Sharda Motor Industries Ltd.

SMIL: LISTING: 2025-26/2508/02 **August 25, 2025**

BSE Limited (BSE)
Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

(SCRIP CODE - 535602)

National Stock Exchange of India Limited (NSE)
Exchange Plaza,
5th FloorPlot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Submission of Notice of the 40th Annual General Meeting of the Company along with the Annual Report.

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In pursuant to Regulation 34(1) and other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), please find enclosed herewith Annual Report for Financial Year 2024-25 and the notice of 40th Annual General Meeting of the company scheduled to be held on Thursday, September 18, 2025 at 12:00 Noon (IST), through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), to transact the business set as out in the Notice of the AGM.

The Annual Report for the financial year 2024-25 and the Notice of AGM are also available at the website of the Company i.e www.shardamotor.com under "Investors Relations" Section. The Company has commenced and completed the dispatch (by electronic means only) of the Notice of AGM and the Annual Report for FY 2024-25 from today i.e. 25th August, 2025 to those Members of the Company whose e-mail addresses are registered with the Company/Registrar & Transfer Agent/Depository Participants as on Tuesday, August 19, 2025.

Further, in accordance with Regulations 36(1)(b) of SEBI (LODR) Regulations, 2015, a letter is simultaneously sent to those shareholders whose e-mail addresses are not registered with the Company/Registrar & Transfer Agent/Depository Participants as on Tuesday, August 19, 2025, providing the weblink of Company's website where the Annual Report for FY 2024-25 and the Notice of AGM are available.

This is for your information and record.

Thanking you,

Yours faithfully,

For SHARDA MOTOR INDUSTRIES LIMITED

Iti Goyal Digitally signed by Iti Goyal Date: 2025.08.25 18:27:53 +05'30'

Iti Goyal
Asst. Company Secretary & Compliance Officer
Encl. as above

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
Tel.: 91-11-47334100, Fax : 91-11-26811676
E-mail : smil@shardamotor.com, Website : www.shardamotor.com
CIN NO-L74899DL1986PLC023202

SHARDA MOTOR INDUSTRIES LIMITED

40TH ANNUAL REPORT 2024-25


Soft-top Canopies
Independent Front Suspension Assembly
Emission Control Systems
Upper & Lower Control Arm
Axle Front Assembly

CONTENTS

Key favourable Market Trends shaping our Growth Strategy

LIGHTWEIGHTING TREND

Strong requirement for **Lightweighting** due to Multi powertrains, upcoming **CAFÉ norms** & **Safety requirements**

Consolidating market for **high tensile control arms**

Few local players with **new age lightweighting technology**

CHINA + 1

China + 1 theme & **New emission norms** being introduced in Europe & USA , both put together giving a great opportunity to **increase exports** from India

EMISSION NORMS REGULATION

Tightening Emission norms, **TREM V** (Open large part of domestic Tractor Market for emission products) **&** **BS 7 introduction** will **increase content & lead to market consolidation** due to technology requirements

LOCALISATION DRIVE

Customers are driving **localisation** as priority due to geopolitical situations & **Government incentives** giving a good opportunity for Indian Partners for **TAJVs** in new products

Lightweighting emerges as one of the key megatrends for Auto OEMs globally

Drivers of Lightweighting

CAFÉ NORMS (CO2 EMISSION REGULATION)

- To **reduce Co_2 emission** by lowering fuel consumption
- Serves twin purpose of Govt- **Reducing oil imports** and **controlling pollution**

CAFÉ Norms CO2 target roadmap

- Phase 1 (2017 – 22) - **130 g/km** > Café III (expected **2027**) – **91.7 g/km**
- Phase 2 (Post 2022) – **113 g/km** > Café IV (expected **2032**) – **70 g/ km**

MULTIPLE POWERTRAINS & EV PENETRATION

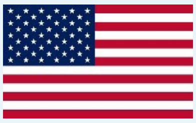
- **Multiple Powertrains** require lightweighting to preserve efficiency, performance & regulations
- Focus will be on **powertrain agnostic lightweighting** components
- Entry-level cars offer a range of **250-300 KM** while ideal range is **400-500 Km.**
- **10% weight reduction** can improve **EV range** by **13.7%**
- Potential for **structural batteries** to **reduce weight** by **10%**

ADVANCED SAFETY REGULATIONS

- Lightweighting is essential to **balance safety** with **weight reduction**
- **High-strength steel** & **aluminum** can improve **crashworthiness.**
- Lightweight materials exhibit better **handling** and **stability**

Targeting the biggest markets with our core capabilities

Key Marketscore Capabilities

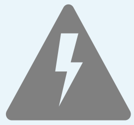


USA

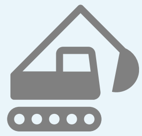
Europe

Key Segments

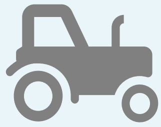
Commercial Vehicle



Genset



CEV



Tractor (Under 100 HP)

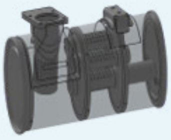
Select Target Products

Tractor Components (DOC, DPF, SCR)

Genset Hot End

SCR Outlet Assembly

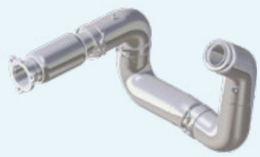
Exhaust Pipe



Genset Muffler

CEV Components (DOC, DPF,SCR)

Heat Shield



Temperature Controlled Tubes

Capitalizing on emerging theme of 'China+1' to grow revenues from overseas customers

Over the last few years, on the back of supply chain issues led by the COVID-19 pandemic and trade war shocks, trade relations between US, EU and China have been disrupted. In addition, new emission norms have also been introduced in EU & US. Both trends **put together give a great opportunity for exports from India.**

(In USD Million)

		 EU	**Total Market Size**
CV Emission Components	850	250	1,100
Tractor Emission & Muffler Systems	50	35	85
Genset Emission & Muffler Systems	120	105	225
Heat Shields	50	50	100
Temperature Controlled Tubes	170	140	310

Dedicated Global Business Team for expansion of exports

Strategic R&D investments leading to world class technology and products in emission control systems

Acceptability from marquee global customers an endorsement of quality

SHARDA MOTOR INDUSTRIES LIMITED

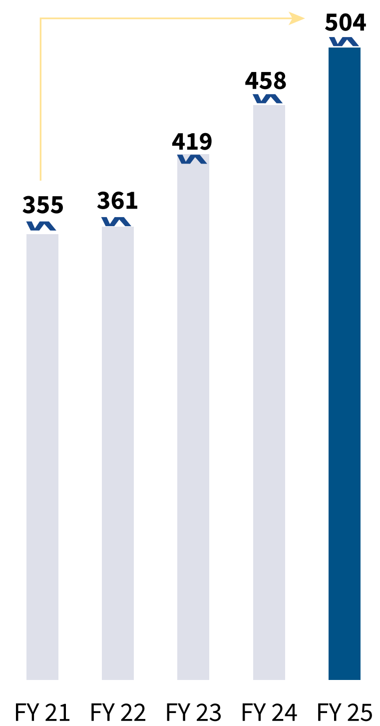
Key Future Growth Areas

Scaling up the Lightweighting Vertical	Growing revenue from exports with focus on Europe & USA Markets	Capturing opportunities in increasing domestic addressable Market & Adjacencies	M&A in Powertrain Agnostic Products & entry into adjacent exponential markets
• Increasing Market Share in control arms & axle assemblies • Adding products/ content per car by harnessing new age lightweighting processes • TA/JVs focused on strengthening Lightweighting	• CV emission components • Temperature controlled Tubes and Heat Shields • Genset emission & muffler systems • Tractor emission & muffler systems	• BS 7 to increase content per engine & lead to market consolidation • TREM V opens the opportunity in large domestic tractor market • Adding business in temperature controlled pipes/heatshields for Off highway & CV Customers	• TA/JVs to support customers in localisation of key powertrain agnostic products • TA/JVs for entry into adjacent exponential markets (Synergy components for Drones, Robotics, AI Data Centres) • Domestic focused Acquisition in Powertrain Agnostic products

State-of-the-art, future-ready capabilities

Sharda Motor has invested in its units

Gross Tangible Assets
(INR crores)



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

Tube Mill Manufacturing - (Backward Integration)

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

Stamping Facilities

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

Welding Capabilities

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

Testing & Prototyping Facilities

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

Company Overview

Head office in
Delhi, India

1000+
On-Roll Employees

FY 25 Revenue:
₹ 28,366 million
(~334 Mn$)

FY 25 EBITDA:
₹ 3,964 million
(~$47 Mn$)

1
R&D Centre in Chennai

1
Design & Development Centre, Namyang, South Korea

125+ R&D Manpower

Business Verticals

Emission Control
Lightweighting
Global Business
Supply Chain Management

~30%
value Market share for PV & LCV Exhaust Systems

~12.5%
value Market Share for PV & LCV Control Arms

Patents Granted:

