Year ended March 31, 2022	
Particulars		Impact on Liability		Impact on Liability	
		Increase	Decrease	Increase	Decrease
Discount Rate	+100 basis points		85.44		92.80
	-100 basis points	97.50		106.75	
Salary Growth Rate	+100 basis points	94.13		102.32	
	-100 basis points		84.21		90.97
Attrition Rate	+100 basis points		31.27		43.30
	-100 basis points	42.86		60.03	
Mortality Rate	+100 basis points		0.45		0.61
	-100 basis points	0.45		0.62	

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk Factors in actuarial assumptions

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumption in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to the standalone financial statements for the year ended March 31, 2023

Regulatory framework/ Governance / Benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of separation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by independent Board of Trustees, appointed by the Company. The trust is a separate legal entity and is recognized by the Commissioner of Income Tax, under the provisions of Schedule IV the the Income Tax Act, 1961.

The Board of trustees manages the plan assets through Life Insurance Corporation of India, SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their separation in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance company at the end of the financial year. Gratuity claims are settled by the insurance company out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Company is exposed to movement in interest rate.

Effect of plan on Entity's future cash flows

The company has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made on a quarterly basis based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs. 23.72 million (Rs. 96.21 million). Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

The plan assets are managed by independent Board of Trustees through Life Insurance Corporation of India, SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Standard Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their separation in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed. Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

iii) Compensated Absences

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of DBO	420.72	333.14
Funded status [Surplus / (Deficit)]	(420.72)	(333.14)

iv) Provident fund

The Company has an obligation to fund any shortfall in yield of the trust's investments over the rate declared by Government. The rate is determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in earlier years.

32. Related party disclosure

As per Indian Accounting Standard – 24 the Company's related parties and transactions with them are disclosed below :

A. List of related parties:

Subsidiary companies	SPR International Auto Exports Limited (Wholly owned subsidiary up to March 7, 2023)
	SPR Engenious Limited (Wholly owned subsidiary w.e.f. September 26, 2022)

Notes to the standalone financial statements for the year ended March 31, 2023

Step-down Subsidiary company	EMF Innovations Private Limited (w.e.f January 11, 2023)
Key management personnel	<p>Shri Pradeep Dinodia, Chairman</p> <p>Shri Hari S. Bhartia, Director</p> <p>Smt Meenakshi Dass, Director</p> <p>Shri Inderdeep Singh, Director</p> <p>Shri Krishnakumar Srinivasan, Managing Director & CEO</p> <p>Shri A.K Taneja, Managing Director & Chief Mentor (upto March 31, 2022)*</p> <p>Shri Luv D. Shriram, Whole Time Director</p> <p>Smt. Ferida Chopra, Director</p> <p>Shri Alok Ranjan, Director</p> <p>Shri Yukio Tanemura, Director (upto April 5, 2022)</p> <p>Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura (upto April 5, 2022)</p> <p>Shri Kiyoto Tone, Director (upto May 7, 2021)*</p> <p>Shri Sascha Putz, Non Executive director.</p> <p>Shri. Shinichi Unno, Independent Director</p> <p>Shri Masaaki Yamaguchi, Director (w.e.f. April 6, 2022)</p> <p>Shri Yasunori Maekawa, Director (w.e.f. April 6, 2022)</p>
Close members of the family of key management personnel	
Shri Krishnakumar Srinivasan	Smt. Sumati Krishnakumar
Shri A.K Taneja	Smt. Anita Taneja (upto March 31, 2022)*
Shri Luv D. Shriram	<p>Smt. Meenakshi Dass</p> <p>Shri Kush D. Shriram</p> <p>Smt Nandishi Shriram</p> <p>Smt. Arati Shriram</p>
Entity over which, Key management personnel and their Close members of the family has significant influence or control	<p>Shriram Veritech Solutions Pvt. Ltd.</p> <p>S.R. Dinodia & Co. LLP</p> <p>Manisha Commercial Pvt. Ltd</p> <p>Deepak C. Shriram & Sons HUF</p> <p>Sera Com Pvt. Ltd.</p> <p>Sarva Commercial Pvt. Ltd.</p> <p>Shabnam Commercial Pvt. Ltd.</p> <p>Pradeep Dinodia HUF</p> <p>Luv Arati and Associates (AOP)</p> <p>Deepak Shriram Family Benefit Trust</p> <p>NAK Benefit Trust</p>
Post-employment benefit plan entity	<p>Shriram Pistons & Rings Ltd Gratuity Fund Trust</p> <p>Shriram Pistons & Rings Ltd Superannuation Fund Trust</p> <p>Shriram Pistons & Rings Ltd. Officers' Provident Fund Trust</p> <p>Shriram Automotive Products Ltd Group Gratuity Scheme (Up to October 13, 2021)*</p>

* Related party transaction exists in previous year. Not a related party in current year.

Notes to the standalone financial statements for the year ended March 31, 2023

B. Related party transactions

(i) Transactions during the year

Rs. millions

Particulars	Subsidiaries		Entity over which, Key management personnel and their Close members of the family has significant influence or control		Key management personnel (KMP)		Close members of the family of key management personnel		Post-employment benefit plan entity		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Remuneration												
Short-term employees benefit	-	-	-	-	118.99	127.09	-	-	-	-	118.99	127.09
Post- employment benefit	-	-	-	-	2.48	4.20	-	-	-	-	2.48	4.20
Other long-term employees benefit	-	-	-	-	-	2.43	-	-	-	-	-	2.43
Commission to Directors	-	-	-	-	49.78	31.92	-	-	-	-	49.78	31.92
Legal Expenses	-	-	1.20	1.20	-	-	-	-	-	-	1.20	1.20
Rent	-	-	3.41	5.32	1.44	1.44	0.96	1.44	-	-	5.81	8.20
Interest on deposits	-	-	0.44	2.18	2.30	2.88	3.15	2.83	-	-	5.89	7.89
Directors sitting fees	-	-	-	-	12.40	8.70	-	-	-	-	12.40	8.70
Dividend paid	-	-	132.38	56.73	11.76	5.04	0.01	0.01	-	-	144.15	61.78
Contribution Paid	-	-	-	-	-	-	-	-	90.10	58.09	90.10	58.09
Deposits taken during the year	-	-	-	2.50	-	-	-	8.28	-	-	-	10.78
Deposits paid during the year	-	-	-	90.00	12.65	-	9.00	1.00	-	-	21.65	91.00
Purchase of material / stores	-	-	11.52	12.64	-	-	-	-	-	-	11.52	12.64
Buyback of Equity shares	-	-	-	253.35	-	39.67	-	0.08	-	-	-	293.10
Investment	1,200.00	-	-	-	-	-	-	-	-	-	1,200.00	-
Loan given during year (refer note-iv)	15.00	-	-	-	-	-	-	-	-	-	15.00	-
Loan repaid during year	15.00	-	-	-	-	-	-	-	-	-	15.00	-
Interest received on Inter-corporate loan	0.25	-	-	-	-	-	-	-	-	-	0.25	-
Amount received for providing resources and facilities	0.66	-	-	-	-	-	-	-	-	-	0.66	-
Property, Plant and Equipment	259.74	-	-	-	-	-	-	-	-	-	259.74	-
Sale of Material	2.77	-	-	-	-	-	-	-	-	-	2.77	-

Notes to the standalone financial statements for the year ended March 31, 2023

(ii) Balances due from/to the related parties

Rs. millions

Particulars	Subsidiaries		Entity over which, Key management personnel and their Close members of the family has significant influence or control		Key management personnel (KMP)		Close members of the family of key management personnel		Post-employment defined benefit plan entity		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deposits accepted	-	-	4.50	4.50	15.81	28.45	23.78	32.78	-	-	44.09	65.73
Interest accrued but not due	-	-	0.82	0.38	3.94	4.13	3.67	2.19	-	-	8.43	6.70
Amount payable/ (recoverable)	2.80	-	0.16	0.09	114.07	80.33	-	-	(36.74)	30.71	80.29	111.13

Note : i) The deposit from related parties have been accepted on same rate of interest as applicable for other unrelated parties.

ii) The amount outstanding from related parties are unsecured and will be settled in cash.

iii) No guarantees have been given or received in respect of related parties.

iv) The purpose of this loan to subsidiary is to meet the funding requirements for future business opportunities in the areas related to the automotive segment.

33. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2020 in respect of disputed dues, not deposited as at March 31, 2023, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)	Amount Paid (Rs. Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16, 2016-17, 2017-18, 2018-19 & 2020-21	63.75	0.00	63.75
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	9.54	9.33	0.21
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-13, 2013-14, 2014-15, 2015-16	18.77	18.26	0.51
Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2012-13, 2015-16	1.60	1.19	0.41
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2007-08, 2008-09, 2016-17, 2017-18	51.34	42.93	8.41
		Appellate Tribunal	2010-11, 2011-12, 2012-13, 2015-16	35.52	21.15	14.37
Goods & Service Tax Act 2017	Goods & Services Tax	Appellate authority up to Commissioners' level	2017-18, 2018-19	0.11	0.11	0.00

* amount as per demand orders including interest and penalty wherever quantified in the order.

Notes to the standalone financial statements for the year ended March 31, 2023

34. Leases :

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate/implicit interest rate and the Right of Use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate/implicit interest rate at the date of initial application.

The changes in the carrying value of right of use assets for the year ended March 31, 2023 are as follows:

Particulars	Right of Use Asset			Rs. millions
	Land	Buildings	Motor Car	
	Balance as of April 1, 2021	416.81	224.70	-
Additions	259.74	53.56	-	
Amortisation of Right of use Asset	(6.36)	(59.98)	-	
Balance as of March 31, 2022	670.29	218.38	-	
Balance as of April 1, 2022	670.29	218.38	-	
Additions	-	66.96	34.38	
Deletion*	(259.74)	-	-	
Gain on sale of right of use assets (Land)	2.55	-	-	
Amortisation of Right of use Asset	(8.51)	(59.93)	(1.46)	
Balance as of March 31, 2023	404.59	225.41	32.92	

*Represents transfer of right of use asset (Land) by the Company to its wholly owned subsidiary, SPR Engenious Ltd.

The break-up of current and non-current lease liabilities as of March 31, 2023 is as follows:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Current	63.31	56.44
Non-current	228.59	193.44
Total	291.90	249.88

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning	249.88	249.14
Additions	101.35	53.56
Finance cost accrued during the period	22.04	23.64
Payment of lease liabilities	(81.37)	(76.46)
Balance at the end	291.90	249.88

The details of contractual maturities of lease liabilities on an undiscounted basis:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	87.04	76.59
One to five years	221.29	189.18
More than five years	64.73	47.84
Total	373.06	313.61

The Company does not face a significant liquidity risk with regard to its lease liabilities to meet the obligations related to lease liabilities as and when they fall due.

Notes to the standalone financial statements for the year ended March 31, 2023

35. Segment reporting

The Company is engaged in a single segment i.e. the business of “automotive components” from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company’s resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of sale of products from customers is given below:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Domestic Sale	20,758.24	16,224.31
Export Sale	4,840.91	4,009.67
	25,599.15	20,233.98

During financial year ended March 31, 2023, one customer amounts to Rs. 2756.34 Million (previous year no customer) represents 10% or more of the Company’s revenue from operations.

36. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount *	135.24	101.87
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	2.66	25.58
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED		
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.04	0.08
- Interest remaining unpaid as at the end of the year	0.16	0.26
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.04	0.08

*Includes capital creditors Nil (previous year Rs. 1.66 Millions) and security deposits of Rs. 9.91 million (previous year Rs. 11.37 million).

Notes to the standalone financial statements for the year ended March 31, 2023

37. Contingent liabilities

		Rs. million	
		As at March 31, 2023	As at March 31, 2022
i)	Disputed		
	- Sales tax*	88.46	2841.46
	- Service tax	18.77	18.64
	- Excise Duty	9.54	-
	- Goods & Services Tax	0.11	-
	- Income tax	1.43	1.43
	- Employees' State Insurance	28.83	28.83
	- Interim Relief to Workers	8.09	8.09

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Company.

* The contingent liability has reduced on account of setting aside the demand by Appellate Authorities in stock transfer matters (Rs. 2126.60 millions) and on account of partial relief/ remand back in VAT matters (Rs. 559.50 millions) with directions to Assessing Officer for fresh assessment. The Company has precedent of favourable orders on similar matters. The Company is of the view that as there is no demand against such orders passed by Assessing Officer, hence, contingent liability against these matters cease to exist as on 31.03.2023.

ii)	Bills discounted from banks	31.02	23.90
iii)	Claims not acknowledged as debts	262.94	243.07

38. Commitments

		Rs. million	
		As at March 31, 2023	As at March 31, 2022
i)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	196.11	161.54
ii)	Outstanding export obligation required to be fulfilled under the EPCG scheme against import of some machines/ capital equipments is as under:		
	a) average export obligation of Rs. 1927.01 million every year (previous year Rs. 1750.23 million every year) to be fulfilled till the time specific export obligation is discharged and		
	b) specific export obligation of Rs. 21.80 million (previous year Rs. 109.20 million) to be fulfilled over a period of maximum up to 5 years. Customs duty saved against outstanding export obligation is Rs. 3.34 million (previous year Rs. 17.23 million).		
iii)	The Company has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.		