Filed 15 patents

3 patents granted
over last 3 years

08
Manufacturing Facilities

Chennai – 2, Pune – 3, Nashik – 2, Sanand - 1

Strategic Collaborations

PUREM
by Eberspächer

Segments Served

Passenger Vehicles

Commercial Vehicles

Tractor & CEV

Genset

Leading Industry Certifications

IATF 16949:2016

ISO 14001:2015

ISO 45001 :2018

Sharda Motor
The journey so far

1986
Inception of Sharda Motor Industries

1987
IPO & Listing at Delhi Stock Exchange

1994
Launch of 1st large scale production unit & entry into Trim business

1998
Foray into Exhaust Systems business with the Chennai unit

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

2007
Investment in Backward Integration (MWC Plant)

2010
Established R&D for Emission Control Systems

2013
1st In-house development of Cold End & Hot End system

2016
Entry into Tractor emission system

2019
Joint Venture with Purem, Germany

2020
BS 6 Products SOP

2020
Approval for Scheme of arrangements with NDR Auto Component Limited

2023
BS6 RDE SOP & TREM IV Products

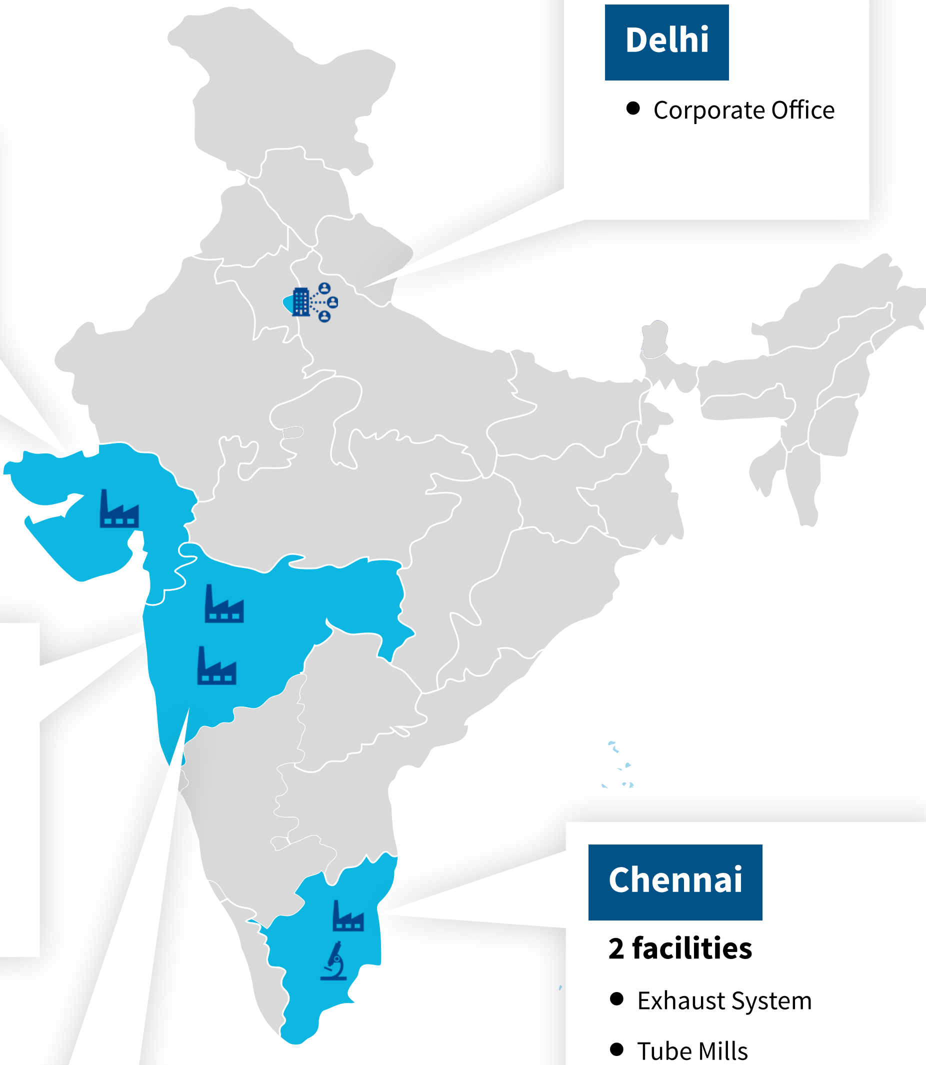
2023
Set up Plant - II at Chakan

2024
Establishment of Global Business Vertical & 3 Patents Granted

2025
Establishment of Lightweighting Vertical & Setting up Plant - III at Chakan

Strategically located best-in-class manufacturing facilities

State-of-the-art manufacturing facilities located at the heart of India's automotive clusters



Delhi
- Corporate Office

Sanand
- Exhaust System

Nashik
2 facilities
- Exhaust Systems
- Roof Systems
- Suspension Assembly

Chennai
2 facilities
- Exhaust System
- Tube Mills
- R&D Facility

Chakan
3 facilities (incl. new facility)
- Exhaust Systems
- Suspension Assembly

Corporate Office

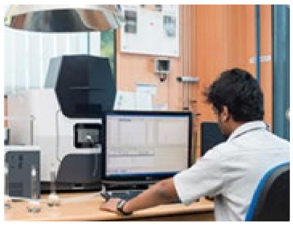
Manufacturing facility

R&D Facility

State-of-the art Research and Development set up

State-of-the-art R&D facility at Chennai






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

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

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

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

IATF 16949-2016 Certification

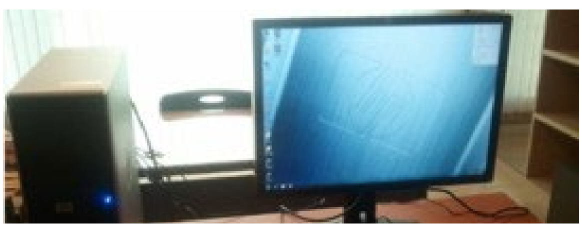
Design & Development Center at Namyang, South Korea

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

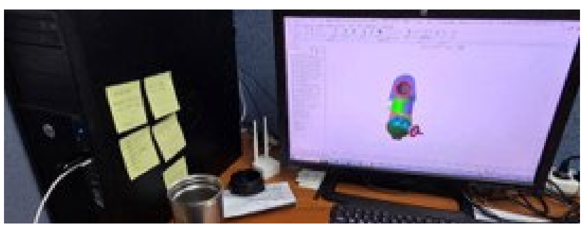
4 trained and experienced engineers with **over 20 years of design, CFD and testing experience**

Siemens SCADAS Mobile
(Acoustic test machine)

DAQ
(RLDA test machine)



CATIA (design tool)

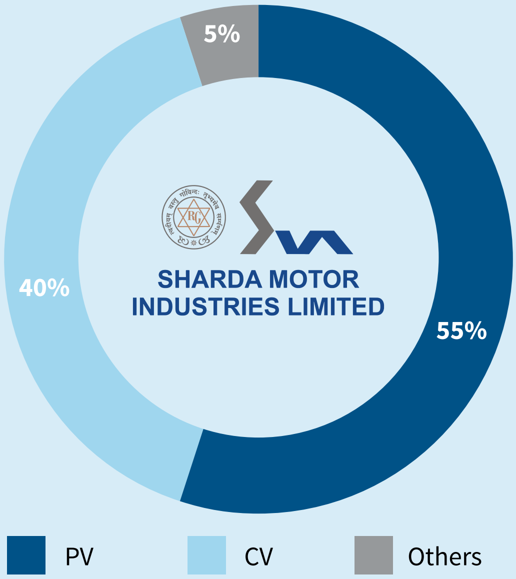


PRO-E (design program)

Sharda Motor has deep-rooted relationships with marquee OEMs

Catering to customers across vehicle segments

FY25 Consolidated Revenue from Operations split by end-user vehicle segment (%)



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

Sharda Motor is well recognized for its quality and reliability

2025
Platinum Award Continuous Improvement & Poka Yoke
SRM

2025
Sustainability Champion Award
credibl

2025
Gold Award – Safety, Health, Energy & Environment QCFI (SHEEN)

2025
Gold Award Poka-yoke Competition QCFI

2024
16th National Poka Yoke Competition
CII

2024
Gold Award Winner – 50th National KAIZEN competition
CII

2024
Ashok Leyland Quality Performance Award for Incoming Parts Quality
ASHOK LEYLAND

2023
Silver Award Winner – Renovative Category
CII

2014
Mahindra & Mahindra Annual Commodity Award
Mahindra

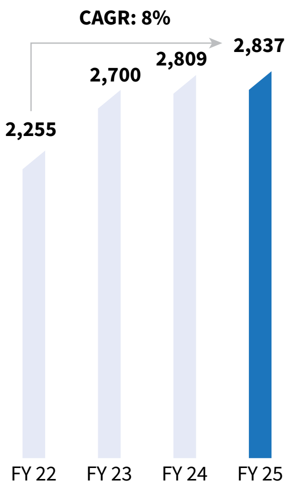
2015
Mahindra Supplier Excellence Award for Business Partner of the Year
Mahindra

2021
Special appreciation BS6 by Mahindra & Mahindra
Mahindra

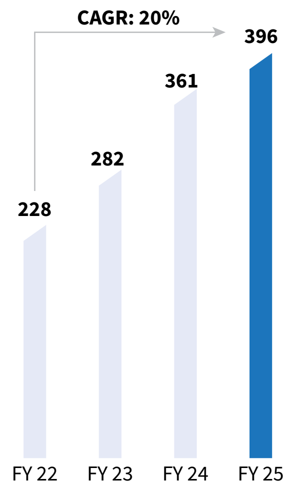
2021
Silver award in Business Alignment Category by Ashok Leyland
ASHOK LEYLAND

Historical Consolidated Key Financial Highlights

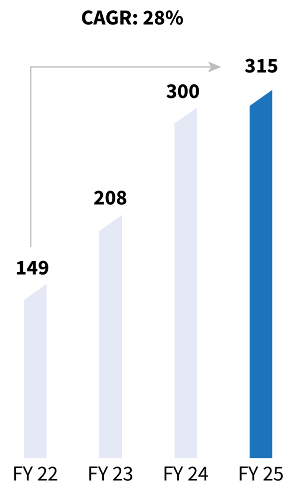
Revenue from Operations



EBITDA



PAT



*all figures are in INR Crores

Corporate Social Responsibility – Sharda Unnati CSR Programmes

Sharda - Green India Campaign

Sharda Motor believes in promoting environmental sustainability through regular tree plantation drives in collaboration with inhouse team of volunteers.

Sharda Educate

Infrastructure development, learning materials, and scholarships provided to underprivileged schools to foster quality education.

Blood Donation Drives

Organized regular voluntary blood donation camps in partnership with local hospitals to save precious lives.

Sharda Medicare

We support community health through clinics, ambulance services, health check-up camps, and installation of essential medical equipment.

Overview | Emission Control Vertical

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

~30% Value Market Share in India for the passenger vehicle & Light Commercial Vehicle segment.

Comprehensive Customer Base: Catering to both domestic and international markets.

Serving Multiple Segments & OEMs: Collaborating with multiple OEMs in PV, CV and Off-road segments.

In-house Stamping Capabilities: Operating 3 stamping plants for critical components.

Global Collaboration: Joint venture with Purem* (formerly Eberspächer).

Advanced Tube Mills: 2 mills producing stainless steel and aluminized steel tubes for exhaust systems.

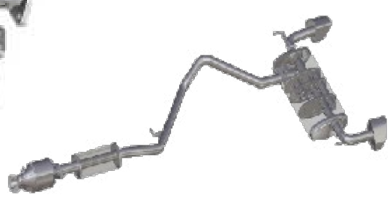
Strong R&D capabilities: In-house design and testing capabilities for exhaust systems (ATS, Emission, NVH)

Proximity to Customers: Facilities spread across key automotive hubs in India, which also optimize logistics

Patents Granted: Filed 15 patents, of which 3 have been granted over the last 3 years.

PV BS VI Diesel Hot End System

PV BS VI Petrol Hot End System

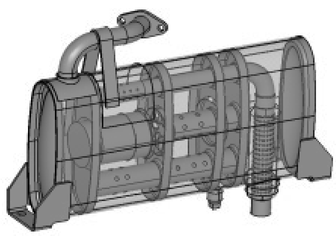


PV BSVI Cold End System

MHCV System (DOC+DPF+SCR)

Tractor Stage V (DOC + DPF + SCR)

CEV /IA System (DOC+DPF+SCR)



Generator Muffler

Overview | Light weighting Vertical

From an idea to its manufacturing, Sharda Motor is one of the fastest growing player in this product category

~12.5% value market share for Passenger vehicle & Light Commercial Vehicle Control Arms in India

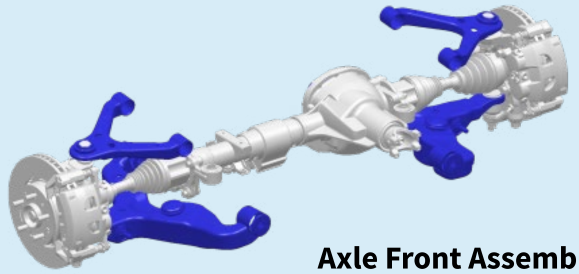
Strategically Located Manufacturing Facilities to optimize logistics and supply chain efficiency.

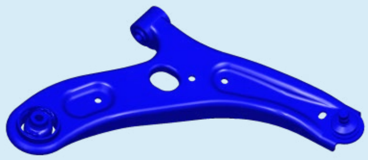
Supplying products for use in **all powertrains (including leading EV Launches).**

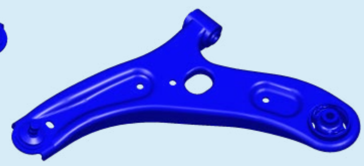
Comprehensive Services from design to validation.

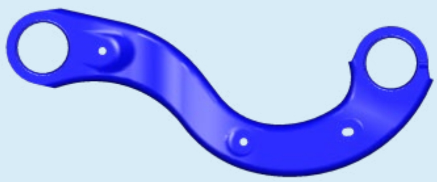
End-to-End support including development, project planning, testing, and validation.

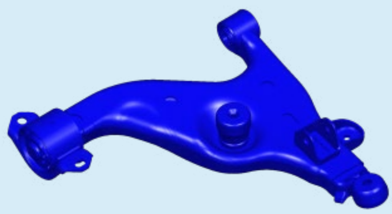
SMIL Manufactured Parts	BOP Assembled Parts


Axle Front Assembly


Upper Control Arm LHS


Upper Control Arm RHS


Rear Suspension – EV Links


Lower Control Arm LHS


Lower Control Arm RHS


Rear Suspension – Rear Links

Operations overseen by well-experienced board...

SHRI KISHAN PARIKH

Chairman, Non-Executive Non-Independent Director

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

SHRI AJAY RELAN

Managing Director

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

SHRI NITIN VISHNOI

Executive Director & Company Secretary

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

SHRI NAVIN PAUL

Independent Director

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

SMT. SARITA DHUPER

Independent Director

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

SHRI UDAYAN BANERJEE

Independent Director

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

Leadership Team -
Complimented by experienced Senior Management

SHRI AJAY RELAN
Managing Director

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

SHRI AASHIM RELAN
Chief Executive Officer

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

SHRI ASHWANI MAHESHWARI
Deputy Managing Director

- 30+ years of experience in leading Domestic and International Businesses for effective turnaround and strategic transformations across products, customer segments and sectors.
- B.E. in Mechanical Engineering from IIT Roorkee with Sloan Fellowship, MBA from London Business School, EDP from The Wharton School and ADP from Stanford University

SHRI GHAN SHYAM DASS
Chief Financial Officer

- 24+ years of experience of working in a wide spectrum of industries including Automotive.
- Has managed large organic and inorganic growth projects besides critical transformation initiatives for creating shareholder value.
- Qualified CA and CMA

SHRI NITIN VISHNOI
Executive Director & Company Secretary

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

SHRI DEEPAK MANCHANDA
CEO Global Business

- 28+ years of rich experience in a spectrum of Automotive, Aerospace, and Defence industries
- PG Diploma in Business Management with a specialization in Marketing & Systems from IMT Ghaziabad, and certification in Masters in Mechanical Engineering from CIIMS Nagpur

SHRI VIEKAS K KHOKHA

Sr. Vice President & Chief Human Resource Officer

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

SHRI DNYANESH DANDEKAR

Senior Vice President- Research and Development

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

SHRI ASHISH KULKAMI

Chief Procurement Officer & PMO

- 28 + years of experience in Global Purchasing and Commodity Management, with demonstrated extensive industry knowledge.
- B.E. in Production Engineering from Mumbai University with General Management Program in Business Administration and Management at Welingkar Institute of Management.

SHRI K K SHARMA

Chief Manufacturing Officer

- Seasoned specialist in cost-saving strategies and plant operations. Expertise spans across Customer Relationship Management, Project Management, Industrial Relations, Cost Saving Strategies and Plant Operations
- Hold's a B.Com. from Delhi University, Executive Education Programme in Strategy Formulation and Execution from the ISB and Senior Management Programme from IIM, Kozhikode

SHRI PARAMJEET SINGH

Senior Vice President- Sales & Business Development

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

SHARDA MOTOR INDUSTRIES LIMITED

FROM THE MD'S DESK

Navigating through the Dynamic Automotive Landscape

"The year gone by further confirms that your company is on track to realize its vision. I am proud of the efforts put in by your company to take it forward while ***Doing Great Things Together!****"*

Dear Valued Stakeholders,

In FY25, the Indian economy once again demonstrated its resilience amid heightened global volatility – from trade disruption to escalating tariff battles. Backed by robust domestic fundamentals and proactive policymaking, India reinforced its standing as a stable and growth-oriented market.

In a rapidly evolving mobility ecosystem, Sharda Motor Industries Ltd (SMIL) has not merely weathered disruption, it has positioned itself as a proactive architect of the future. We have moved beyond resilience to focus on market leadership in select component categories. Our growing market share and strong customer recognition are a direct reflection of our unwavering commitment to quality, reliability, and performance.

At Sharda Motor, innovation goes far beyond R&D spending—it's deeply embedded in how we engineer outcomes. Over the past few years, we have invested consistently in building strong R&D competencies, backed by the culture of continuous, business-focused innovation. This approach has translated into tangible results: we have filed 15 IP applications in the last three years and successfully secured 3 patents. Our ability to co-develop advanced solutions with OEMs, while driving process efficiencies is transforming R&D into a core growth engine.

Talking about financials, I am delighted to share that our company achieved notable growth in FY2024–25, with PAT and EBITDA increasing by 5% and 10%, respectively, over the previous year. Additionally, we have maintained a zero-debt position and have surplus funds available to invest in future growth.

Trends Shaping Our Landscape

Regulatory evolution continues to act as a powerful tailwind for our business. Stringent emission regulations bring with them heightened technological demands, often accelerating industry consolidation. In this evolving landscape, SMIL stands strong — equipped with the capabilities to ensure compliance, deliver reliability, and scale efficiently.

Backed by strong R&D capabilities and fully backward integrated manufacturing facilities, we have also built competencies to address adjacent product opportunities including temperature-controlled tubes, light weighting solutions, other offerings in the commercial vehicle and off-highway space.

While tightening emission norms have been a key growth enabler, there are broader industry shifts that continue to work in our favour — trends that go beyond regulatory mandates and position SMIL to grow in a redefined mobility ecosystem. Several structural tailwinds are shaping the mobility ecosystem, and SMIL is strategically positioned to harness them.

Lightweighting, is emerging as a cornerstone of automotive design, driven by stricter emission norms, safety requirements, range, cost and fuel-efficiency targets. OEMs are increasingly adopting high-strength steel, aluminium, and advanced technology to enhance performance and efficiency. SMIL is well-positioned to capture this opportunity to achieve higher content per vehicle, reinforcing our role as a preferred supplier in the mobility transition.

With the industry shifting towards sustainable and efficient mobility, SMIL is also exploring business opportunities in emerging technologies in powertrain agnostic products & AI focused areas through Technical Alliances and Joint Ventures.