Notes to the standalone financial statements for the year ended March 31, 2023

39. Investment in Subsidiary

- i) The Company has made investment in equity shares of following subsidiary (intermediary) for further investment in equity shares of ultimate beneficiary.

Rs. million

Name of the intermediary	Date of investment into intermediary	Amount of investment in intermediary	Name of the ultimate beneficiary	Date of investment by intermediary into ultimate beneficiary	Amount of investment by intermediary into ultimate beneficiary
SPR Engenious Ltd.	November 23, 2022	299.50	EMF Innovations Pvt. Ltd.	January 11, 2023	780.03*
	December 30, 2022	480.53			

*Includes Rs. 55.0 Millions to be paid as per the terms of the Share Purchase Subscription Agreement.

With regard to the above investments made during the year ended March 31, 2023, the Company has complied with the relevant provisions of the applicable laws.

- ii) No fund has 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 Group 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 .

40. Fair Value Measurement

- i) The carrying value and fair value of financial instruments by categories as of March 31, 2023 are as under:

Rs. million

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	674.97	674.97	674.97
Investments in other equity instruments	48.00	48.00	48.00
Derivatives instruments*			
- Cross Currency Swap	23.41	23.41	23.41
- Forward contracts	1.96	1.96	1.96
Total	748.34	748.34	748.34

The carrying value and fair value of financial instruments by categories as of March 31, 2022 are as under:

Rs. million

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	271.75	271.75	271.75
Investments in other equity instruments	48.00	48.00	48.00
Derivatives instruments*			
- Forward contracts	(12.18)	(12.18)	(12.18)
Total	307.57	307.57	307.57

*Change in fair value is recognised in other comprehensive income.

Notes to the standalone financial statements for the year ended March 31, 2023

ii) Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – This level includes financial assets and liabilities, measured using 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).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023

Rs. million

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund	674.97		674.97	-
Investments in other equity instruments	48.00		-	48.00
Derivatives instruments				
- Cross Currency Swap	23.41		23.41	-
- Forward contracts	1.96		1.96	-
Total	748.34	-	700.34	48.00

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022

Rs. million

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund	271.75		271.75	-
Investments in other equity instruments	48.00		-	48.00
Derivative Instruments - forward contracts	(12.18)		(12.18)	-
Total	307.57	-	259.57	48.00

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Notes to the standalone financial statements for the year ended March 31, 2023

iii) Financial assets and financial liabilities that are measured at amortised cost are :

Rs. million

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments in subsidiary	1,200.00	1,200.00	0.50	0.50
Trade and other receivables	3,956.64	3,956.64	3,545.64	3,545.64
Cash and cash equivalent	285.38	285.38	195.18	195.18
Other bank balances	5,923.77	5,923.77	3,301.98	3,301.98
Security deposit	197.11	197.11	178.40	178.40
Bank deposit	601.52	601.52	79.63	79.63
Interest accrued on bank deposit	190.89	190.89	69.03	69.03
Margin money	50.44	50.44	0.73	0.73
Financial liabilities				
Borrowings	2,901.39	2,901.39	1,318.08	1,318.08
Interest accrued but not due on borrowings	60.62	60.62	56.41	56.41
Trade payables	3,435.52	3,435.52	3,059.03	3,059.03
Lease Liabilities	291.91	291.91	249.88	249.88
Unclaimed dividends	0.53	0.53	0.66	0.66
Unclaimed matured deposits and interest accrued thereon	5.11	5.11	13.00	13.00
Capital creditors	146.58	146.58	167.02	167.02

The carrying value of above financial assets and financial liabilities approximate its fair value.

41. Capital management

The Company's objective for managing capital is to ensure as under:

- i) Ensure the company's ability to continue as a going concern
- ii) Maintain a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.
- iii) Maintain an optimal capital structure.
- iv) Compliance of financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- i) Compliance of financial covenants under the borrowing facilities
- ii) Changes in economic conditions

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

Notes to the standalone financial statements for the year ended March 31, 2023

42. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Company also holds FVTPL current investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

i) 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 risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL current investments and derivative financial instruments.

a) Foreign exchange risk

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, EURO and JPY. The Company holds derivative financial instruments such as foreign exchange forward and contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Each percentage point change in the foreign exchange rates has an impact of 0.86% (previous year : 0.84%) on Company's operating margins.

The Company's foreign currency risk from financial instruments are as under

(Foreign currency million)

Particulars	Currency	As at March 31, 2023			As at March 31, 2022		
		Total	Hedged	Net	Total	Hedged	Net
Trade and other receivables	USD	8.16	3.70	4.46	7.47	3.82	3.65
	EUR	4.58	2.62	1.96	3.63	0.09	3.54
	JPY	24.85	-	24.85	16.69	-	16.69
	GBP	0.02	0.02	-	0.10	-	0.10
Trade payables	USD	1.22	0.06	1.16	0.37	-	0.37
	EUR	0.24	-	0.24	0.09	-	0.09
	JPY	282.20	133.20	149.00	298.35	298.35	(0.00)
Capital creditors	JPY	145.68	145.68	-	155.77	145.68	10.09
Borrowings	USD	7.59	7.59	-	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company is not exposed to any significant /material interest rate risk.

Notes to the standalone financial statements for the year ended March 31, 2023

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 financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

Rs. million		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of the year	48.23	63.53
Add: Provided during the year	6.55	-
Less: Reversal of provision	-	(15.30)
Less: Amount written off	-	-
Balance at the end of the year	54.78	48.23

iii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by Company's established policy & procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities ranges between 1 to 6 years except lease liabilities where period may vary as per respective lease agreements.

43. Hedge Accounting

i) Forwards Contracts

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 counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period are as under:

(Foreign currency million)

Outstanding Contracts	Currency	As at March 31, 2023	As at March 31, 2022
Maturing not later than one month	USD	3.76	2.00
	EUR	1.37	0.09
	JPY	33.20	156.91
	GBP	0.10	0.00

Notes to the standalone financial statements for the year ended March 31, 2023

(Foreign currency million)

Outstanding Contracts	Currency	As at March 31, 2023	As at March 31, 2022
Maturing later than one month and not later than three months	USD	0.00	1.82
	EUR	1.25	0.00
	JPY	100.00	345.29
Maturing later than three month and not later than one year	JPY	145.68	195.68

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

ii) **Reconciliation of cash flow hedge reserve are as under:**

Rs. million

Particulars	As at March 31, 2023	As at March 31, 2022
Assets /(liability)		
Balance at the beginning of the year	(10.05)	(0.30)
Gain / (Loss) recognised in other comprehensive income during the year	13.87	(13.03)
Tax impact on above	(3.49)	3.28
Balance at the end of the year	0.33	(10.05)

44. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
45. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company during the year.
46. **Expenditure on corporate social responsibility (CSR)**

Rs. million

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) amount required to be spent by the Company during the year,	30.90	29.86
(ii) amount of expenditure incurred,	30.90**	29.86*
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA

*Includes Rs. 9.08 million on “ongoing Projects” transferred to “Unspent CSR account” on April 29, 2022 and Rs. 0.14 million towards excess amount incurred in year ending March 31, 2021.

** Includes Rs. 2.09 million on “ongoing Projects” transferred to “Unspent CSR account” on April 28, 2023.

Notes to the standalone financial statements for the year ended March 31, 2023

(vii) The Company has taken up CSR projects/programmes/activities in the following areas:

- (a) Education
- (b) Health Care
- (c) Sanitation
- (d) Environment preservation
- (e) Other areas as approved by the CSR Committee/Board

The movement in the unspent CSR A/c is as under:

Particulars	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance of unspent CSR A/c	16.18	10.26
Add: Addition during the year	2.09	9.08
Less: Utilisation during the year	10.23	3.16
Closing balance of unspent CSR A/c*	8.04	16.18

* Includes Rs. 2.09 million on “ongoing Projects” transferred to “Unspent CSR account” on April 28,2023.

47. Additional regulatory information

Particulars	Unit	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022
Current ratio	Times	Total current assets	Total current liabilities	2.50	2.31
Debt-Equity ratio	Times	Debt consist of borrowings	Total Equity	0.19	0.11
Debt service coverage ratio***	Times	Earnings for Debt service= Net profit after tax + depreciation + interest	Debt service = Interest and lease payments+ Principal repayments	20.39	24.25
Return on equity ratio*	%	Profit for the year	Average total equity	21.23	13.61
Inventory turnover ratio	Times	Cost of Goods sold	Average inventory	5.67	4.99
Trade receivables turnover ratio	Times	Sales of products	Average trade receivables	6.82	5.97
Trade payables turnover ratio	Times	Cost of material + employee benefit expense+ other expenses	Average trade payable	6.59	5.92
Net capital turnover ratio	Times	Sales of products	Average working capital (i.e Total current assets less Total current liabilities)	3.40	3.66
Net profit ratio*	%	Profit for the year	Sales of products	11.55	8.08
Return on capital employed*	%	Profit before tax and finance cost	Capital employed = Net worth + Debt	22.52	16.41
Return on investment.**	%	Income generated from invested funds	Average invested funds in treasury investment	6.81	3.81

* The variation is more than 25% over last year due to improvement in revenue/cost optimisation resulting into improved profit

** The variation is more than 25% over last year on account of improved yield on the treasury investments and change of mix for investment in treasury instruments.

*** Due to term loan borrowings taken by Company during the year.

Notes to the standalone financial statements for the year ended March 31, 2023

48. During the year ended 31st March 2022, the Company has concluded the buyback of 3,50,000 equity shares (at a price of Rs. 1020/- per equity share) as approved by the Board of Directors on July 30, 2021. This has resulted in a total cash outflow of Rs. 449.7 Million (including tax on buyback of Rs. 82.4 Million & transaction cost of Rs. 10.3 Million). In line with the requirement of the Companies Act 2013, an amount of Rs. 446.2 Million has been utilized from retained earnings. Further, capital redemption reserve of Rs. 3.5 Million (representing the nominal value of the shares bought back) has been created as an apportionment from General reserve. Consequent to such buyback, the paid-up equity share capital has reduced by Rs. 3.5 Million.
49. SPR International Auto Exports Limited (“Subsidiary Company”) was incorporated in 2005 and has not commenced any operations since then. Board of Directors of Subsidiary Company in their meeting held on April 05, 2022 and its shareholders in Annual General Meeting held on June 28, 2022 decided to make an application to the Registrar of Companies, under Section 248 (2) of the Companies Act, 2013 read with Rule 4, 5, 6 and 8 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, for removing the name of the Company from Register of Companies. The application for removal of the name of the Subsidiary Company was submitted on September 13, 2022. The name of subsidiary company has been struck off from the Register of Companies on March 7, 2023 by the Registrar of Companies (Delhi & Haryana) and with this, the said company is dissolved.
50. The Company has invested Rs. 1,200.0 millions in SPR Engenious Limited (SEL), its wholly owned subsidiary (WOS), which has been incorporated on September 26, 2022 with the Registrar of Companies (Delhi & Haryana) with the purpose of diversifying its product portfolio in the areas related to the automotive segment.
51. The Board of directors of the company in its meeting held on February 08, 2023 has approved acquisition of majority stake of 75% in Tahakata Precision India Pvt Ltd. (TPIL) through SPR Engenious Limited (SEL), its wholly owned subsidiary. Takahata Precision Co. Ltd., Japan is the ultimate parent of TPIL and specialist in design and manufacturing of precision injection moulded components having a variety of functional products for automotive applications. The definitive agreements in connection with the proposed acquisition transaction has been executed on February 09, 2023.
52. The Company has no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
53. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Pradeep Dinodia
Chairman
DIN: 00027995
Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

Inderdeep Singh
Director
DIN: 00173538
Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

CONSOLIDATED

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of Shriram Pistons & Rings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shriram Pistons & Rings Limited ("the Parent"/"Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 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 of the other auditors on separate financial statements financial information 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 March 31, 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 the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of 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. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition with respect to cut-off: Revenue from contracts with customers for the period ended March 31, 2023 is Rs. 26,093.28 Million. Revenue from sale of products is recognized upon transfer of control to the customers. There is risk of cut-off in which revenue transactions occurring close to and after the year-end could be recorded in the financial year ended March 31, 2023. This is considered as a key audit matter. (Refer to Note 20 to the consolidated financial statements)</p>	<p>Principal audit procedure performed</p> <ul style="list-style-type: none"> • We have assessed the Parent's accounting policy relating to revenue recognition. We have compared the policy with the Accounting Standards on "Revenue Recognition"; • We understood the processes and evaluated the design and implementation of the Parent's controls; • We tested the operating effectiveness of the Parent's controls over the recording of sales close to the year end; • We selected samples for detailed testing. We obtained the understanding of the terms of sales and tested the documentation including proof of delivery of the goods, underlying contracts and agreements.

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 Management Discussion and Analysis, Board's Report including Annexures to the Board's Report and Business responsibility and sustainability Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, 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 the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 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 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which has been audited by the 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.

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 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 of 2 subsidiaries (Including 1 step-down subsidiary), whose financial statements reflect total assets of Rs. 1,755.95 Million as at March 31, 2023, total revenues of Rs. 237.11 Million and net cash inflows amounting to Rs. 74.75 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the 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 report of the other auditors.

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total revenues of Rs. 0.003 Million and net cash outflows amounting to Rs. 0.53 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements are not material to the Group.

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 report of the other auditors and the financial statements certified by the Management.