The Government has set an ambitious target of $100 billion in auto component exports by 2030. At the same time, global trade dynamics—particularly the U.S.–China trade tensions—have accelerated the China+1 strategy among OEMs, prompting a shift in global sourcing patterns. As a company with scalable capacity, proven reliability, and SMIL is well-positioned to benefit from this diversification.

The Indian government's initiatives—such as Make in India, PLI schemes, and infrastructure-led growth—are further reinforcing this trend. Our emphasis on local sourcing, backward integration, and cost competitiveness not only supports this national agenda but also strengthens our strategic relevance in the evolving global supply chain.

Financial Performance & Highlights

- **Revenue Growth:** For FY25, our revenues reached Rs. 2,836.6 crores, reflecting a year-on-year growth of 1%, broadly in line with the Industry Performance.

- **Profitability:** Gross Profit for the year stood at Rs. 740.3 crores, reflecting an 11% increase – a strong indicator of our growth momentum. EBIDTA rose by 10% to Rs. 396.4 crores, while PAT grew by 5% to Rs. 314.9 crores.

- **Investment in R&D:** We invested INR 21.65 crores in research and development, reinforcing our commitment to innovation and staying ahead of industry trends. Our R&D strategy combines in-house initiatives with external collaborations, including joint ventures, to enhance our technical capabilities and deliver greater value.

  Sharda Motor has consistently scaled its operations, built robust capabilities, and expanded its customer base across all vehicle segments. Our ability to serve OEMs end-to-end — from development to testing and validation — reflects our commitment to being a trusted, full-spectrum partner. Importantly, our revenue mix is split between passenger and commercial vehicles, providing a natural hedge against segment-specific cyclicality.

With strong industry tailwinds, robust internal capabilities, and a clear strategic roadmap, the path ahead is well defined. What lies before us now is disciplined execution—and that will be our single-minded focus in the months and years to come.

I extend my heartfelt appreciation to the entire SMIL team for their unwavering commitment and resilience in advancing the company's growth. On behalf of the Board of Sharda Motor Industries Limited, I also thank all our valued stakeholders — our customers, employees, vendors, investors, bankers, government partners, and above all, our shareholders — for the continued trust you have placed in us throughout this journey.

Regards
Ajay Relan

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI KISHAN N PARIKH
Chairperson, Non Executive Director

SHRI AJAY RELAN
Managing Director

SHRI NITIN VISHNOI
Executive Director & Company Secretary

SHRI UDAYAN BANERJEE
Independent Director

SHRI NAVIN PAUL
Independent Director

DR. SARITA DHUPER
Independent Director

CHIEF EXECUTIVE OFFICER
SHRI AASHIM RELAN

CHIEF FINANCIAL OFFICER
SHRI GHAN SHYAM DASS

AUDITORS

STATUTORY AUDITOR
M/s S.R. DINODIA & CO. LLP.
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITOR
M/s. VKC & ASSOCIATES
COMPANY SECRETARIES

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

BANKERS
KOTAK MAHINDRA BANK
HDFC BANK
YES BANK

REGISTERED OFFICE
D-188, OKHLA INDUSTRIAL AREA, PHASE - I,
NEW DELHI - 110 020, INDIA
Website: www.shardamotor.com
E-mail: investorrelations@shardamotor.com
Tel.: +91 11 4733 4100
CIN: L74899DL1986PLC023202

NOTICE

SHARDA MOTOR INDUSTRIES LIMITED
(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

NOTICE is hereby given that the 40th Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the company") will be held on Thursday, September 18, 2025 at 12:00 Noon (IST), through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt:

   a) the audited standalone financial statements of the company for the financial year ended March 31, 2025 along with the reports of the Board of Directors and Auditors thereon; and

   b) the audited consolidated financial statements of the company for the financial year ended March 31, 2025 and the report of Auditors thereon.

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

   a) "RESOLVED THAT the audited standalone financial statements of the company for the financial year ended March 31, 2025 along with the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b) "RESOLVED THAT the audited consolidated financial statements of the company for the financial year ended March 31, 2025, along with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare the final dividend for the financial year 2024-25.

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

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a final dividend of Rs. 32.50 per equity share of the face value of Rs. 2 each i.e. 1625 % (percent) on the paid-up share capital, be and is hereby declared for the financial year 2024-25."

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

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

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

SPECIAL BUSINESS:

4. To appoint M/s. VKC & Associates, Company Secretaries, (Unique Code P2018DE077000) as secretarial auditors of the company.

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

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the company, consent of the members be and is hereby accorded for appointment of M/s VKC & Associates, company Secretaries, Peer Reviewed Firm (bearin g Unique Identification No. P2018DE077000) as Secretarial Auditors of the company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, at such remuneration as may be approved by the Audit Committee/ Board of Directors of the company from time to time.

RESOLVED FURTHER THAT the Audit Committee/Board of Directors of the company, be and are hereby authorized to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Secretarial Auditors, during the tenure of their appointment."

5. To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, cost auditors of the company.

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

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the company, the members of the company do hereby ratify the remuneration of Rs. 100,000/- (Rupees one lakhs only) excluding applicable taxes and other out-of-pocket expenses payable to Gurdeep Singh & Associates, Cost Auditors, appointed by the Board of Directors of the company to conduct the audit of cost records of the specified products for the Financial Year 2025-26.

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

6. Payment of commission to the non-executive directors of the company

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

   "RESOLVED THAT in partial modification of the special resolution dated June 25, 2025, passed by the members through postal ballot, pursuant to the provisions of Sections 197 and 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification, amendment, clarification, substitution or re-enactment thereof for the time being in force) and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of the Act and/or the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), and as recommended by the Nomination and Remuneration committee and the Board of Directors, approval of the member be and is hereby accorded for payment of commission to all or some or any of the Non-Executive Director(s) of the company (other than the Managing Director or Whole-Time Directors of the company) in the manner as may be determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee from time to time and that the total amount of such commission shall not exceed one percent of the net profits of the company, calculated in accordance with the provisions of Section 198 of the Act, and such payments shall be made in respect of the profits of the company for a period of 5 years from April 01, 2025.

RESOLVED FURTHER THAT the remaining terms and conditions of the special resolution dated June 25, 2025, passed by the members through postal ballot shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised, to do and perform all such acts, deeds, matters and things as may be necessary in this regard and deal with any matters and take necessary steps as the Board may, in its absolute discretion, deem necessary, desirable or expedient to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

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

Date : August 8, 2025
Place : New Delhi

Notes:

1. MCA has vide its General Circulars No. (i) 14/2020 dated April 8, 2020, (ii) 17/2020 dated April 13, 2020, (iii) 20/2020 dated May 5, 2020, (iv) 10/2022 dated December 28, 2022, (v) 09/2023 dated September 25, 2023 and subsequent circulars issued in this regard the latest being (vi) 09/2024 dated September 19, 2024 ("MCA Circulars") and SEBI vide its circulars No. (i) SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, (ii) SEBI/HO/CFD/CMD2/CIR/P/2021/11dated January 15, 2021, (iii) SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, (iv) SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 13, 2023, (v) SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and (vi) SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 ("SEBI Circulars") permitted the holding of the Annual General Meeting through VC/ OAVM, without the physical presence of a Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act) the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ('Listing Regulations'), MCA Circulars and SEBI Circulars, the 40th AGM of the company is being held through VC/OAVM on Thursday, September 18, 2025, at 12:00 Noon IST. The deemed venue for the AGM will be the Registered Office of the company.

2. **SINCE THIS AGM IS BEING HELD THROUGH VC/OAVM PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS AT A COMMON VENUE HAS BEEN DISPENSED WITH, ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS UNDER SECTION 105 OF THE COMPANIES ACT, 2013 AND SS II, WILL NOT BE AVAILABLE FOR THE 40th AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. An explanatory statement pursuant to Section 102 of the Act, in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-II and Regulation 36(3) of Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed at this AGM is annexed forming part of this notice.

4. Institutional Investors, who are Members of the company, are encouraged to attend and vote at the 40th AGM through VC/ OAVM facility.

5. Institutional/Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM throug h VC/OAVM or to vote through remote e-voting are requested to send a certified true copy of the Board Resolution to the Scrutinizer by e-mail at vkc.pcs@gmail.com with a copy marked to company at investorrelations@shardamotor.com and Voting Agency (CDSL) at helpdesk.evoting@cdslindia.com or upload on the VC portal.

6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the company/RTA/DP. Additionally, in accordance with the regulation 36(1)(b) of the Listing Regulations, the company is also sending a letter to member whose email IDs are not registered with company RTA/DP providing the web link of the company's website for accessing the annual report for the FY 2024-25. Members who intend to receive physical copy of Annual Report may send E-mail to investorrelations@shardamotor.com. The Notice convening the 40th AGM along with the Annual Report for the financial year 2024-25 has been uploaded on the website of the company at www.shardamotor.com under the 'Investor Relations' section and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice alongwith the Annual Report for the financial year 2024-25 is also available on the website of CDSL at www.evotingindia.com.

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

9. Members may note that pursuant to MCA Circulars, the company has enabled a process for the limited purpose for registration of email addresses for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. Eligible Members, holding shares as on cut-off date may temporarily update their email address by sending the request at e-mail Id of the company at investorrelations@ shardamotor.com latest by September 10, 2025 pursuant to which, any Member may receive on the email address provided by the Member the Notice of this AGM along with the Annual Report 2024-25 and the procedure for remote e-voting along with the login ID and password for remote e-voting.

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

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, (i.e. Thursday, September 18, 2025). Members seeking to inspect such documents can send an email to investorrelations@shardamotor.com.

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

13. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the company or the company's RTA, for assistance in this regard.

14. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from our website at https://www.shardamotor.com/investor-relations/investor-forms/ and website of the Registrar and Transfer Agent ('RTA'). Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialized form and to the company's RTA in case the shares are held by them in physical form, quoting their folio number.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc.

    a) For shares held in electronic form: to their DPs. Changes intimated to the DP will then be automatically reflected in the company's records.

    b) Shares held in physical form: to the Registrar at lalitap@alankit.com or rta@alankit.com.

16. To support the 'Green Initiative' Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the company and Members holding shares in DEMAT mode are requested to register their email IDs with their respective DPs in case the same is still not registered.

17. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

18. The Register of Members and the Share Transfer Books of the company will remain closed from Thursday, September 11, 2025 to Thursday September 18, 2025 (both days inclusive).

19. The company has fixed Friday, June 13, 2025 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM. Payment of dividend shall be made ONLY through electronic mode to those Shareholders who have updated their bank account details.

20. Pursuant to SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 issued to the Registrar and Transfer Agents and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, as amended, SEBI has mandated, with effect from April 01, 2024, dividend to security holders holding shares in physical mode shall be paid only through Electronic Mode. Relevant FAQs have been published by SEBI in this regard. The FAQs and the above mentioned SEBI Master Circular and SEBI Circular are available on SEBI's website and on the website of the company at https://www. shardamotor.com/investor-relations/investor-forms/.

    Procedure to update bank account details

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

- Form No. ISR-1 duly filled and signed by the holders, stating their name, folio number, complete address with pin code, and the following details relating to the bank account in which the dividend is to be received: (i) Name of Bank and Bank Branch; (ii) Bank Account Number; (iii) 11-digit IFSC Code; and (iv) 9-digit MICR Code.
- Form No ISR -2 duly filled and signed by the holders along with the copy of cancelled cheque in original, bearing the name of the Member or first holder (in case shares are held jointly).
- Self-attested copy of the PAN Card; and
- Self-attested copy of any document (such as Aadhar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the company. The PAN Card shall be linked to the Aadhar Card.

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

21. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD- 1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login. Further details in this regard are available on the company's website https://www.shardamotor.com/investor-relations/investor-online-dispute-resolution/.

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

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

    I. For Resident Shareholders

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

    a. Resident Individuals

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

    i. Total dividend amount to be received by them during the Financial Year (financial year) 2025-26 does not exceed Rs. 10,000/-; or

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

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

b. Resident Non-Individuals

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

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

II. For Non-resident Shareholders

a. As per Domestic Tax Law

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

b. As per Double Tax Avoidance Agreement (DTAA)

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

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

ii. Self-attested copy of Tax Residency Certificate (TRC) (valid for the year 2025 or Financial Year April 1, 2025 to March 31, 2026) obtained from the tax authorities of the country of which the shareholder is a resident.

iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily provide Form 10F online filed at Income Tax Portal for the Financial Year 2025-26 to avail the benefit of DTAA.

iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the year 2025 or Financial year April 1, 2025 to March 31, 2026).

v. A NO PE Certificate/Declaration for the Financial Year 2025-26

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

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

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

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

To enable us to determine appropriate TDS rate the aforementioned documents are required to be send to the company via. e-mail to at investorrelations@shardamotor.com on or before Friday, September 05, 2025. No communication would be accepted from members thereafter regarding tax-withholding matters. Shareholders may write to investorrelations@shardamotor.com for any clarifications on this subject.

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

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

Financial year ended	Date of declaration of dividend	Proposed due date for transfer to IEPF
31.03.2018	27.09.2018	25.10.2025
31.03.2021	27.08.2021	25.09.2028
31.03.2022	20.09.2022	18.10.2029
31.03.2023	26.09.2023	24.10.2030
31.03.2024	26.09.2024	24.10.2031

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

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the Form IEPF-5 form for claiming the dividend and/ or shares via www.iepf.gov.in.

24. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, and Regulation 44 of the Listing Regulations as amended and the MCA Circulars, the company is pleased to provide the facility of remote e-voting to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional. For this purpose, the company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility to cast votes through remote e-voting as well as e-voting during the AGM to all its Members.

25. VOTING PROCESS AND INSTRUCTION REGARDING REMOTE E-VOTING:

   a) The remote e-voting period will commence on Monday, September 15, 2025 and ends on Wednesday, September17, 2025. During this period, members of the company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Friday, September 12, 2025, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently.

b) Only those shareholders of the company who are holdings shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Friday, September 12, 2025), shall be entitled to cast their vote either through remote e-voting or through voting at AGM through VC/OAVM, as the case may be. Any person who is not a member as of the cut-off date should treat this Notice for information purposes only.

c) The facility for voting during the AGM shall also be made available. Members present in the AGM through VC and who have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so shall be eligible to vote through the e-voting facility provided at the AGM.

d) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated December 9, 2021, under Regulation 44 of Listing Regulations and in order to increase the efficiency of the voting process, all the Demat account holders have been enabled for e-voting by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the Evoting Service Providers thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in the e-voting process.

e) Shri Vineet K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. FCS 12361), of M/s. VKC & Associates, New Delhi, Practicing company Secretaries, having consented to act as a scrutinizer, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

A. THE LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

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

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

(ii) Click on Shareholders.

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

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

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

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

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

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the company/depository participant are requested to use the sequence number sent by company/RTA or contact company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

(ix) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in Demat form will now reach the ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

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

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

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

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

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to company/RTA email id. at investorrelations@shardamotor.com or rta@alankit.com / lalitap@alankit.com

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

ii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

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

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or 022-23058542/43.

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

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

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

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

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

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

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

      Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast Ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investorrelations@shardamotor.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, and mobile number at investorrelations@shardamotor.com. These queries will be replied to by the company suitably by email.

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

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

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

   ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system available during the AGM.

   iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

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

Item No. 4

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), every listed company and certain other prescribed categories of companies are required to annex Secretarial Audit Report issued by a Practicing Company Secretary to their Board's report prepared under Section 134(3) of the Act.

SEBI vide its notification dated December 12, 2024 amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the Listing Regulations"). The Amended Listing Regulations read with the SEBI circular no. SEBI/ HO/CFD/CFDPoD-2/CIR/P/2024/185 dated December 31, 2024 ("the Circular") have inter-alia prescribed the term of appointment/ re-appointment, eligibility, qualifications and disqualifications of Secretarial Auditor of a Listed Company.

Additionally, a listed entity must appoint a Secretarial Audit firm for a maximum of two terms of five consecutive years, with shareholders' approval to be obtained at the Annual General Meeting.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors has approved and recommended to the members of the Company, the appointment of M/s VKC & Associates, Peer Reviewed Firm of Company Secretaries in Practice (UIN P2018DE077000) as Secretarial Auditors for a term of 5 (Five) consecutive years, commencing from the Financial Year 2025-26 till the Financial Year 2029-30.

Brief Profile of M/s. VKC & Associates

M/s. VKC & Associates ("VKC" or "Firm") is a reputed firm and has been actively and closely associated with the formation, functioning, and management of several prominent corporate entities in India, while rendering professional services in the fields of corporate law compliance and management. VKC is equipped competent team of well qualified and experienced professionals possessing deep domain expertise and experience in areas such as Company and Securities Law, Due Diligence, mergers & Acquisitions, FEMA, Corporate Governance and many more secretarial and advisory related aspects to Companies including body corporates.

The firm have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified by the ICSI. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the Listing Regulations read with SEBI Circular dated December 31, 2024.

No Orders have been initiated or passed against the VKC or the Partners of the firm ICSI/SEBI/MCA/or any other competent authority / Court, both in India or outside India, during the preceding five (5) years.

Additionally, VKC has not rendered any prohibited services either directly or indirectly to the Company, its holding company, subsidiaries, or any of its associate companies, thereby ensuring independence and adherence to ethical standards in line with the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder.

On the recommendation of the Audit Committee and the Board of Directors, the proposed remuneration payable to the Secretarial Auditors for the Financial Year 2025-26 is Rs.3,00,000/- per annum excluding applicable taxes and other out of-pocket expenses. Based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor, the Audit Committee and the Board is of the view that the proposed fees is reasonable and in line with the industry benchmarks, considering the size and scale of the Company. The remuneration payable to the secretarial auditors for the remaining tenure of the proposed re-appointment shall be mutually agreed between the Board of Directors (including any Committee thereof) and the Secretarial Auditors, from time to time.

The Board recommends the Ordinary Resolution as set out in the Notice at Item no. 4 for the approval of the members.

None of the Directors, Key Managerial Personnel, or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 5

On the recommendation of the Audit Committee, the Board of Directors of the company at its meeting held on August 8, 2025 has considered and approved the Appointment and Remuneration of M/s Gurdeep Singh & Associates, as cost auditors of the company to conduct the audit of Cost Records of the specified products at a remuneration of Rs. 1,000,000/- (Rupees one lakhs) plus applicable Tax as applicable and other out-of-pocket expenses for the financial year 2025-26. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2025-26 by way of an ordinary resolution is being sought from the members as set out at item no.5 of the Notice.

The Board recommends the Ordinary Resolution as set out in the Notice at Item no. 5 for the approval of the members.

None of the Directors, Key Managerial Personnel, or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 6

The shareholders of the company vide their resolution dated June 25, 2025 passed by postal ballot had approved the, remuneration by way of commission to the Non-Executive Directors of the company.

In view of enhanced governance and shareholder's interest, the company is approaching shareholders again to limit the tenure of such payment for a period of 5 years commencing from April 01, 2025.

The aforesaid remuneration is exclusive of the fees payable to the Non-Executive Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the Special Resolution as set out in the Notice at item no. 6 for the approval of the members.

Non-Executive Directors of the company may deem to be interested in the resolution. Except them, None of the Directors, Key Managerial Personnel, or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meeting (SS-2)

Name of the Director	Shri Nitin Vishnoi
Director Identification Number	08538925
Date of Birth	January 18, 1970
Age	55 Years
Date of Appointment	September 03, 2019
Qualification	B. Com (Hons.) & Fellow Member of Institute of Company Secretaries of India
Profile of the Director, Experience & Expertise in specific functional area	He is a fellow member of Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours. He has an overall work experience of more than 34 Years and expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance. He is also heading the Corporate Secretarial Department of company and has substantially contributed to various other operational areas like finance, accounts, taxation, various financial tools and other financial projects including the successful implementation of the Microsoft NAV (ERP) in the company.
Terms & Conditions of appointment	The terms and conditions of his appointment shall remain the same/unaltered, as approved by shareholders in its Meeting (i.e., item 4 of the 39th Annual General Meeting) held on September 26, 2024.
Remuneration received from the company in the financial year 2024-25	Rs. 139.36 Lakhs
Shareholding in the company including shareholding as beneficial owner	Nil
Relationship with other Directors and KMPs of the company	None
Name of listed entities from which the person has resigned in the past three years	None
No. of meetings of Board attended during the year	5/5
List of Public Companies in which outside directorship held	None
Chairman/ Member of the Committees of Board of Directors of Indian Companies	None

DIRECTORS' REPORT

Dear Members

Your directors have pleasure in presenting the 40th Board Report on the business and operations of the Company together with the financial statements for the financial year ended on March 31, 2025.

FINANCIAL SUMMARY

Rs. In Lakhs

Particular	Standalone		Consolidated	
	Year Ended March 31, 2025	Year Ended March 31, 2024	Year Ended March 31, 2025	Year Ended March 31, 2024
Revenue from operations	283657.09	280926.24	283657.09	2,80,926.24
Other Income	8328.09	8785.41	8328.09	8785.41
Total Revenue	**291985.18**	**289711.65**	**291985.18**	**289711.65**
Profit before Financial Charges, Depreciation	**47969.97**	**44928.85**	**47964.91**	**44928.85**
Less: Financial Costs	393.33	220.76	393.33	220.76
Profit before Depreciation, Exceptional Items & Taxes	47576.64	44708.09	47571.58	44708.09
A. Depreciation	5822.62	5255.66	5822.62	5255.66
B. Exceptional items	-	-	-	-
Taxation				
– Current Tax	10182.33	9809.25	10182.33	9809.25
– Deferred Tax Charged/ (Released)	322.64	153.45	322.64	153.45
Profit for the year before share of profit/ (loss) of associates and joint venture	**31249.05**	**29489.73**	**31243.99**	**29489.73**
Share of profit/(loss) of associate (net of tax)	-	-	68.09	33.58
Share of profit/(loss) of Joint venture (net of tax)	-	-	179.53	435.78
Non-Controlling interest	-	-	0.32	-
Profit for the year	**31249.05**	**29489.73**	**31491.93**	**29959.09**
Other comprehensive income (net of tax)	**(36.02)**	(25.08)	(36.02)	(21.08)
Add: Profit brought forward from previous year	80891.69	56561.69	78968.36	54165
Profit available for appropriation	**112104.72**	**86026.34**	**110424.27**	**84103.01**
Appropriations				
Dividend	2847.42	5134.65	2847.42	5134.65
Taxes & Transaction cost on buy back of equity shares	4306.49	-	4306.49	-
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	104950.81	80891.69	103270.36	78968.36
Paid-up equity share capital (Face value of Rs. 2/- each)	**574.08**	**594.63**	**574.08**	**594.63**

Operational Performance

Performance

During the year under review, the total revenue (standalone and consolidated) including other income, stands at Rs. 2,91,985.18 Lakhs as against Rs. 2,89,711.65 Lakhs of the previous year. The standalone profit before tax for the financial year 2024-25 has increased by approximately 5.83% and stood at Rs. 41,754.02 Lakhs as against Rs. 39,452.43 Lakhs of the previous year. The consolidated profit before tax for the financial year 2024-25 has increased by approximately 5.20% and stood at Rs. 41,996.58 Lakhs as against Rs. 39,921.79 Lakhs of the previous year. The standalone and consolidated net profit after taxes of the Company has increased by approximately 5.97% and 5.11%, respectively, on a year on year basis.

Dividend and Dividend Distribution Policy

The Board of Directors of the company at its meeting held on May 24, 2025, has recommended the final dividend of Rs. 32.50/- per equity share of face value of Rs. 2 each, i.e., 1625 percent on the paid-up share capital, for the financial year 2024-25, subject to the approval of the shareholders at the ensuing 40th Annual General Meeting of the company.

The company has complied with the Dividend Distribution Policy of the company, a copy of which is available on the website of the company at: https://www.shardamotor.com/wp-content/uploads/2021/07/DIVIDEND-DISTRIBUTION-POLICY.pdf.

The said Policy shall provide shareholders a clear understanding of the company's dividend framework, outlining the following key parameters:

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

Reserves

During the year under review, the company has created the Capital Redemption Reserve by transferring Rs. 20.55 Lakhs pursuant to the extinguishment of 10,27,777 equity shares of the company of face value of Rs. 2 each on June 28, 2024. The shares were bought back by the company under the SMIL Buy Back – 2024 Scheme.

Except as stated above, the company has not transferred any amount to the reserves.

Change in the Nature of Business

During the year under review, there was no change in the nature of the business of the Company.

Share Capital

During the year under review, pursuant to the approval of the shareholders, the company has bought back its 10,27,777 fully paid-up equity shares each having a face value of INR 2/- representing 3.46% of the total equity shares of the company, at a price of INR 1800/- per equity share payable in cash for an aggregate consideration of INR 18499.98 Lakhs ("Buyback Size") through the tender offer route of the Stock Exchanges.

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

After the closure of the financial year, the company has issued and allotted 2,87,03,853 bonus equity shares of Rs. 2 each in the ratio of 1:1. The said shares rank pari passu in all respects with the existing fully paid-up equity shares of the Company. Post bonus issue, the issued and paid-up equity share capital of the Company has increased to Rs.11,48,15,412 divided into 5,74,07,706 equity shares of Rs. 2 each.

Further, pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"), SEBI Notification no. SEBI/ LAD-NRO/GN/2022/66 dated January 24, 2022 and related circulars thereunder, during the year under review, there were no securities that were required to be transferred into demat suspense account or unclaimed suspense account and disclosure is not applicable for the period ended March 31, 2025.

Subsidiaries, Joint Arrangements and Associate Companies

During the year under review, no company has become or ceased to be a subsidiary, joint venture or associate Company. The details of Subsidiaries, Joint Ventures and Associate Companies as on March 31, 2025, are as under:

Subsidiary Companies

Uddipt Mobility Private Limited

Associate/Joint Venture Companies

Relan Industries Finance Limited
Exhaust Technology Private Limited

Financial performance, percentage of Holding and other financial parameters for the financial year 2024-25 of the Subsidiaries, Associates and Joint Venture Companies are disclosed in the financial statements, which form part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the subsidiaries, joint ventures and associate companies, is provided as Annexure I.

Directors and Key Managerial Personnel

The existing composition of the Board is fully in conformity with the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) /amendment(s) thereof for the time being in force. Further, all the directors of the company have given the declaration that they are not debarred from being appointed / re-appointed or continuing as director of the Company by virtue of any order passed by the SEBI, the Ministry of Corporate Affairs or any such statutory authority.

The company has received the declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act read with the schedules and rules made thereunder along with the declaration for compliance with Regulation 16 of the Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience in their respective fields and are persons of high integrity and repute. They fulfill the conditions specified in the Act and Listing Regulations to act as Independent Directors.

The names of Independent Directors are included in Independent Director's data bank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time.

None of the Directors are disqualified for being appointed as Director as specified in Section 164(1) & (2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, following changes have taken place in the Board of Directors and Key Managerial Personnel of the company;

1. Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, Independent Directors of the company have completed their 2nd consecutive term on September 02, 2024 as Independent Directors of the company. The Board places on record its sincere appreciation for their contributions and extends gratitude to them for their invaluable guidance as Independent Directors on the Board.

2. The members of the Company at its 39th AGM held on September 26, 2024 had approved: -
   - Retirement of Smt. Sharda Relan (DIN: 00202181), Non-Executive Director of the company, who was liable to retire by rotation at the 39th Annual General Meeting and had not offered herself for re-appointment. The Board places on record its appreciation towards the valuable guidance provided by Smt. Sharda Relan during her tenure as director of the company.
   - Appointment of Shri Kishan N. Parikh (DIN: 00453209) as Non-Executive Director of the company liable to retire by rotation.
   - Appointment of Shri Navin Paul (DIN 00424944) as Non-Executive-Independent Director of the company for a tenure of 5 years from August 02, 2024 to August 01, 2029 (both days inclusive).
   - Re-appointment of Shri Nitin Vishnoi (DIN: 08538925) as a Whole-time Director of the Company, liable to retire by rotation for a period of five years from September 03, 2024 to September 02, 2029.
3. Shri Puru Aggarwal ceased to be the Chief Financial Officer of the Company, with effect from the close of business hours on March 31, 2025, due to attaining the age of superannuation.

After the closure of the financial year 2024-25, the following are the changes in the Board of Directors and Key Managerial Personnel:

1. Shri Ghan Shyam Dass has been appointed as Chief Financial Officer of the company with effect from April 01, 2025 on the recommendation of the Nomination and Remuneration and Audit committees.
2. Smt. Sarita Dhuper (DIN: 08776286) has been re-appointed as Independent Director of the Company for a second term of five (5) consecutive years commencing from June 29, 2025 to June 28, 2030 (both days inclusive). The same was approved by the members of the company through Postal Ballot on June 25, 2025.