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 the other auditors on the separate financial statements 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, returns and the reports of the other auditors.
 - 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 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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 companies 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 of those companies.
 - 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective 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) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; Refer Note 44 to the consolidated financial statements
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India; Refer Note 45 to the consolidated financial statements
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 39 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 any such subsidiaries 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 any such subsidiaries (“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 subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 39 to the consolidated financial statements, no funds have been received by the Parent or such subsidiaries 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 such subsidiaries 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 that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which is company incorporated in India whose financial statements has been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (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.

The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

As stated in note 12(f) to the 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 at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries, which are companies 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 March 31, 2023.
2. With respect to the 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 CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No.015125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN:23087104BGYKWZ1326)

Place: New Delhi
Date: May 8, 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 March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Shriram Pistons & Rings Limited (hereinafter referred to as “the Parent”) and its subsidiary companies subsidiary which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies 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 companies, 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 and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies 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, 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 and other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the 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”.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

Place: New Delhi
Date: May 8, 2023

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.015125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN:23087104BGYKWZ1326)

Consolidated Balance Sheet as at March 31, 2023

		Rs. million	
	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	5,432.67	5,763.35
b) Capital work-in-progress	3	46.71	46.94
c) Goodwill	4	330.75	14.85
d) Other Intangible assets	4	596.86	223.38
e) Right of use assets	4	971.62	888.66
f) Intangible assets under development	4	-	8.52
g) Financial assets			
(i) Investments	5	48.00	48.00
(ii) Other financial assets	6	987.35	254.99
h) Deferred tax assets (net)	16	22.34	-
i) Other non-current assets	8	273.27	252.59
		8,709.57	7,501.28
Current assets			
a) Inventories	9	3,388.84	3,334.79
b) Financial assets			
(i) Investments	5	674.97	271.75
(ii) Trade receivables	10	3,965.90	3,545.64
(iii) Cash and cash equivalents	11	305.15	195.22
(iv) Other bank balances other than (iii) above	11	6,163.77	3,302.48
(v) Other financial assets	6	201.43	72.79
c) Current tax assets (net)	7	0.90	-
d) Other current assets	8	340.59	277.29
		15,041.55	10,999.96
		23,751.12	18,501.24
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	220.25	220.25
b) Other equity		15,054.31	12,330.04
Equity attributable to owners of the Company		15,274.56	12,550.29
c) Non-controlling interest		140.72	-
Total equity		15,415.28	12,550.29
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	1,460.18	403.39
(ii) Lease liabilities	34	276.44	193.44
(iii) Other financial liabilities	19	93.78	101.43
b) Provisions	14	287.22	262.65
c) Deferred tax liabilities (net)	16	220.87	220.16
d) Other non-current liabilities	15	5.21	4.04
		2,343.70	1,185.11
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	1,528.48	914.68
(ii) Lease liabilities	34	66.44	56.44
(iii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		129.54	89.10
- Total outstanding dues of creditors other than micro and small enterprises		3,326.05	2,969.93
(iv) Other financial liabilities	19	184.98	147.84
b) Other Current Liabilities	15	582.08	481.27
c) Provisions	14	137.61	76.71
d) Current tax liabilities (net)	7	36.96	29.87
		5,992.14	4,765.84
		23,751.12	18,501.24
TOTAL EQUITY AND LIABILITIES			

See accompanying notes to the consolidated financial statements
In terms of our report attached

1-56

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

		Rs. million		
	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022	
I	Revenue from operations	20	26,093.28	20,646.64
II	Other income	21	466.63	292.15
III	Total income (I+II)		26,559.91	20,938.79
IV	Expenses			
	Cost of materials consumed	22	9,926.92	7,664.40
	Purchase of stock-in-trade		973.42	802.11
	(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	23	81.87	(596.81)
	Employee benefit expenses	24	4,143.59	3,917.64
	Finance costs	25	192.90	114.23
	Depreciation and amortisation expense	26	947.12	1,020.46
	Other expenses	27	6,363.91	5,814.70
	Total expenses		22,629.73	18,736.73
V	Profit before tax (III-IV)		3,930.18	2,202.06
VI	Tax expense:			
	i) Current tax	16	1,045.88	604.51
	ii) Deferred tax	16	(54.48)	(38.10)
			991.40	566.41
VII	Profit for the year (V-VI)		2,938.78	1,635.65
VIII	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the post employment defined benefit plans		117.17	33.06
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(29.49)	(8.32)
	B (i) Items that will be reclassified to profit or loss			
	a) Fair value change of cash flow hedge		13.87	(13.03)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(3.49)	3.28
	Total other comprehensive income		98.06	14.99
IX	Total Comprehensive income (VII+VIII)		3,036.84	1,650.64
X	Profit attributable to:			
	Owners of Shriram Pistons and Rings Limited		2,934.58	-
	Non- controlling interest		4.20	-
			2,938.78	-
XI	Other comprehensive income			
	Owners of Shriram Pistons and Rings Limited		98.06	-
	Non- controlling interest		-	-
			98.06	-
XII	Total Comprehensive income			
	Owners of Shriram Pistons and Rings Limited		3,032.64	-
	Non- controlling interest		4.20	-
			3,036.84	-
	Earnings per share (of Rs. 10/- each)	29		
	Basic (Rs.)		133.43	74.26
	Diluted (Rs.)		133.43	74.26
	See accompanying notes to the consolidated financial statements	1-56		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Consolidated Statement of Cash flows for the year ended March 31, 2023

Rs. million

	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from Operating Activities		
Profit for the year	2,938.78	1,635.65
Adjustments for :		
Tax expenses recognised in statement of profit and loss	1,008.89	566.41
Depreciation/amortisation	947.12	1,020.46
Finance costs	192.90	114.23
Bad debts/advances written off	0.53	14.05
Provision for doubtful debts (net)	6.56	(15.31)
Interest income	(326.85)	(138.53)
Net gain on sale/ fair valuation of current investment	(32.25)	(11.73)
Unrealised exchange rate variation (net)	(27.24)	(26.26)
Profit/loss on sale / retirement of property, plant and equipment	(28.35)	(7.86)
Fair value change in Cash flow hedges (net of tax)	10.38	(9.75)
Remeasurement of post employment defined benefit plans (net of tax)	87.68	24.74
Operating profit before working capital changes	4,778.15	3,166.10
Adjustments for:		
(Increase)/ Decrease in inventories	20.83	(592.63)
(Increase)/ Decrease in trade receivables	(396.28)	(296.96)
(Increase)/ Decrease in loans and other financial assets (current and non current)	(36.10)	(3.27)
(Increase)/ Decrease in other assets (current and non current)	(32.92)	97.39
Increase/ (Decrease) in trade payables	381.12	189.66
Increase/ (Decrease) in other financial liabilities (current and non current)	180.25	139.87
Increase/ (Decrease) in other liabilities and provisions (current and non current)	96.03	65.94
Cash Generated from operations	4,991.08	2,766.10
Income tax paid	(1,039.31)	(572.94)
Net cash from operating activities	(A) 3,951.77	2,193.16
B. Cash Flow from Investing Activities		
Interest received	196.56	95.38
Sale of tangible assets	55.02	18.98
Investment in equity shares	-	(48.00)
Purchase of tangible assets	(503.43)	(295.41)
Purchase of intangible assets	(770.77)	(338.39)
Purchase of Current Investment	(14,201.52)	(9,374.15)
Proceeds from sale of Current Investment	13,830.54	9,458.20
Increase/(Decrease) in margin money with banks	(49.71)	0.07
Increase / (Decrease) in Deposits more than 12 months	(641.90)	(79.63)
Net cash (used) in investing activities	(B) (2,085.21)	(562.95)

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash Flow from Financing Activities		
Payment of lease liability	(82.26)	(76.45)
Interest on lease liability	(22.69)	(23.64)
Interest paid	(168.70)	(89.77)
Dividend paid	(308.35)	(132.15)
Payment for buyback of shares including transaction cost	-	(449.67)
Net proceeds / (repayment) of borrowings	1,308.68	-
Proceeds from deposits	11.33	210.63
Payment of deposits	(206.12)	(346.17)
Net cash from/(used) in financing activities	(C) 531.89	(907.22)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 2,398.45	722.99
Cash and cash equivalents at the beginning of the year	2,773.38	2,050.39
Cash and cash equivalents at the end of the year	5,171.82	2,773.38
Components of cash and cash equivalents		
Cash in hand	0.43	0.89
Balances with banks		
- current accounts	294.98	184.33
- Other bank balances	5,998.51	3,312.48
Working Capital loan from banks (Secured / Unsecured)	(1,122.10)	(724.32)
	5,171.82	2,773.38

Notes to statement of cash flows:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7.
- Disclosure under Para 44A as set out in IND AS on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Changes in liabilities arising from financing activities

	Rs. Million			
Particular	Outstanding balance as on April 01, 2022	Net proceeds / (repayment) of borrowings	Unrealised foreign exchange gain/ (loss)	Outstanding balance as on March 31, 2023
Long term borrowing (Including current maturities of long term debt)	132.23	1,308.68	(20.81)	1,461.72

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

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For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Consolidated Statement of Change in Equity as at March 31, 2023

a) Fully paid up equity shares

(face value of Rs. 10/- each)

	Nos of shares	Rs. million
Balance as at March 31, 2022	2,20,24,912	220.25
Changes during the year	-	-
Balance as at March 31, 2023 (refer note 12)	2,20,24,912	220.25

(b) Other Equity

Particulars	Reserves and surplus						Items of other comprehensive income	Total	Non-Controlling interest
	Preference share redemption reserve*	Capital redemption reserve*	Revaluation reserve*	Retained earnings	General reserve	Sub Total	Effective portion of cash flow hedge reserve		
Balance as at March 31, 2021	388.58	-	97.32	1,300.00	9,472.14	11,258.04	(0.30)	11,257.74	-
Profit for the year				1,635.65		1,635.65	-	1,635.65	-
Reversal on disposal of revalued assets			(0.03)	-		(0.03)		(0.03)	
Dividends			-	(132.15)		(132.15)	-	(132.15)	-
Expense on buyback of equity shares**			-	(10.31)		(10.31)	-	(10.31)	-
Tax on buyback of equity shares**				(82.35)		(82.35)		(82.35)	-
Buyback of equity shares**		3.50	-	(353.50)	(3.50)	(353.50)	-	(353.50)	-
Other comprehensive income for the year, net of tax			-	24.74	-	24.74	(9.75)	14.99	-
Transfer to General reserve			-	(1,082.08)	1,082.08	-	-	-	-
Balance as at March 31, 2022	388.58	3.50	97.29	1,300.00	10,550.72	12,340.09	(10.05)	12,330.04	-
Profit for the year				2,934.58		2,934.58	-	2,934.58	4.20
Reversal on disposal of revalued assets			(0.02)	-		(0.02)		(0.02)	-
Dividends			-	(308.35)		(308.35)	-	(308.35)	-
Non-controlling interest on business combination during the year				-		-		-	136.52
Other comprehensive income for the year, net of tax			-	87.68	-	87.68	10.38	98.06	-
Transfer to General reserve			-	(2,713.91)	2,713.91	-	-	-	-
Balance as at March 31, 2023	388.58	3.50	97.27	1,300.00	13,264.63	15,053.98	0.33	15,054.31	140.72

* The revaluation reserve, preference share redemption reserve and capital redemption reserve are not "free Reserve" as per Companies Act 2013, hence not available for distribution of dividend.

** Refer note 49

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal
Partner
(Membership no. 087104)

Pankaj Gupta
Company Secretary

Prem Prakash Rathi
Chief Financial Officer

Krishnakumar Srinivasan
Managing Director & CEO
DIN : 00692717

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Luv D. Shriram
Whole - Time Director
DIN : 00051065

Place: New Delhi
Date : May 08, 2023

Notes to the consolidated financial statements for the year ended March 31, 2023

1. Corporate information

The consolidated financial statements comprise financial statements of Shriram Pistons and Rings Limited (the Parent Company, having CIN No.- L29112DL1963PLC004084) and its subsidiaries (collectively referred as “the Group”) for the year ended 31 March 2023. The Parent Company is a public company limited by shares, incorporated and domiciled and headquartered in India.

The Group is engaged in the business of manufacturing of auto components including pistons, piston pins, piston rings, engine valves, Electric Motors and Motor Controllers for the Electric Vehicles & other applications. The Group’s consolidated financial statements have been approved for issuance by the Parent Company’s Board of Directors on May 08, 2023.

1.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs (‘MCA’).

2. Significant accounting policies

2.1.1 Basis of accounting and preparation of financial statements

The Consolidated financial statements (“financial statements”) have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs (‘MCA’).

The financial statements have been prepared under historical cost convention on accrual and going concern basis except for financial statements of subsidiary company, M/s SPR International Auto Exports Limited which are prepared on non-going concern basis (refer note 50) and for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

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.

The buyback of equity shares and related transaction costs are recorded as reduction of retained earnings/general reserves. Capital redemption reserve is created as an apportionment from general reserves.

2.1.2 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Groups takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: This level includes financial assets and liabilities, measured using 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).