Pursuant to section 152 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on August 08, 2025 has considered and recommended the re-appointment of Shri Nitin Vishnoi (DIN: 08538925), who retires by rotation at ensuing Annual General Meeting and being eligible has offered himself for re-appointment, to the members of the company for re-appointment as a Director liable to retire by rotation.

A brief profile of Shri Nitin Vishnoi seeking re-appointment at the ensuing Annual General Meeting (40th AGM) of the company has been provided in the explanatory statement of the Notice of this AGM. In compliance with the provisions of the Companies Act, 2013, Listing Regulations and other applicable provisions, if any, the required consent / declarations showing the willingness and confirming that he is eligible and not disqualified from being re-appointed as a director was duly received from him.

Committees of Board

The Board of Directors of the Company has constituted the following Committees to focus on specific areas and take informed decisions in the best interests of the Company within the authority delegated to each of the Committees:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders Relationship Committee

(d) Corporate Social Responsibility Committee

(e) Risk Management Committee

The details of the composition of the said Committee(s), their terms of reference, meetings held and attendance of the Committee members during the financial year 2024-25 are disclosed in the Corporate Governance Report annexed as “Annexure VIII”.

All the recommendations made by the Committees during the year were accepted by the Board of Directors.

Board-Level Performance Evaluation

The evaluation of the Board/Committees and directors was carried out in accordance with the provisions of the Act and Listing Regulations and the guidance note issued by SEBI in this regard. A suggestive evaluation questionnaire for the performance evaluation, based on the approved criteria, was provided to all the directors for their feedback on the performance of the Board, its Committees, the Chairperson and the Directors.

A separate meeting of independent directors was held on March 26, 2025, where they reviewed and discussed the feedback on the functioning of the Board, it's Committees, the chairperson and other directors including executive directors.

Based on the above criteria, the Nomination and Remuneration Committee of the Board at its meeting held on 24th May, 2025, has also carried out the performance evaluation of the functions of the Board, its committees, individual directors and chairperson. The Board at its meeting held on May 24, 2025, reviewed and discussed the feedback of the evaluations and found that the overall performance of individual directors, the chairperson, the Board as a whole and its committees was satisfactory.

Nomination, Remuneration & Evaluation Policy

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

Auditors and Audit Report

Statutory Auditors & Auditors Reports

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

The Auditors' Reports (Standalone & Consolidated) to the Shareholders do not contain any qualification, reservation adverse remarks or disclaimer. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not require any further clarifications.

The Statutory Auditors of the company have not reported any matter in section 143(12) of the Act.

Secretarial Auditors & Auditors Reports

M/s. VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548, were appointed as Secretarial Auditors of the Company pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, to conduct the Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report for the financial year ended March 31, 2025 is annexed as Annexure II to this Report. The Secretarial Audit Report does not contain any qualification.

Further, the Securities and Exchange Board of India (SEBI) had amended Regulation 24A of the Listing Regulations on December 12, 2024. The said amended Regulations provide specific guidelines for appointing and reappointing Secretarial Auditors w.e.f. April 01, 2025. As per the amendment, a listed entity shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in its Annual General Meeting.

Accordingly, based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on August 08, 2025, recommended to the shareholders, the appointment of M/s. VKC & Associates, Company Secretaries (Unique code P2018DEO77000), as Secretarial Auditors of the Company for a period of 5 consecutive years from FY 2025-26 to FY 2029-30 pursuant to the provisions of Section 204 of the Companies Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and Regulation 24A of SEBI (LODR) Regulations, 2015.

M/s. VKC & Associates, Company Secretaries, have given their consent to act as Secretarial Auditor of the Company and also provided an eligibility certificate to the effect that they are eligible and not disqualified to be appointed as a secretarial auditor in terms of the provisions of the Listing Regulations, the Companies Act, 2013 and the rules made thereunder.

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, and based on the recommendations of the audit committee, the Board of Directors of the company has appointed M/s. Gurdeep Singh & Associates (holding M. No. 9967) as Cost Auditors of the company for conducting the cost audit for the financial year 2024-25, considering that the remuneration has also been approved by the members at the 39th Annual General Meeting.

The company has also received a letter from the Cost Auditors of the Company to the effect that their appointment is within the limits prescribed as per the Companies Act, 2013 and they are not disqualified from being appointed as Cost Auditors of the company.

Further, the Board of Directors of the company at its meeting held on August 08, 2025 has considered and approved the appointment of M/s Gurdeep Singh & Associates (holding M. No. 9967) as Cost Auditors of the company for conducting the cost audit for the financial year 2025-26 subject to the ratification of remuneration by the members that is being placed before the ensuing 40th Annual General Meeting.

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

Employees' Stock Option Scheme

Pursuant to the approval of Members through postal ballot on July 08, 2022, the Company adopted the "Sharda Motor Industries Limited stock option scheme 2022" {ESOP Scheme}, in order to retain and incentivize key talent for driving long-term objectives of the Company whilst simultaneously fostering ownership behaviour and collaboration amongst employees. The brief outlines of the Scheme are as follows:

1. **Persons eligible for the Scheme:** Employees of the company working in India or Outside India and their tenure, performance and contribution to the growth of the company.

2. **Total number of shares reserved under the scheme and under grant:** The Nomination and Remuneration Committee may from time to time grant options to one or more employee(s), which may include recurring options to the same employee. The aggregate number of shares underlying an option that may be granted under the plan shall be decided by the Nomination and Remuneration Committees and shall not exceed 3,00,000 equity shares of face value of Rs. 2, each fully paid up, of the company.

3. **Pricing:** The exercise price per option shall be equal to the market price of the shares on the Grant Date or at such discount to the market price as may be determined by the Nomination and Remuneration Committee subject to applicable laws.

4. **Vesting Period under Scheme:** Options granted under ESOP 2022 would vest after expiry of a minimum of 1 (One) year but not later than a maximum of 6 (Six) years from the Grant Date of such options. The minimum Vesting Period of one year shall not apply to cases of separation from employment due to death or permanent disability.
5. **The Exercise Period:** Vested Options shall be a maximum of 5 (Five) years from the date of vesting of such options.

From the date of approval of "Sharda Motor Industries Limited Stock Option Scheme 2022", till the end of financial year 2024-25, "No option" was granted therefore disclosure required under the Rule of the Companies (Share Capital and Debentures) Rule 2014 is not applicable.

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

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

During the year under review, the company has not made any application, nor are there any proceedings pending under the Insolvency and Bankruptcy Code, 2016.

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

Not Applicable

Corporate Social Responsibility

The Annual Report on CSR activities, as required under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure III** to the Directors' Report. A copy of the CSR Policy is available on the Company's website at https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf

Sharda Motor's CSR philosophy is deeply embedded in the belief that business success goes together with social responsibility. Their initiatives are strategically designed to create meaningful and lasting impact in key areas of education, healthcare, environmental conservation, and community development.

CSR initiatives are majorly implemented through the **"Sharda CSR Foundation Trust"**- a dedicated CSR and philanthropic arm of the Sharda Motor Industries Limited—under its flagship projects: **Sharda Unnati**, operating in various parts of India. Our efforts focus on critical areas as mentioned hereinabove.

Sharda Unnati: Building Blocks for a Better Tomorrow

At the heart of Sharda Motor's ongoing CSR efforts is their flagship program, **Sharda Unnati**. This comprehensive initiative embodies the company's vision to empower communities and stakeholders, with a primary focus on two critical pillars: **Health and Education**.

Through Sharda Unnati, the company has actively contributed to the development and well-being of people residing in the vicinity of its manufacturing plants. This localized approach ensures that the impact is direct and addresses the specific needs of the communities that host their operations. While specific projects under Sharda Unnati are dynamic and tailored to local requirements, they generally encompass:

- **Healthcare Initiatives:** This includes supporting health check-up camps, providing medical assistance, and potentially contributing to local healthcare infrastructure, as seen with initiatives like "Sharda Medical Clinic" at Nashik, which is offering the various healthcare facilities, medical aids including ambulance services. The contribution for care and medication of Cancer patients was also supported by the company.
- **Educational Empowerment Initiatives:** The Company is committed to fostering a brighter future through education. The efforts involve providing financial assistance and support to schools and institutions promoting education among underprivileged children, and contributing to infrastructure development in schools and colleges.

Nurturing Nature and Community Spirit

Beyond health and education, the Company also demonstrates a strong commitment to environmental stewardship and civic responsibility:

- **Plantation Drives-Support Mother Earth:** Recognizing the critical importance of environmental conservation, the Company actively organizes and participates in plantation drives. These initiatives aim to increase awareness about the benefits of tree planting and contribute to a greener, healthier planet. The company's Plantation drive is a testament of its efforts in environmental support, it also includes pollution-related awareness and even the distribution of dustbins also supports our initiative of a litter free environment.
- **Blood Donation Drives:** Exemplifying their dedication to community well-being, Sharda Motor regularly organizes blood donation drives. These initiatives play a vital role in addressing critical blood shortages and saving lives, showcasing the company's proactive approach to supporting public health.

In essence, Sharda Motor Industries Limited, through the Sharda CSR Foundation Trust and its impactful "Sharda Unnati" program, is not just manufacturing automotive components; it's investing in the holistic development of communities. By prioritizing health, education, environmental sustainability, and direct community engagement, Sharda Motor is truly driving positive change and building a more sustainable and inclusive future for all.

Annual Return

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year March 31, 2025 is uploaded on the website of the company and the same is available on https://www.shardamotor.com/investor-relations/annual-report/

Particulars of Employees and Senior Management

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

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

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

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

Particulars of Loans, Guarantees or Investments

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

Particulars of Contracts or Arrangements with Related Parties

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

The policy on materiality of and dealing with related party transactions is available on the company's website at https://www.shardamotor.com/wp-content/uploads/2016/07/RPT-Policy.pdf

Further, the transactions entered with the persons belonging to the promoter and promoter group of the company and holding 10 percent or more shareholding in the company are provided in the Related Party Disclosures in the relevant section of the Notes to Financial Statements for the year ended March 31, 2025, forming part of the Annual Report.