Notes to the consolidated financial statements for the year ended March 31, 2023

- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.3 Basis of consolidation

The consolidated financial statements of the Parent Company and its subsidiaries, have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. All intragroup assets and liabilities, equity, income, expenses, unrealised gain on transactions and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiaries begins when the Parent Company obtains control over the subsidiaries and ceases when the Parent Company loses control of the subsidiaries. Specifically, income and expenses of a subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

2.1.4 Operating Cycle

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

Notes to the consolidated financial statements for the year ended March 31, 2023

2.2. Use of estimates

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS) and requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3. Revenue recognition

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts and is measured at transaction price.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.5.1. Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.2. Intangible assets

Intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.3. Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5.4. Intangible assets under development

All development costs incurred in respect of new model development projects are capitalised under Intangible Assets under Development. Once the new model is commercialised, the cost accumulated in Intangible Assets under Development are classified as Intangible Assets corresponding to the new model development project.

Notes to the consolidated financial statements for the year ended March 31, 2023

2.5.5. Leases

Lessee Accounting

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee. Right of use asset are amortise over the lease term.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Group is following written down value method in case of Furniture, fixtures and office equipment and straight line method in respect of other assets.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Parent Company

Plant and machinery

- General	-	twenty years
- Electric Installation / Equipment	-	fifteen years
- Dies	-	three years
Road	-	twenty years
Bore well	-	fifteen years
Vehicle	-	five years
Furniture and Fixture / Office Equipment	-	five years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

Computer Software	-	three years
Product Design	-	three years
Right of Use Assets - enabling assets	-	fifteen years
Right of Use Assets under leases	-	over the lease period
Trademarks acquired on acquisition	-	ten years
Customer Contracts acquired business combination	-	ten years

Notes to the consolidated financial statements for the year ended March 31, 2023

Assets acquired on business combination

Plant and machinery

- General - eight years
- Electric Installation / Equipment - five years
- Building Improvement - five years
- Plant and equipment – welding - fifteen years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

- Product Design & Development - ten years
- Right of Use Assets under leases - over the lease period

Assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis except for Furniture, Fixtures and Equipments where full year's depreciation is computed in the year of acquisition and no depreciation is provided in the year of sale.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment and intangible asset is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

- i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated financial statements for the year ended March 31, 2023

Financial assets at fair value through profit or loss

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

Investments

Investments in mutual funds and investment in equity instrument are measured at fair value through profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note no 40.

2.8. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Group designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction, variable interest risk and foreign exchange risk associated with borrowings.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Group generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods

Notes to the consolidated financial statements for the year ended March 31, 2023

when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Company matches critical terms of hedge item and hedge instruments.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note no 40.

2.9. Inventories

Inventories are valued on the following basis:

- i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.
- ii) Stock in process – at lower of cost or net realisable value.
- iii) Finished goods stock/Stock-in-trade - at lower of cost or net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and an appropriate proportion of manufacturing overheads based on the normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10. Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Advance received or paid in foreign currency are recognised at the exchange rate on the date of transaction and are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

2.11. Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund and Superannuation Fund is paid as per the statutory provisions/Company's scheme. These benefits are charged to the statement of profit and loss of the year when they become due. For the provident fund trust administered by the trustees, the Group is liable to meet the shortfall, if any, in payment of

Notes to the consolidated financial statements for the year ended March 31, 2023

interest at the rates declared by Central Government and such liability is recognised in the year of shortfall. For defined post employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) Net interest expense or income; and
- iii) Remeasurement.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company's scheme. Employees are entitled to accumulate leaves subject to certain limit as per Company's scheme.

Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Employee benefits in the form of long service awards is provided as per Company scheme. The liability is determined through actuarial valuation using projected unit credit method.

2.12. Research and development

Revenue expenditure on research and development, inclusive of dies for new model development, is charged as expense in the year in which incurred. Capital expenditure is included in Property, plant, equipment and intangible assets.

2.13. Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred

Notes to the consolidated financial statements for the year ended March 31, 2023

income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.14. Borrowing costs

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.15. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Group by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

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

2.16. Impairment of assets

The carrying values of Property, plant and equipment and Intangible assets or cash generating units are reviewed at each Balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2.17. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Notes to the consolidated financial statements for the year ended March 31, 2023

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

2.19. Business Combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Notes to the consolidated financial statements for the year ended March 31, 2023

3. Property, plant & equipment

	Rs. million						
Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2022							
Gross carrying amount							
Opening gross carrying amount	1,622.78	9,072.13	55.85	133.53	181.74	143.48	11,209.51
Additions	10.72	476.63	7.88	2.96	33.57	27.06	558.82
Disposals	(1.44)	(18.40)	(3.38)	(10.31)	(13.36)	(10.76)	(57.65)
Closing gross carrying amount as at March 31, 2022	1,632.06	9,530.36	60.35	126.18	201.95	159.78	11,710.68
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	357.24	4,360.26	44.65	72.67	135.96	103.30	5,074.08
Depreciation charged during the year	66.11	773.70	6.59	23.05	29.56	19.72	918.73
Disposals	(0.44)	(12.61)	(2.73)	(8.92)	(10.73)	(10.05)	(45.48)
Closing accumulated depreciation and impairment as at March 31, 2022	422.91	5,121.35	48.51	86.80	154.79	112.97	5,947.33
Net carrying amount as at March 31, 2022	1,209.15	4,409.01	11.84	39.38	47.16	46.81	5,763.35
Year ended 31 March 2023							
Gross carrying amount							
Opening gross carrying amount	1,632.06	9,530.36	60.35	126.18	201.95	159.78	11,710.68
Additions	51.09	301.15	6.08	47.54	36.02	41.56	483.44
Addition pursuant to business combination (refer note 46)	19.54	33.18	1.89	0.08	7.33	-	62.02
Disposals	(1.99)	(9.97)	(5.97)	(128.09)	(17.31)	(16.96)	(180.29)
Closing gross carrying amount as at March 31, 2023	1,700.70	9,854.72	62.35	45.71	227.99	184.38	12,075.85
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	422.91	5,121.35	48.51	86.80	154.79	112.97	5,947.33
Depreciation charged during the year	66.85	681.38	6.30	20.35	32.22	22.52	829.62
Addition pursuant to business combination (refer note 46)	5.61	7.93	0.39	0.01	3.89	-	17.83
Disposals	(1.52)	(6.93)	(5.33)	(107.16)	(14.61)	(16.05)	(151.60)
Closing accumulated depreciation and impairment as at March 31, 2023	493.85	5,803.73	49.87	-	176.29	119.44	6,643.18
Net carrying amount as at March 31, 2023	1,206.85	4,050.99	12.48	45.71	51.70	64.94	5,432.67

The Parent Company's assets are pledged as security against borrowings, refer note no. 13 & 17.

Notes to the consolidated financial statements for the year ended March 31, 2023

Capital-Work-in Progress (CWIP)

Capital-work-in progress ageing schedule is as under:

Particulars	As on 31 st March 2022				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	46.70	-	0.24	-	46.94
Projects temporarily suspended	-	-	-	-	-

*The projects in progress as on 31st March 2022, will be completed within 1 year.

Particulars	As on 31 st March 2023				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	46.11	0.31	0.29	-	46.71
Projects temporarily suspended	-	-	-	-	-

The Parent Company's assets are pledged as security against borrowings, refer note no. 13 & 17.

**The projects in progress as on 31st March 2023, will be completed within 1 year.

4. Intangible assets

Particulars	Goodwill	Right of use assets - leases (refer note 34)	Other intangible assets							Sub total	Grand Total
			Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trademarks	Technology	Non-compete		
			Rs. million								
Year ended 31 March 2022											
Gross carrying amount											
Opening gross carrying amount	14.85	762.21	74.16	62.59	85.59	114.36	103.78	-	-	440.48	1,217.54
Additions	-	313.30	14.46	10.68	-	-	-	-	-	25.14	338.44
Disposals	-	-	-	(0.80)	-	-	-	-	-	(0.80)	(0.80)
Closing gross carrying amount as at March 31, 2022	14.85	1,075.51	88.62	72.47	85.59	114.36	103.78	-	-	464.82	1,555.18
Accumulated amortization and impairment											
Opening accumulated depreciation and impairment	-	120.70	68.44	62.58	10.15	34.31	31.14	-	-	206.62	327.32
Depreciation / amortisation charged during the year	-	66.15	4.75	3.56	5.46	11.44	10.37	-	-	35.58	101.73
Disposals	-	-	-	(0.76)	-	-	-	-	-	(0.76)	(0.76)
Closing accumulated depreciation and impairment as at March 31, 2022	-	186.85	73.19	65.38	15.61	45.75	41.51	-	-	241.44	428.29
Net carrying amount as at March 31, 2022	14.85	888.66	15.43	7.09	69.98	68.61	62.27	-	-	223.38	1,126.89

Notes to the consolidated financial statements for the year ended March 31, 2023

Rs. million

Particulars	Goodwill	Right of use assets - leases (refer note 34)	Other intangible assets							Sub total	Grand Total
			Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trademarks	Technology	Non-compete		
Year ended 31 March 2023											
Gross carrying amount											
Opening gross carrying amount	14.85	1,075.51	88.62	72.47	85.59	114.36	103.78	-	-	464.82	1,555.18
Additions	-	122.37	7.11	19.80	-	-	-	-	-	26.91	149.28
Addition pursuant to business combination (refer note 46)	315.90	32.43	-	-	-	-	-	307.60	90.84	398.44	746.77
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2023	330.75	1,230.31	95.73	92.27	85.59	114.36	103.78	307.60	90.84	890.17	2,451.23
Accumulated amortization and impairment											
Opening accumulated depreciation and impairment	-	186.85	73.19	65.38	15.61	45.75	41.51	-	-	241.44	428.29
Depreciation/amortisation charged during the year	-	70.85	2.92	6.31	5.57	11.44	10.38	7.21	2.81	46.64	117.49
Addition pursuant to business combination (refer note 46)	-	0.99	-	-	-	-	-	5.23	-	5.23	6.22
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment as at March 31, 2023	-	258.69	76.11	71.69	21.18	57.19	51.89	12.44	2.81	293.31	552.00
Net carrying amount as at March 31, 2023	330.75	971.62	19.62	20.58	64.41	57.17	51.89	295.16	88.03	596.86	1,899.23

The right of use assets (land) of Parent Company is mortgaged as security against borrowings, refer note no. 13 & 17.

During the year, the Parent Company has recognised goodwill of Rs. 315.87 million pertaining to acquisition of 51% shareholding in EMF Innovations Pvt Ltd. (refer note 46). In previous years, goodwill of Rs. 14.85 million recognised on amalgamation of Shriram Automotive Product Limited. Goodwill is tested for impairment on annual basis and wherever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including in business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The group generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow calculation are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Intangible assets under development

Intangible assets under development ageing schedule is as under:

Particulars	As on 31 st March 2022				Total
	Amount in Intangible under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	8.52	-	-	8.52
Projects temporarily suspended	-	-	-	-	-

*The projects in progress as on 31st March 2022, will be completed within 1 year.

Notes to the consolidated financial statements for the year ended March 31, 2023

Particulars	As on 31 st March 2023				Total
	Amount in Intangible under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

5. Investments

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. million	No. of shares	Rs. million
Non Current Investment (Unquoted)				
Investment carried at Fair value through Profit or Loss				
Lalganj Power Private Limited (fully paid up of Rs. 10 each)	36,36,364	48.00	36,36,364	48.00
	36,36,364	48.00	36,36,364	48.00
Current Investment (Unquoted)				
Carried at fair value through Statement of Profit and loss				
Investment in Mutual fund (Liquid fund) Units of Face value of Rs. 1000 each				
- 126846 units (Previous year: 75808) Axis Overnight Fund Direct Growth		150.38		85.20
- 3855 units (Previous year: 15341) SBI Overnight Fund Direct Growth		14.07		53.10
- 97111 units (Previous year: 31864) Axis Liquid Fund - Direct Growth		242.86		75.33
- 1740 units (Previous year: 19974) UTI Overnight Fund - Direct Plan - Growth		5.34		58.12
- 3433 units (Previous year: Nil) SBI Liquid Fund Direct Growth		12.10		-
- 31833 units (Previous year: Nil) UTI Liquid Cash Plan -Direct Plan - Growth		117.44		-
- 59218 units (Previous year: Nil) HSBC Liquid Fund Direct Growth		132.78		-
		674.97		271.75

Notes to the consolidated financial statements for the year ended March 31, 2023

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Bank Deposit more than 12 months (refer note 11)	-	721.52	-	79.63
Security Deposit	3.75	195.48	3.76	174.63
Interest accrued on deposits	192.20	-	69.03	-
Derivative instrument (refer note 40)	5.48	19.90	-	-
Deposit with banks held as margin money (refer note 11)	-	50.45	-	0.73
	201.43	987.35	72.79	254.99

7. Tax assets/ (liabilities) net

Rs. million

	As at March 31, 2023	As at March 31, 2022
Advance income tax	1,009.82	574.64
less: Provision for income tax	(1,045.88)	(604.51)
Net	(36.06)	(29.87)

8. Other assets

(Unsecured, considered good unless stated otherwise)

Rs. million

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
i) Capital advances	-	64.09	-	32.01
ii) Advances other than capital advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	118.88	2.11	61.51	-
Unsecured, Considered doubtful	14.60	-	10.25	-
	133.48	2.11	71.76	-
Provision for doubtful advances	(14.60)	-	(10.25)	-
	118.88	2.11	61.51	-

Notes to the consolidated financial statements for the year ended March 31, 2023

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
iii) Export incentive receivable				
Unsecured, considered good	22.61	13.67	63.14	27.95
Unsecured, considered doubtful	0.72	3.57	0.56	3.30
	<u>23.33</u>	<u>17.24</u>	<u>63.70</u>	<u>31.25</u>
Provision for doubtful advances	(0.72)	(3.57)	(0.56)	(3.30)
	<u>22.61</u>	<u>13.67</u>	<u>63.14</u>	<u>27.95</u>
iv) Balance with government authorities- Goods and service tax	77.87	-	52.02	-
v) Prepaid expenses	43.61	10.99	78.69	8.49
vi) Other assets				
Unsecured, considered good*	77.62	182.41	21.93	184.14
Unsecured, considered doubtful	3.83	-	3.95	-
	<u>81.45</u>	<u>182.41</u>	<u>25.88</u>	<u>184.14</u>
Provision for doubtful	(3.83)	-	(3.95)	-
	<u>77.62</u>	<u>182.41</u>	<u>21.93</u>	<u>184.14</u>
	<u>340.59</u>	<u>273.27</u>	<u>277.29</u>	<u>252.59</u>

* Other assets - non current, represents paid under protest to government authorities.

9. Inventories

(valued at lower of cost or net realisable value)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Raw material and components (includes in transit Rs. 4.39 million (previous year: Rs. Nil million))	727.42	612.99
Work-in-progress (includes in transit Rs. 8.09 million (previous year: Rs. 4.94 million))	1,000.67	1,079.57
Finished goods (includes in transit Rs. 64.72 million (previous year: Rs. 85.54 million))	1,284.73	1,278.79
Stock- in - trade (includes in transit Rs. 1.97 million (previous year: Rs. 11.12 million))	44.61	43.31
Stores and spares (includes in transit Rs. 0.88 million (previous year: Rs. 3.00 million))	293.75	279.88
Loose tools	37.66	40.25
	<u>3,388.84</u>	<u>3,334.79</u>

The inventories of Parent Company are hypothecated as security against working capital loans from banks, refer note no 17

Notes to the consolidated financial statements for the year ended March 31, 2023

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

	As at March 31, 2023	As at March 31, 2022
		Rs. million
Current		
Considered good*	3,965.90	3,545.64
Credit impaired	32.21	30.16
	<u>3,998.11</u>	<u>3,575.80</u>
Impairment of trade receivables	(32.21)	(30.16)
	<u>3,965.90</u>	<u>3,545.64</u>

The trade receivables of Parent Company are pledged as security against working capital loans from banks, refer note no 17

* There is no trade receivable which have significant increase in credit risk.

Trade receivable ageing as on 31st March 2022 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	3,145.20	387.89	12.55	-	-	-	3,545.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.48	2.13	5.86	6.51	11.30	29.28
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	0.88	0.88
	<u>-</u>	<u>3,145.20</u>	<u>391.37</u>	<u>14.68</u>	<u>5.86</u>	<u>6.51</u>	<u>12.18</u>	<u>3,575.80</u>

Notes to the consolidated financial statements for the year ended March 31, 2023

Trade receivable ageing as on 31st March 2023 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total	Rs. Million
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	-	3,511.07	433.06	21.77	-	-	-	3,965.90	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	4.41	4.31	6.02	3.38	13.21	31.33	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	0.88	0.88	
Total	-	3,511.07	437.47	26.08	6.02	3.38	14.09	3,998.11	

11. Cash and cash equivalents and other bank balances

(At amortised cost)

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
i) Cash and cash equivalents				
Cash on hand	0.43	-	0.89	-
Balances with banks				
- Deposits with banks, with original maturity less than 3 months	-	-	10.00	-
- current accounts	304.72	-	184.33	-
	305.15	-	195.22	-
ii) Other bank balances				
- Unclaimed dividend account	0.53	-	0.66	-
- Unspent CSR account	5.50	-	7.22	-
- Deposits with banks, with original maturity more than 3 months	5,842.34	721.52	3,188.97	79.63
- Deposits with banks held as margin money	315.40	50.45	105.63	0.73
	6,163.77	771.97	3,302.48	80.36
	6,468.92	771.97	3,497.70	80.36
Less : Amounts disclosed under other financial assets (refer note 6)	-	(771.97)	-	(80.36)
	6,468.92	-	3,497.70	-

Notes to the consolidated financial statements for the year ended March 31, 2023

12. Equity share capital

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
52,500,000 (previous year 52,500,000) equity shares of Rs. 10 each	525.00	525.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	825.00	825.00
a. Issued, subscribed and fully paid up shares		
22,024,912 (previous year 22,024,912) equity shares of Rs. 10 each	220.25	220.25
	220.25	220.25

b. Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of equity shares outstanding at the beginning and at the end of reporting year

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. million	No. of shares	Rs. million
Opening balance	2,20,24,912	220.25	2,23,74,912	223.75
Issued during the year	-	-	-	-
Buyback during the year (refer note 49)	-	-	3,50,000	3.50
Closing balance	2,20,24,912	220.25	2,20,24,912	220.25

d. Details of equity shareholders holding more than 5% shares in the Parent Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% shareholding	No. of shares	% shareholding
Equity shares of Rs. 10 each fully paid				
Riken Corporation	46,92,057	21.30	46,92,057	21.30
KS Kolbenschmidt GmbH	44,74,974	20.32	44,74,974	20.32
Luv D. Shriram and Meenakshi Dass*	33,33,931	15.14	33,33,931	15.14
Meenakshi Dass and Luv D. Shriram *	33,33,931	15.14	33,33,931	15.14
National Insurance Company Limited	13,84,055	6.28	13,84,733	6.29

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

Notes to the consolidated financial statements for the year ended March 31, 2023

e) Details of Shares held by Promoters in the Parent Company at the end of the year

Name of promotor	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% shareholding	% Change during the year	No. of shares	% shareholding	% Change during the year
Meenakshi Dass & Luv D. Shriram*	33,33,931	15.14	-	33,33,931	15.14	0.23
Luv D. Shriram & Meenakshi Dass*	33,33,931	15.14	-	33,33,931	15.14	0.23
Meenakshi Dass	8,34,720	3.79	-	8,34,720	3.79	(1.29)
Nandishi Shriram	865	0.004	-	865	0.004	(0.0003)
Luv D. Shriram and Kush D. Shriram**	2	0.00001	-	2	0.00001	0.0000001
Luv D. Shriram	5,450	0.02	-	5,450	0.02	0.02
Sarva Commercial Pvt. Ltd.	10,66,580	4.84	-	10,66,580	4.84	0.09
Sera Com Pvt. Ltd	9,50,397	4.32	-	9,50,397	4.32	0.09
Manisha Commercial Pvt. Ltd.	6,67,979	3.03	-	6,67,979	3.03	0.06
Shabnam Commercial Pvt. Ltd.	1,03,197	0.47	-	1,03,197	0.47	0.01
Kush D. Shriram	1	0.000005	-	1	0.000005	-

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

** Shares held on behalf NAK Benefit Trust.

- f) The Board of directors, in its meeting of May 08, 2023, has proposed final special "Golden Jubilee" dividend of Rs. 5/- per equity share (face value of Rs. 10 per equity share) to equity shareholders for the year ended March 31, 2023. This dividend together with the interim dividend of Rs. 10 per equity share, aggregating total dividend to Rs. 15/-per equity share for the financial year 2022-23. The final dividend is subject to the approval of shareholders in Annual General Meeting of the Parent Company and same has not been recognised as liability in financial statements for the year ended March 31, 2023.

13. Borrowings

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Secured				
Term loans from banks	180.12	1,194.33	-	-
Unsecured				
Loans	-	87.27	-	-
Deposits	192.98	167.80	164.67	359.30
Deposits from related parties (refer note 32)	33.31	10.78	21.65	44.09
	406.41	1,460.18	186.32	403.39
Less : Current maturities of long term debt (refer note 17)	(406.41)	-	(186.32)	-
	-	1,460.18	-	403.39

Notes to the consolidated financial statements for the year ended March 31, 2023

- i) Term loans from banks of Rs. 1374.45 million (previous year: nil) are secured by way of first pari passu charge on all the movable and immovable property, plant & equipment and right of use assets (land) of the Parent Company, present and future.

Amount outstanding		Repayment period from origination (years)	No.	Instalments outstanding	Effective Rate of Interest per annum %	
As at March 31, 2023 (Rs. million)	As at March 31, 2022 (Rs. million)				As at March 31, 2023	As at March 31, 2022
400.00	-	6*	20	Quarterly	7.30	-
623.68	-	6*	20	Quarterly	7.18	-
196.00	-	6	23	Quarterly	7.56	-
89.77	-	6	23	Quarterly	7.62	-
65.00	-	6	24	Quarterly	8.00	-
1,374.45	-					

* The repayment period includes moratorium of 1 year from the date of origination

- ii) External commercial borrowing of EMF Innovations Private Limited, step-down subsidiary, amounting to SGD 1.41 million equivalent Rs. 87.27 million is un-secured.

Amount outstanding	Repayment period from origination (years)	Instalments outstanding	Effective Rate of Interest per annum (%)
As at March 31, 2023 (Rs. million)		As at March 31, 2023 No.	As at March 31, 2023
87.27	6	2	Nil

- iii) The long term deposits have been raised by Parent Company under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

Amount outstanding		Repayment period from origination (years)	Rate of Interest per annum (%)	
As at March 31, 2023 (Rs. million)	As at March 31, 2022 (Rs. million)		As at March 31, 2023	As at March 31, 2022
5.42	29.59	2	6.00-9.50	8.00-9.50
399.44	560.12	3		
404.86	589.71			

14. Provisions

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Provision for employee benefits	137.61	287.22	76.71	262.65
	137.61	287.22	76.71	262.65

Notes to the consolidated financial statements for the year ended March 31, 2023

15. Other liabilities

	Rs. million			
	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Security deposits*	128.91	4.40	126.15	4.04
Advances from customers	139.62	-	62.27	-
Statutory dues	262.53	-	236.12	-
Others	51.02	0.81	56.73	-
	582.08	5.21	481.27	4.04

*The security deposits have been received by the Company from customers/vendors in the normal course of business.

16. a) Deferred tax liability (net)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Deferred tax liability (net)		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	316.85	330.79
Unrealised Income on Mutual Fund	-	0.09
Expenses deductible on payment basis	(131.08)	(114.42)
Provision for doubtful debts/advances	(13.78)	(12.14)
Fair value change in Cash flow hedges	(4.73)	(8.22)
Remeasurement of post employment defined benefit plans	53.61	24.06
	220.87	220.16
Deferred tax assets (net)		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	0.21	-
Unabsorbed depreciation	(0.05)	-
Carryforward business loss	(17.85)	-
Pre-incorporation expenses	(2.82)	-
Provision for doubtful debts/advances	(1.80)	-
Remeasurement of post employment defined benefit plans	(0.03)	-
	(22.34)	-
Deferred tax liability (net)	198.53	220.16

Notes to the consolidated financial statements for the year ended March 31, 2023

b) Reconciliation of tax expenses and accounting profit

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Profit before tax from continuing operation	3,930.18	2,202.06
Income tax expenses calculated at current tax rate	976.72	554.21
Add : Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	7.78	7.48
(ii) Donation under section 80G	0.91	0.63
(iii) Interest to MSMED parties	0.12	0.02
(iv) Interest on Income Tax	1.72	0.39
(v) Amortisation of right of use (land)	2.14	1.58
(vi) Amortisation of intangible assets (Goodwill)	2.10	-
(vii) Pre-incorporation expense	0.04	2.10
(viii) Adjustment of prior period	(0.13)	-
Income tax expenses recognised in statement of profit & loss	991.40	566.41

17. Short term borrowings

(At amortised cost)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Secured		
Working capital loans from banks repayable on demand [#]	1,122.08	724.32
Current maturities of long term borrowing (refer note 13)	180.12	-
Unsecured		
Deposits*	-	4.04
Current maturities of long term borrowing (refer note 13)	226.28	186.32
	1,528.48	914.68

[#]Working capital loans of Rs. 1017.08 million. are secured by way of first pari passu charge on inventories and trade receivables of the Parent Company, present and future and second pari passu charge on all the movable and immovable property, plant & equipment and right of use assets (land) of the Parent Company, present and future and Rs. 105.00 million is secured by way of lien on the bank deposit of Rs. 250.50 million.

*The short term deposits have been raised by Parent Company under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 1 year.

Notes to the consolidated financial statements for the year ended March 31, 2023

18. Trade payables

(At amortised cost)

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro and small enterprises	129.54	89.10
- Total outstanding dues of creditors other than micro and small enterprises	3,326.05	2,969.93
	3,455.59	3,059.03

Trade payable includes Rs. 114.23 million (previous year: Rs. 80.42 million) due to related parties (refer note 32)

Trade Payables ageing schedule as on 31st March 2022 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	79.35	9.75	-	-	-	89.10
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	2,682.27	277.92	2.68	5.73	1.33	2,969.93
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	2,761.62	287.67	2.68	5.73	1.33	3,059.03

Trade Payables ageing schedule as on 31st March 2023 is as under:

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	127.79	1.75	-	-	-	129.54
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	2,947.64	370.99	0.37	0.51	6.54	3,326.05
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	3,075.43	372.74	0.37	0.51	6.54	3,455.59

19. Other financial liabilities

(At amortised cost)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Interest accrued but not due on borrowings	60.62	-	56.41	-
Unclaimed dividends*	0.53	-	0.66	-
Unclaimed matured deposits and interest accrued thereon*	5.11	-	13.00	-
Capital creditors	63.72	90.83	65.59	101.43
Derivative instrument (refer note 40)	-	-	12.18	-
Payable on account of business acquisition	55.00	-	-	-
Others	-	2.95	-	-
	184.98	93.78	147.84	101.43

*Not due for transfer to investor education and protection fund

Notes to the consolidated financial statements for the year ended March 31, 2023

20. Revenue from operations

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	25,642.18	20,233.98
Other operating revenues		
- sale of scrap	350.68	335.82
- export benefits*	95.57	67.83
- others	4.85	9.01
	26,093.28	20,646.64

*Export benefits are in the nature of government grants covering following:

	Rs. million	
	As at March 31, 2023	As at March 31, 2022
Remission of Duties and Taxes on Export Products (RoDTEP)	22.17	6.85
Duty draw backs	73.40	60.98
	95.57	67.83

21. Other income

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- Bank deposits	319.12	129.79
- Others	7.73	8.75
Net gain on sale/fair valuation of current investment	32.25	11.73
Profit / gain on sale/disposal of property, plant and equipment / right of use of assets (land)	28.35	7.85
Foreign exchange gain (net)	30.69	95.80
Provision for doubtful debts and advances written back (net)	-	15.31
Other non-operating income	48.49	22.92
	466.63	292.15

22. Cost of material consumed

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Cost of raw material and components consumed	9,370.58	7,213.36
Cost of packing material consumed	556.34	451.04
	9,926.92	7,664.40

Notes to the consolidated financial statements for the year ended March 31, 2023

23. (Increase) / Decrease in inventories of finished goods , work-in-progress and stock-in-trade

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Work-in-progress	994.13	1,079.57
Finished goods	1,281.06	1,278.79
Stock-in-trade	44.61	43.31
	2,319.80	2,401.67
Inventories at the beginning of the year		
Work-in-progress	1,079.57	871.04
Finished goods	1,278.79	897.02
Stock-in-trade	43.31	36.80
	2,401.67	1,804.86
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	81.87	(596.81)

24. Employee benefits expense

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	3,632.62	3,379.62
Contribution to provident and other funds	292.27	296.42
Staff welfare expenses	218.70	241.60
	4,143.59	3,917.64

25. Finance costs

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	161.20	86.96
Interest expense on lease liabilities (refer note 34)	22.69	23.64
Interest expense on income tax	6.85	1.54
Other borrowing costs	2.16	2.09
	192.90	114.23

26. Depreciation and amortisation expense

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
- Depreciation on Property, Plant and Equipment (refer note 3)	829.63	918.73
- Depreciation on Right of use assets (refer note 4)	70.85	66.15
- Amortisation of Intangible Assets (refer note 4)	46.64	35.58
	947.12	1,020.46

Notes to the consolidated financial statements for the year ended March 31, 2023

27. Other expenses

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	2,059.23	1,758.19
Power and fuel	1,380.69	1,302.06
Job work charges	537.18	530.00
Freight expenses	362.29	369.41
Royalty	463.92	358.36
Rent	19.62	17.45
Rates and taxes	23.00	9.31
Insurance	39.11	36.65
Sub-contracting expenses	304.73	235.19
Repair and maintenance		
-Plant and machinery	185.42	143.54
-Buildings	92.44	94.59
-Others	27.05	28.69
Auditor's remuneration (refer note 28)	5.67	4.87
Directors' fees	12.40	8.70
Provision for doubtful debts and advances (net)	6.56	-
Bad debts and advances written off	0.53	14.05
Corporate social responsibilities expenses (refer note 47)	30.90	29.73
Travelling expenses	65.21	23.92
Legal and professional expenses	71.84	53.02
Miscellaneous expenses	676.12	796.97
	6,363.91	5,814.70

28. Payment to auditor*

(excluding goods and service tax, as applicable)

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
- Audit fee	3.48	3.22
- Limited review	1.45	1.40
- Other services	0.30	0.19
- Reimbursement of expenses	0.46	0.05
	5.69	4.86

* Includes payment of Rs. 0.39 million to component auditors.

Notes to the consolidated financial statements for the year ended March 31, 2023

29. Earnings per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders (Rs. million)	2,938.78	1,635.65
Weighted average number of equity shares (Nos. million)	22.02	22.02
Earning per share		
- Basic (Rs.)	133.43	74.26
- Diluted (Rs.)	133.43	74.26

30. Research and development expenditure

The details of research and development expenditure incurred by the Parent Company and included in the respective account heads are as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Capital expenditure	22.09	12.57
Revenue expenditure	211.05	203.53
	233.14	216.10

The details of revenue expenditure incurred on research and development is as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	59.55	66.23
Salaries and wages	117.43	105.97
Contribution to provident and other funds	7.43	8.29
Staff welfare expenses	1.39	1.96
Power and fuel	4.66	4.25
Repair and maintenance		
- Plant and Machinery	14.89	11.20
- Buildings	0.18	0.16
Loss on disposal/sale of property, plant & equipments (net)	0.17	0.06
Travelling expenses	1.27	0.18
Miscellaneous expenses	4.08	5.23
	211.05	203.53

Notes to the consolidated financial statements for the year ended March 31, 2023

31. Employee benefits

The group has classified the various employee benefits as under :

i) Defined contribution plans

The group has recognised the following amount in the statement of profit and loss:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Employers' contribution to Provident fund	176.45	173.81
Employers' contribution to Superannuation fund	29.38	36.44
Employers' contribution to State Insurance fund	28.65	28.11
	234.48	238.36

ii) Defined benefit plans - Gratuity

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for Gratuity and details of the same are given below :

	Rs. million	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognized in statement of Profit & Loss A/c		
Current service cost	79.13	79.86
Past Service Cost	0.61	-
Net Interest cost on defined benefit/ liability	1.10	(1.81)
Total expense recognised in the Statement of Profit and Loss	80.84	78.05
Actual contribution and benefit payments for the year		
Actual benefit payments	57.16	(60.51)
Actual contributions	30.41	-
	87.57	(60.51)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1111.86	1127.57
Fair value of plan assets	1162.22	1111.19
Funded status [Surplus / (Deficit)]	50.36	(16.38)
Net asset / (liability) recognised in the Balance Sheet	50.36	(16.38)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	1127.57	1066.44
Current service cost	79.13	79.86
Interest cost	75.49	67.67
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)		
- Changes in Demographic assumptions	-	9.51
- Changes in Financial assumptions	(66.93)	(34.33)
- Experience Variance	(46.85)	(1.07)
- Past Service Cost	0.61	-
Benefits paid	(57.16)	(60.51)
Present value of DBO at the end of the year	1111.86	1127.57

Notes to the consolidated financial statements for the year ended March 31, 2023

Particulars	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	1111.19	1095.04
Expected return on plan assets	74.40	69.49
Contributions	30.41	-
- Acquisition adjustment	-	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	3.38	7.17
Benefits paid	(57.16)	(60.51)
Plan assets at the end of the year	1162.22	1111.19
Actual return on plan assets	77.78	76.66
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	-	9.51
- Changes in Financial assumptions	(66.93)	(34.33)
- Experience Variance	(46.85)	(1.07)
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(3.39)	(7.17)
	(117.17)	(33.06)

Actuarial assumptions for Gratuity

	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.35%/7.40%	6.70%
Expected return on plan assets	7.00%	7.00%
Salary escalation	10.00%	10.00%
Attrition	5 %-11%	5 %-10%
Mortality table used	IAL 2012-14	IAL 2012-14

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Sensitivity Analysis for significant actuarial assumptions		Rs. million			
		Year ended March 31, 2023		Year ended March 31, 2022	
Particulars		Impact on Liability		Impact on Liability	
		Increase	Decrease	Increase	Decrease
Discount Rate	+100 basis points		85.55		92.80
	-100 basis points	97.63		106.75	
Salary Growth Rate	+100 basis points	94.26		102.32	
	-100 basis points		84.32		90.97
Attrition Rate	+100 basis points		31.47		43.30
	-100 basis points	43.18		60.03	
Mortality Rate	+100 basis points		0.45		0.61
	-100 basis points	0.45		0.62	

Notes to the consolidated financial statements for the year ended March 31, 2023

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk Factors in actuarial assumptions

Interest Rate Risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Group is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumption in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/ fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Regulatory framework/ Governance / Benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of separation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by independent Board of Trustees, appointed by the Group. The trust is a separate legal entity and is recognized by the Commissioner of Income Tax, under the provisions of Schedule IV the the Income Tax Act, 1961.

The Board of trustees manages the plan assets through Life Insurance Corporation of India, SBI Life Insurance, Bajaj Allianz Life Insurance Group and HDFC Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their separation in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Asset Liability Matching Strategies

The Group has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance Group at the end of the financial year. Gratuity claims are settled by the insurance Group out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Group is exposed to movement in interest rate.

Effect of plan on Entity's future cash flows

The Group has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made on a quarterly basis based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs. 25.33 million (Rs. 96.21 million). Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

The plan assets are managed by independent Board of Trustees through Life Insurance Corporation of India, SBI Life Insurance, Bajaj Allianz Life Insurance Group and HDFC Standard Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their separation in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed. Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Notes to the consolidated financial statements for the year ended March 31, 2023

Deepak C. Shriram & Sons HUF
 Sera Com Pvt. Ltd.
 Sarva Commercial Pvt. Ltd.
 Shabnam Commercial Pvt. Ltd.
 Pradeep Dinodia HUF
 Luv Arati and Associates (AOP)
 Deepak Shriram Family Benefit Trust
 NAK Benefit Trust

Post-employment benefit plan entity Shriram Pistons & Rings Ltd Gratuity Fund Trust
 Shriram Pistons & Rings Ltd Superannuation Fund Trust
 Shriram Pistons & Rings Ltd. Officers' Provident Fund Trust
 Shriram Automotive Products Ltd Group Gratuity Scheme
 (Up to October 13, 2021)*

* Related party transaction exists in previous year. Not a related party in current year.

B. Related party transactions

(i) Transactions during the year

Rs. millions

Particulars	Entity over which, Key management personnel and their Close members of the family has significant influence or control		Key management personnel (KMP)		Close members of the family of key management personnel		Post-employment benefit plan entity		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Remuneration										
Short-term employees benefit	-	-	118.99	127.09	-	-	-	-	118.99	127.09
Post- employment benefit	-	-	2.48	4.20	-	-	-	-	2.48	4.20
Other long-term employees benefit	-	-	-	2.43	-	-	-	-	-	2.43
Commission to Directors	-	-	49.78	31.92	-	-	-	-	49.78	31.92
Legal Expenses	1.20	1.20	-	-	-	-	-	-	1.20	1.20
Rent	3.41	5.32	1.44	1.44	0.96	1.44	-	-	5.81	8.20
Interest on deposits	0.44	2.18	2.30	2.88	3.15	2.83	-	-	5.89	7.89
Directors sitting fees	-	-	12.40	8.70	-	-	-	-	12.40	8.70
Dividend paid	132.39	56.73	11.76	5.04	0.01	0.01	-	-	144.16	61.78
Contribution Paid	-	-	-	-	-	-	90.10	58.09	90.10	58.09
Deposits taken during the year	-	2.50	-	-	-	8.28	-	-	-	10.78
Deposits paid during the year	-	90.00	12.65	-	9.00	1.00	-	-	21.65	91.00
Purchase of material / stores	13.62	12.64	-	-	-	-	-	-	13.62	12.64
Buyback of Equity shares	-	253.35	-	39.67	-	0.08	-	-	-	293.10

Notes to the consolidated financial statements for the year ended March 31, 2023

(ii) Balances due from/to the related parties

Rs. millions

Particulars	Entity over which, Key management personnel and their Close members of the family has significant influence or control		Key management personnel (KMP)		Close members of the family of key management personnel		Post-employment defined benefit plan entity		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deposits accepted	4.50	4.50	15.81	28.45	23.78	32.78	-	-	44.09	65.73
Interest accrued but not due	0.82	0.38	3.94	4.13	3.67	2.19	-	-	8.43	6.70
Amount payable/(recoverable)	0.16	0.09	114.07	80.33	-	-	(36.74)	30.71	77.49	111.13

- Note : i) The deposit from related parties have been accepted on same rate of interest as applicable for other unrelated parties.
- ii) The amount outstanding from related parties are unsecured and will be settled in cash.
- iii) No guarantees have been given or received in respect of related parties.
- iv) The purpose of this loan to subsidiary is to meet the funding requirements for future business opportunities in the areas related to the automotive segment.

33. Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2020 in respect of disputed dues, not deposited as at March 31, 2023, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)	Amount Paid (Rs. Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16, 2016-17, 2017-18, 2018-19 & 2020-21	63.75	0.00	63.75
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	9.54	9.33	0.21
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-13, 2013-14, 2014-15, 2015-16	18.77	18.26	0.51
Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2012-13, 2015-16	1.60	1.19	0.41
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2007-08, 2008-09, 2016-17, 2017-18	51.34	42.93	8.41
		Appellate Tribunal	2010-11, 2011-12, 2012-13, 2015-16	35.52	21.15	14.37
Goods & Service Tax Act 2017	Goods & Services Tax	Appellate authority up to Commissioners' level	2017-18, 2018-19	0.11	0.11	0.00

* amount as per demand orders including interest and penalty wherever quantified in the order.

Notes to the consolidated financial statements for the year ended March 31, 2023

34. Leases :

The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate/implicit interest rate and the Right of Use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate/implicit interest rate at the date of initial application.

The changes in the carrying value of right of use assets for the year ended March 31, 2023 are as follows:

Particulars	Right of Use Asset			Rs. millions
	Land	Buildings	Motor Car	
	Balance as of April 1, 2021	416.81	224.70	-
Additions	259.74	53.56	-	
Amortisation of Right of use Asset	(6.36)	(59.98)	-	
Balance as of March 31, 2022	670.29	218.38	-	
Balance as of April 1, 2022	670.29	218.38	-	
Additions	24.70	95.71	34.38	
Amortisation of Right of use Asset	(9.46)	(60.92)	(1.46)	
Balance as of March 31, 2023	685.53	253.17	32.92	

The break-up of current and non-current lease liabilities as of March 31, 2023 is as follows:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Current	66.44	56.44
Non-current	276.44	193.44
Total	342.88	249.88

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning	249.88	249.14
Additions	153.13	53.56
Finance cost accrued during the period	23.25	23.64
Payment of lease liabilities	(83.38)	(76.46)
Balance at the end	342.88	249.88

The details of contractual maturities of lease liabilities on an undiscounted basis:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	88.96	76.59
One to five years	248.86	189.18
More than five years	276.88	47.84
Total	614.70	313.61

The Group does not face a significant liquidity risk with regard to its lease liabilities to meet the obligations related to lease liabilities as and when they fall due.

Notes to the consolidated financial statements for the year ended March 31, 2023

35. Segment reporting

The Group is engaged in a single segment i.e. the business of “automotive components” from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the Group’s resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of sale of products from customers is given below:

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Domestic Sale	20,800.81	16,224.31
Export Sale	4,841.37	4,009.67
	25,642.18	20,233.98

During financial year ended March 31, 2023, one customer amounts to Rs. 2756.34 Million (previous year no customer) represents 10% or more of the Group’ revenue from operations.

36. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount*	138.86	101.87
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	2.66	25.58
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED		
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.47	0.08
- Interest remaining unpaid as at the end of the year	0.59	0.26
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.47	0.08

*Includes capital creditors Rs. Nil Millions (previous year Rs. 1.66 Millions) and Security deposits of Rs. 9.91 million (previous year Rs. 11.37 million)

Notes to the consolidated financial statements for the year ended March 31, 2023

37. Contingent liabilities

		Rs. million	
		As at March 31, 2023	As at March 31, 2022
i)	Disputed		
	- Sales tax	88.46	2841.46
	- Service tax	18.77	18.64
	- Excise Duty	9.54	-
	- Goods & Services Tax	0.11	-
	- Income tax	1.43	1.43
	- Employees' State Insurance	28.83	28.83
	- Interim Relief to Workers	8.09	8.09

All the above matters pertain to Parent Company and are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Group.

* The contingent liability has reduced on account of setting aside the demand by Appellate Authorities in stock transfer matters (Rs. 2126.60 millions) and on account of partial relief/ remand back in VAT matters (Rs. 559.50 millions) with directions to Assessing Officer for fresh assessment. The Group has precedent of favourable orders on similar matters. The Group is of the view that as there is no demand against such orders passed by Assessing Officer, hence, contingent liability against these matters cease to exist as on 31.03.2023.

ii)	Bills discounted from banks	31.02	23.90
iii)	Claims not acknowledged as debts	262.94	243.07

38. Commitments

		Rs. million	
		As at March 31, 2023	As at March 31, 2022
i)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	199.00	161.54
ii)	Outstanding export obligation required to be fulfilled under the EPCG scheme against import of some machines/ capital equipments is as under:		
	a) average export obligation of Rs. 1927.01 million every year (previous year Rs. 1750.23 million every year) to be fulfilled till the time specific export obligation is discharged and		
	b) specific export obligation of Rs. 21.80 million (previous year Rs. 109.20 million) to be fulfilled over a period of maximum up to 5 years. Customs duty saved against outstanding export obligation is Rs. 3.34 million (previous year Rs. 17.23 million).		
iii)	The Group has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Group does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.		

Notes to the consolidated financial statements for the year ended March 31, 2023

39. Investment in Subsidiary

- i) The Parent Company has made investment in equity shares of following subsidiary (intermediary) for further investment in equity shares of ultimate beneficiary.

Rs. million

Name of the intermediary	Date of investment into intermediary	Amount of investment in intermediary	Name of the ultimate beneficiary	Date of investment by intermediary into ultimate beneficiary	Amount of investment by intermediary into ultimate beneficiary
SPR Engenious Ltd.	November 23, 2022	299.50	EMF Innovations Pvt. Ltd.	January 11, 2023	780.03*
	December 30, 2022	480.53			

*Includes Rs. 55.0 Millions to be paid as per the terms of the Share Purchase Subscription Agreement.

- ii) SPR Engenious Limited (SEL) has received funds from Parent Company (funding party) with the understanding that the SEL shall invest in equity shares of ultimate beneficiary identified by the Parent Company, as detailed below :

Rs. million

Name of the funding party	Date of receipt of funds from funding party	Amount funded by funding party	Name of ultimate beneficiary	Date of investment into ultimate beneficiary	Amount invested in ultimate beneficiary
Shriram Pistons & Rings Ltd.	November 23, 2022	299.50	EMF Innovations Pvt. Ltd.	January 11, 2023	780.03*
	December 30, 2022	480.53			

*Includes Rs. 55.0 Millions to be paid as per the terms of the Share Purchase Subscription Agreement.

With regard to the above investments made during the year ended March 31, 2023, the Group has complied with the relevant provisions of the applicable laws.

- iii) No fund has been received by the Parent Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

40. Fair Value Measurement

- i) The carrying value and fair value of financial instruments by categories as of March 31, 2023 are as under:

Rs. million

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	674.97	674.97	674.97
Investments in other equity instruments	48.00	48.00	48.00
Derivatives instruments*			
- Cross Currency Swap	23.41	23.41	23.41
- Forward contracts	1.96	1.96	1.96
Total	748.34	748.34	748.34

Notes to the consolidated financial statements for the year ended March 31, 2023

The carrying value and fair value of financial instruments by categories as of March 31, 2022 are as under:

Rs. million

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	271.75	271.75	271.75
Investments in other equity instruments	48.00	48.00	48.00
Derivatives instruments*			
- Forward contracts	(12.18)	(12.18)	(12.18)
Total	307.57	307.57	307.57

*Change in fair value is recognised in other comprehensive income.

ii) Fair value hierarchy

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – This level includes financial assets and liabilities, measured using 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).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023

Rs. million

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund	674.97		674.97	-
Investments in other equity instruments	48.00		-	48.00
Derivatives instruments				
- Cross Currency Swap	23.41		23.41	-
- Forward contracts	1.96		1.96	-
Total	748.34	-	700.34	48.00

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Notes to the consolidated financial statements for the year ended March 31, 2023

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022

Rs. million

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets/(liabilities)				
Investment in mutual fund	271.75		271.75	
Investments in other equity instruments	48.00		-	48.00
Derivative Instruments - forward contracts	(12.18)		(12.18)	
Total	307.57	-	259.57	48.00

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

iii) Financial assets and financial liabilities that are measured at amortised cost are :

Rs. million

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade and other receivables	3,965.90	3,965.90	3,545.64	3,545.64
Cash and cash equivalent	305.15	305.15	195.22	195.22
Other bank balances	6,163.77	6,163.77	3,302.48	3,302.48
Security deposit	199.23	199.23	178.40	178.40
Bank deposit	721.52	721.52	79.63	79.63
Interest accrued on bank deposit	192.20	192.20	69.03	69.03
Margin money	50.45	50.45	0.73	0.73
Financial liabilities				
Borrowings	2,988.66	2,988.66	1,318.08	1,318.08
Interest accrued but not due on borrowings	60.62	60.62	56.41	56.41
Trade payables	3,455.59	3,455.59	3,059.03	3,059.03
Lease Liabilities	342.88	342.88	249.88	249.88
Unclaimed dividends	0.53	0.53	0.66	0.66
Unclaimed matured deposits and interest accrued thereon	5.11	5.11	13.00	13.00
Capital creditors	154.55	154.55	167.02	167.02

The carrying value of above financial assets and financial liabilities approximate its fair value.

41. Capital management

The Group's objective for managing capital is to ensure as under:

- Ensure the Group's ability to continue as a going concern
- Maintain a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.

Notes to the consolidated financial statements for the year ended March 31, 2023

- iii) Maintain an optimal capital structure.
- iv) Compliance of financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure keeping in view of:

- i) Compliance of financial covenants under the borrowing facilities
- ii) Changes in economic conditions

In order to achieve this overall objective of capital management, amongst other things, the Group aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Group may vary the dividend payment to shareholders.

42. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Group also holds FVTPL current investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks under appropriate policies and procedures.

i) 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 risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL current investments and derivative financial instruments.

a) Foreign exchange risk

The Group is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, EURO and JPY. The Group holds derivative financial instruments such as foreign exchange forward and contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Each percentage point change in the foreign exchange rates has an impact of 0.84% (previous year : 0.84%) on Group's operating margins.

The Group's foreign currency risk from financial instruments are as under

(Foreign currency million)

Particulars	Currency	As at March 31, 2023			As at March 31, 2022		
		Total	Hedged	Net	Total	Hedged	Net
Trade and other receivables	USD	8.16	3.70	4.46	7.47	3.82	3.65
	EUR	4.58	2.62	1.96	3.63	0.09	3.54
	JPY	24.85	-	24.85	16.69	-	16.69
	GBP	0.02	0.02	-	0.10	-	0.10

Notes to the consolidated financial statements for the year ended March 31, 2023

(Foreign currency million)

Particulars	Currency	As at March 31, 2023			As at March 31, 2022		
		Total	Hedged	Net	Total	Hedged	Net
Trade payables	USD	1.22	0.06	1.16	0.37	-	0.37
	EUR	0.24	-	0.24	0.09	-	0.09
	JPY	282.20	133.20	149.00	298.35	298.35	(0.00)
Capital creditors	JPY	145.68	145.68	-	155.77	145.68	10.09
Borrowings	USD	7.59	7.59	-	-	-	-
	SGD	1.41	-	1.41	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Group is not exposed to any significant /material interest rate risk.

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 financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management.

Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

Particulars	Rs. million	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of the year	48.23	63.53
Add: Acquisition adjustment	0.13	-
Add: Provided during the year	6.56	-
Less: Reversal of provision	-	(15.30)
Less: Amount written off	-	-
Balance at the end of the year	54.92	48.23

iii) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by Group's established policy & procedures made under liquidity risk management framework. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

Notes to the consolidated financial statements for the year ended March 31, 2023

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities ranges between 1 to 6 years except lease liabilities where period may vary as per respective lease agreements.

43. Hedge Accounting

i) Forwards Contracts

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 counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period are as under:

(Foreign currency million)

Outstanding Contracts	Currency	As at March 31, 2023	As at March 31, 2022
Maturing not later than one month	USD	3.76	2.00
	EUR	1.37	0.09
	JPY	33.20	156.91
	GBP	0.10	0.00
Maturing later than one month and not later than three months	USD	0.00	1.82
	EUR	1.25	0.00
	JPY	100.00	345.29
Maturing later than three month and not later than one year	JPY	145.68	195.68

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Group matches the critical terms of the hedged items and hedging instruments.

ii) Reconciliation of cash flow hedge reserve are as under:

Rs. million

Particulars	As at March 31, 2023	As at March 31, 2022
Assets /(liability)		
Balance at the beginning of the year	(10.05)	(0.30)
Gain / (Loss) recognised in other comprehensive income during the year	13.87	(13.03)
Tax impact on above	(3.49)	3.28
Balance at the end of the year	0.33	(10.05)

44. The Group does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

45. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Group during the year.

Notes to the consolidated financial statements for the year ended March 31, 2023

46. Business Combinations

The Parent Company has invested Rs. 1,200 million in SPR Engenious Limited (SEL), its wholly owned subsidiary (WOS) which was incorporated on September 26, 2022 with the Registrar of Companies (Delhi & Haryana) with the purpose of diversifying its product portfolio in the areas related to the automotive segment. On January 11, 2023, SEL acquired 51% of share capital of EMFI Innovations Private Limited (EMFI) for a cash consideration of Rs. 780.03 million, thereby obtaining control of EMFI. EMFI is into electric vehicle drive train components such as Electric Motors and Motor Controllers for the Electric Vehicles & other applications, fits into Group's strategy of inorganic growth and qualifies as a business as defined in IND AS 103. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed by SEL on acquisition date are as set out in the table below:

Particulars	Amount Rs. million
1. Consideration paid	
Consideration paid by SEL	780.03
Total consideration (1)	780.03
2. Fair value of identifiable assets and liabilities recognised	
(i) Assets	
a) Property, plant and equipment	42.77
b) Right of use assets	31.44
c) Intangible assets	69.08
d) Other non current financial assets	1.29
e) Other non-current assets	2.59
f) Inventories	74.88
g) Other current financial assets	270.35
h) Current tax assets (net)	0.16
i) Other current assets	39.88
Total assets acquired (i)	532.45
(ii) Liabilities	
a) Financial liabilities	179.52
b) Other non current liabilities	3.98
c) Other Current Liabilities	70.34
Total liabilities acquired (ii)	253.84
3. Net assets acquired (i-ii)	278.61
4. Non Controlling interest (49% of 3)	136.52
5. Parent Company's share of fair value of net assets acquired (3-4)	142.09
6. Consideration paid in excess of fair value of net assets acquired (1-5)	637.94
7. Fair value assessment of Technology acquired (Rs. 231.20 Million) and Non Compete acquired (Rs. 90.84 Million)	322.04
8. Balance considered as goodwill (6-7)	315.90

The non-controlling interest (49% ownership interest in EMFI) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to Rs. 136.52 million. This fair value was estimated using following key model inputs:

- i) Assumed discount rate of 22.2%
- ii) Assumed long-term sustainable growth rates of 2%

Notes to the consolidated financial statements for the year ended March 31, 2023

- iii) Assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in EMFI.

EMFI has contributed Rs.45.37 million to Group's revenue from operation and Rs. 8.57 million to the Group's profit for the period between the date of acquisition and the reporting date.

47. Expenditure on corporate social responsibility (CSR)

Rs. million

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) amount required to be spent by the Company during the year,	30.90	29.86
(ii) amount of expenditure incurred,	30.90**	29.86*
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA

*Includes Rs. 9.08 million on "ongoing Projects" transferred to "Unspent CSR account" on April 29, 2022 and Rs. 0.14 million towards excess amount incurred in year ending March 31, 2021.

** Includes Rs. 2.09 million on "ongoing Projects" transferred to "Unspent CSR account" on April 28, 2023.

- (vii) The Company take up CSR projects/programmes/activities in the following areas

- (a) Education
- (b) Health Care
- (c) Sanitation
- (d) Environment preservation
- (e) Any other areas as approved by the CSR Committee/Board

The movement in the provision is as under:

Rs. million

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance of unspent CSR A/c	16.18	10.26
Add: Addition during the year	2.09	9.08
Less: Utilisation during the year	10.23	3.16
Closing balance of unspent CSR A/c	8.04	16.18

Notes to the consolidated financial statements for the year ended March 31, 2023

48. Additional regulatory information

Particulars	Unit	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022
Current ratio	Times	Total current assets	Total current liabilities	2.51	2.31
Debt-Equity ratio	Times	Debt consist of borrowings	Total Equity	0.19	0.11
Debt service coverage ratio	Times	Earnings for Debt service= Net profit after tax + depreciation + interest	Debt service = Interest and lease payments+ Principal repayments	20.52	24.25
Return on equity ratio*	%	Profit for the year	Average total equity	21.02	13.61
Inventory turnover ratio	Times	Cost of Goods sold	Average inventory	5.61	4.99
Trade receivables turnover ratio	Times	Sales of products	Average trade receivables	6.83	5.97
Trade payables turnover ratio	Times	Cost of material + employee benefit expense+ other expenses	Average trade payable	6.60	5.92
Net capital turnover ratio	Times	Sales of products	Average working capital (i.e Total current assets less Total current liabilities)	3.36	3.66
Net profit ratio*	%	Profit for the year	Sales of products	11.46	8.08
Return on capital employed*	%	Profit before tax and finance cost	Capital employed = Net worth + Debt	21.99	16.41
Return on investment.**	%	Income generated from invested funds	Average invested funds in treasury investment	6.81	3.81

* The variation is more than 25% over last year due to improvement in revenue/cost optimisation resulting into improved profit

** The variation is more than 25% over last year on account of improved yield on the treasury investments and change of mix for investment in treasury instruments.

*** Due to term loan borrowings taken by Group during the year.

49. During the year ended 31st March 2022, the Parent Company has concluded the buyback of 3,50,000 equity shares (at a price of Rs. 1020/- per equity share) as approved by the Board of Directors on July 30, 2021. This has resulted in a total cash outflow of Rs. 449.7 Million (including tax on buyback of Rs. 82.4 Million & transaction cost of Rs. 10.3 Million). In line with the requirement of the Companies Act 2013, an amount of Rs. 446.2 Million has been utilized from retained earnings. Further, capital redemption reserve of Rs. 3.5 Million (representing the nominal value of the shares bought back) has been created as an apportionment from General reserve. Consequent to such buyback, the paid-up equity share capital has reduced by Rs. 3.5 Million.
50. SPR International Auto Exports Limited (“Subsidiary Company”) was incorporated in 2005 and has not commenced any operations since then. Board of Directors of Subsidiary Company in their meeting held on April 05, 2022 and its shareholders in Annual General Meeting held on June 28, 2022 decided to make an application to the Registrar of Companies, under Section 248 (2) of the Companies Act, 2013 read with Rule 4, 5, 6 and 8 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, for removing the name of the Company from Register of Companies. The application for removal of the name of the Subsidiary Company was submitted on September 13, 2022. The name of subsidiary company has been struck off from the Register of Companies on March 7, 2023 by the Registrar of Companies (Delhi & Haryana) and with this, the said company is dissolved.

Notes to the consolidated financial statements for the year ended March 31, 2023

51. The Parent Company has invested Rs. 1,200.0 millions in SPR Engenious Limited (SEL), its wholly owned subsidiary (WOS), which has been incorporated on September 26, 2022 with the Registrar of Companies (Delhi & Haryana) with the purpose of diversifying its product portfolio in the areas related to the automotive segment. On 11th January 2023, SEL has acquired 51% shareholding in EMF Innovations Private Limited (“EMFI”), for a total consideration of INR 780.0 million.
52. The Board of directors of the company in its meeting held on February 08, 2023 has approved acquisition of majority stake of 75% in Tahakata Precision India Pvt Ltd. (TPIL) through SPR Engenious Limited (SEL), its wholly owned subsidiary. Takahata Precision Co. Ltd., Japan is the ultimate parent of TPIL and specialist in design and manufacturing of precision injection moulded components having a variety of functional products for automotive applications. The definitive agreements in connection with the proposed acquisition transaction has been executed on February 09, 2023.
53. The Group has no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
54. **Interests in other entities**

The group’s subsidiaries at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held non-controlling interests
SPR Engenious Limited	India	100%	-
EMF Innovations Private Limited	India	51%	49%

The Group is engaged in a single segment i.e. the business of “automotive components”

Notes to the consolidated financial statements for the year ended March 31, 2023

55. Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 is given below:

Name of the entity	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	Rs. Million	As % of consolidated profit or loss	Rs. Million	As % of consolidated profit or loss	Rs. Million	As % of consolidated profit or loss	Rs. Million
Parent								
Shriram Pistons & Rings Limited	91.22	15,295.53	100.19	2,955.06	100.00	98.06	100.19	3,053.12
Subsidiary								
SPR Engenious Limited	7.07	1,185.78	(0.48)	(14.22)	-	-	(0.47)	(14.22)
Stepdown Subsidiary								
EMF Innovations Private Limited	1.71	287.18	0.29	8.57	-	-	0.28	8.57
Sub total	100.00	16,768.49	100.00	2,949.41	100.00	98.06	100.00	3,047.47
Adjustment arising out of consolidation		(1,353.21)		(10.63)		-		(10.63)
Total		15,415.28		2,938.78		98.06		3,036.84

56. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pankaj Gupta Company Secretary	Prem Prakash Rathi Chief Financial Officer	Pradeep Dinodia Chairman DIN: 00027995	Inderdeep Singh Director DIN: 00173538
		Krishnakumar Srinivasan Managing Director & CEO DIN : 00692717	Luv D. Shriram Whole - Time Director DIN : 00051065

Place: New Delhi
Date : May 08, 2023



ABOUT SPR ENGENIOUS LIMITED “SEL”

SPR Engenious Limited “SEL” is the wholly owned subsidiary of Shriram Pistons & Rings Limited “SPRL”, one of India’s most recognised auto component manufacturing company. Through SEL, the company has mark its foray into the EV Mobility space by acquiring majority stake in EMF Innovations Private Limited “EMFI”, a Singapore backed electric motor design and manufacturing Company. SPRL aims to expand its presence in electric vehicle (EV) space to supply Electric Powertrain Components such as Motor & Controller covering all the vehicle segments from Two Wheelers, Three Wheelers, Passenger Vehicles, Commercial Vehicles and Buses. This alliance will also offer potential for SPRL (through SEL) and EMFI to collaborate and partner to serve customers globally.

Source: **Economic Times**

Shriram Pistons to acquire majority stake in EMF Innovations to foray into EV space

Auto component maker Shriram Pistons & Rings on Friday said its unit will acquire a majority stake in electric motor design and manufacturing firm EMF Innovations to foray into the electric vehicle mobility space. **SPR Engenious Ltd (SEL), a wholly-owned subsidiary of the company, is slated to acquire the stake.** The financial details of the deal were not disclosed.

Source: **Business Standard**

Shriram Pistons to acquire majority stake in EMFi to foray into EV space

Auto component maker Shriram Pistons & Rings on Friday said its unit will acquire a majority stake in electric motor design and manufacturing firm EMF Innovations to foray into the electric vehicle mobility space. **SPR Engenious Ltd (SEL), a wholly-owned subsidiary of the company, is slated to acquire the stake.** The financial details of the deal were not disclosed.

Source: **Times of India**

Shriram Pistons & Rings to acquire Singapore-based EMF Innovations

Auto component company Shriram Pistons & Rings Limited (SPRL) has announced the acquisition of a majority stake in EMF Innovations (EMFI), a Singapore-based electric motor design and manufacturing company. **The acquisition will be done through its wholly-owned subsidiary, SPR Engenious Limited (SEL).** This will mark SPRL’s foray into the EV mobility space. The company did not disclose the deal size.

Source: **Hindu Business Line**

EV foray. Shriram Pistons to acquire majority stake in Singapore’s EMF Innovations

Shriram Pistons & Rings Limited (SPRL) will acquire a majority stake in Singapore-backed electric motor design and manufacturing company, EMF Innovations Private Limited (EMFI).

The acquisition will be done through the company’s wholly-owned subsidiary, SPR Engenious Limited (SEL). This will mark its foray into the EV mobility space.

Source: **Manufacturing Today**

Shriram Pistons & Rings Limited to acquire majority stake in EMF Innovations

Shriram Pistons and Rings Limited **one of India’s auto component manufacturers have announced to a acquire majority stake in EMF Innovations Private Limited, a Singapore-backed electric motor design and manufacturing company through its wholly owned subsidiary, SPR Engenious Limited (“SEL”).** This will mark its foray into the EV Mobility space.

ABOUT EMF INNOVATIONS

EMFI is a young Technology company co-founded by engineering entrepreneurs with substantial R&D and operations in India and Singapore thereby providing localized cost effective e-mobility solutions to customers in India and abroad. EMFI has been leveraging on its strong power electronics & motors research base and extensive semi-automated manufacturing eco-system to deliver reliable EV Motors and Controllers for green mobility solutions and various other applications.

Core Competencies: Electric Motor & Controller Design & Manufacturing

Frugal Engineering Practices, in design, development and Mass Production of Electric Manufacturing is the core of EMFI.

EMFI has been in this market for over 4 years now and have designed & developed products to meet the local demands and to ensure cost competitive solutions.



Hub Motor



Mid-Mount Motor



Controller

Electric Motor & Controller range with SPR Engenious Ltd.

ELECTRIC MOTOR & CONTROLLER RANGE : 250W ~ 250KW

TYPE OF MOTORS

- HUB Motors
- Mid Drive Motors

TECHNOLOGIES

- BLDC- Brushless Direct Current Motor
- PMSM- Permanent Magnet Synchronous Motors
- IPM- Interior Permanent Magnet Motor
- SRM- Switch Reluctance Motors

APPLICATIONS

- E-Bike (e-cycle)
- 2 Wheeler
 - Passenger
 - Cargo
- 4W
 - Passenger Vehicles
 - Light Commercial Vehicle
 - Medium Commercial Vehicle

- Commercial Vehicles
 - Electric Bus
 - Electric Trucks
- Brake Motors
- Pump Motors
- Compressor Motors

COMING SOON

- Boat Motor
- Drone Motor
- Axial Flux Motor



E-Bike
250 - 350 w



Two Wheeler
2 - 10 kw



3 W / Pass / LCV
4 - 18 kw



Cargo 3 Wheeler
5 - 15 kw



Passenger car
15 - 60 kw



Cargo vehicle
15 - 45 kw



Bus platform
60 - 120 kw



Medium & Heavy trucks
150 - 250 kw



SHRIRAM[®]

1



Values & Ethics

3



Stakeholder Safety, Health & Well-being

2



Operational Efficiency

4



Data Security & System Reliability

6



Stakeholder Engagement & Management

5



Digitization

7



Digital Skills & Human Capital Development

8



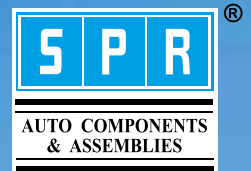
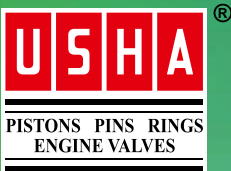
Human-Centered Transformation

ESG GOALS

Our governance practices prioritize transparency, accountability, and responsible leadership. By prioritizing ESG principles, we aim to create long-term value for our stakeholders and contribute positively to society and the planet.

ENGINEERED TO PERFECTION!

AUTO COMPONENTS FOR THE WORLD



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