Corporate Governance

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulations. The “Report on Corporate Governance” forms an integral part of this report and is set out as a separate section to this annual report. A certificate from S.R. Dinodia & Co., LLP, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations, is annexed with the report on corporate governance.

Management Discussion and Analysis Report

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

Vigil Mechanism

The company has a vigil mechanism for all Stakeholders of the Company excluding the shareholders (who have a mechanism to report their concerns to the Company through the Investor Grievance mechanism as laid down under the Listing Regulations) to report their genuine concerns. The Vigil Mechanism / Whistle Blower Policy is available on the company’s website at https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf.

Public Deposits

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

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

There were no material changes and commitments subsequent to the close of the financial year that could affect the financial position of the company.

The Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During the year under review, no material orders were passed by the Regulators, Courts or Tribunals that would impact the going concern status of the company and its operations in the future.

Risk Management

The Board of Directors of the company has constituted a Risk Management Committee to frame, implement, monitor and review the Risk Management plan and to ensure its effectiveness. The company has framed a Risk Management Policy to identify the risks and place the procedures to mitigate the same. The Risk Management Committee of the Board periodically reviews the risks and suggests steps to be taken to control the risks. Details on the company’s risk management framework, risk evaluation, risk identification, etc. are provided in the Management Discussion and Analysis Report forming part of this report.

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

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

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

The company has put in place a ‘Policy on Redressal of Sexual Harassment at Work Place’ as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH”). As per the policy, employees may report their complaint to the Internal Complaints Committee (ICC) at all the units, constituted with due compliance under the POSH.

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

The following is a summary of complaints received and resolved during the reporting period.

a. Number of complaints of sexual harassment received in the year: NIL
b. Number of complaints disposed off during the year: NIL
c. Number of cases pending for more than ninety days: Not Applicable

Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of Listing Regulations, the company has prepared Business Responsibility and Sustainability Report detailing the various initiatives taken by the company on the environment, social, governance and various other factors, which form an integral part of the Annual Report as **Annexure IX.**

Directors' Responsibility Statement

In terms of Section 134(3)(c) and (5) of the Act, it is hereby stated that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed;
b. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2025 and of the profit and loss of the company for the year ended on that date;
c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d. The annual accounts have been prepared on a going concern basis;
e. Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control Systems and their Adequacy

The details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

Secretarial Standards

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

SEBI (Prevention of Insider Trading) Regulation, 2015

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the 'SEBI (PIT) Regulations') on prevention of insider trading, your Company has "SMIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" including a policy for determination of legitimate purposes along with the Institutional Mechanism for prevention of insider trading and policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information for regulating, monitoring and reporting of trading by Designated Persons and their immediate relatives.

The said Code lays down guidelines, which guide Designated Persons on the procedures to be followed in dealing with the shares of the Company. The said code is available on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2020/02/insider-trading-code.pdf.

Further, your Company has put in place an adequate and effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading. To increase awareness on the prevention of insider trading in the organisation and to help the Designated Persons to identify and fulfill their obligations, the Company imparted training to all Designated Persons. The email and text messages for closure of the trading window and submission of periodic disclosures are also sent. The Company has also maintained the Structure Digital Database (SDD) of persons with whom the UPSI was shared in compliance with SEBI (PIT) Regulations.

Maternity Benefits provided by the Company under the Maternity Benefit Act, 1961

"Sharda Motor Industries Limited hereby affirms that it is in full and continued compliance with the provisions of the Maternity Benefit Act, 1961, and all amendments thereto, as applicable.

The Company ensures that all eligible women employees are granted the statutory rights and benefits as contemplated under the Act, which include, but are not limited to:

- Paid maternity leave as per the prescribed duration, – Continuity of employment and wages during the period of such leave, – Protection from dismissal or discharge during maternity leave, except on grounds expressly permitted under the Act,
- Provision of nursing breaks and post-maternity support, including flexible working hours and work-from-home arrangements, subject to operational feasibility.

The Company remains committed to maintaining a safe, inclusive, and legally compliant workplace and undertakes all necessary measures to uphold the rights, dignity, and welfare of its female workforce in accordance with the applicable statutory framework."

Code of Conduct for Board and Senior Management Personnel

Pursuant to Regulation 17(5) of the Listing Regulations, the Company has implemented a Code of Conduct for Directors and Senior Management Personnel (SMPs). This code outlines the fundamental principles for ethical and transparent behaviour by the Directors and SMPs of the Company to further promote fairness and orderliness within the organisation. All Directors and SMPs have affirmed their adherence to the code for the FY 2024-25 and a declaration by the MD & CEO to this effect forms part of Report on Corporate Governance annexed with the Board's Report. The Company's Code of Conduct for Directors and SMPs can be accessed on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf

Transfer of Amounts to Investor Education and Protection Fund

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended, mandates the companies to transfer the dividend that has remained unclaimed/not encashed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that the shares on which a dividend has not been claimed or encashed for seven consecutive years or more be transferred to the IEPF.

Accordingly, during the financial year under review, the Company transferred unclaimed dividend amounting to Rs.6,04,237/- lying with the Company for a period of seven years pertaining to the financial year ended on March 31, 2017.

During the financial year under review, there were no shares which were required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company, however after closure of the financial year, on July 07, 2025, 35500 bonus equity shares, issued in lieu of shares already lying with the IEPF authority, have been credited to the Investor Education & Protection Fund (IEPF) Authority.

The details of unpaid/unclaimed dividends are available on the website of the Company at https://www.shardamotor.com/

Website

As per provisions of the Regulation 46 of the Listing Regulations necessary information as required to be given to the shareholders/stakeholders, is available at https://www.shardamotor.com.Shareholders/ stakeholders are requested to refer to investor section.

Acknowledgments

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

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

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

Date: August 8, 2025
Place: New Delhi

Kishan N Parikh
Chairperson
(DIN:00453209)

Annexure I

FORM -AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

Amount (Rs. in lakhs)

S. No.	Particulars	Details[1]
1.	Name of the subsidiary	Uddipt Mobility India Private Limited
2.	The date since when subsidiary was acquired	November 22, 2021
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period 01/04/2024 till 31/03/2025	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	0.10
6.	Reserves & surplus	(6.60)
7.	Total assets	0.98
8.	Total Liabilities	6.60
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	(1.88)
12.	Provision for taxation	NIL
13.	Profit after taxation	(1.88)
14.	Proposed Dividend	Nil
15.	Percentage of shareholding	74%

Part "B": Associates/Joint Venture

S. No.	Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited
1.	Latest audited Balance Sheet Date	March 31, 2025	March 31,2025[3]
2.	Date on which the Associate and Joint Venture was associated or acquired	November 15,1993	April 16,2019
3.	Shares of Associate/Joint Venture held by the Company on the year end No. (in Numbers)	4,90,000	4,75,00,000
	Amount of Investment in Associate/ Joint Venture (in Lakhs)	49	4,750
	Extend of Holding	47.12 Percent	50 Percent
4.	Description of how there is significant influence	Shareholding	Shareholding
5.	Reason why the associate /joint venture is not consolidated	N.A	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	477.17	2460[4]
7.	Profit/Loss for the year		
	i. Considered in Consolidation (in Lakhs)	68.09	179.53
	ii. Not Considered in Consolidation (in Lakhs)	76.41	179.53

[1] There are no associate or joint venture which on yet to commence operation.
]2] None of the associate or JV have liquidated or sold during the year.
[3] Based on the unaudited financial statement as pointed by the company.
[4] Based on the audited financials as on March 31, 2024.

(Kishan N Parikh) Chairperson DIN 00453209	**(Ajay Relan)** Managing Director DIN 00257584	**(Aashim Relan)** Chief Executive Officer
(Ghan Shyam Dass) Chief Financial Officer		**(Nitin Vishnoi)** Executive Director & Company Secretary M.No. F3632

Date : May 24, 2025
Place : New Delhi

Annexure II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

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

We report that:

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

Company's Responsibilities

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

Auditor's Responsibilities Statement

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

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

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

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

Limitations

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

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

Basis of opinion

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

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

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

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

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

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

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

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

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

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

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

  (e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

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

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

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

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

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India have been *generally* complied with.

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

Based on our examination and verification of records produced to us and according to the information and explanations provided by the Company, in our opinion, the Company during the period under review has generally complied with the provisions of the Act, rules made thereunder, and the applicable regulations, standards and guidelines etc. mentioned above.

We further report that:

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

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

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

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

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

i. The Company announced a Buy-back of equity shares through the tender offer route via the stock exchange mechanism, which was approved by the Board of Directors on April 18, 2024 and subsequently by the shareholders through a special resolution passed via postal ballot on May 25, 2024. The Buy-back involved up to 10,27,777 fully paid-up equity shares, representing 3.46% of the total paid-up equity share capital as on March 31, 2023 and March 31, 2024. The buy-back was to be undertaken at a price of Rs. 1,800/- (Rupees One Thousand Eight Hundred only) per equity share, aggregating to an amount not exceeding Rs. 1,84,99,98,600/- (Rupees One Hundred Eighty-Four Crores Ninety-Nine Lakhs Ninety-Eight Thousand Six Hundred only). This amount constituted 23.66% and 24.41% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements, respectively, as on March 31, 2023.

Subject to the compliance with Regulation 5(iii) of the SEBI (Buy-Back of Securities) Regulations, 2018, the Company was required to file the return of Buyback in e-Form SH-11 to the Registrar of Companies (RoC) within 30 days from the date of expiry of the Buy-back period. However, there was a delay in filing the said form. As informed by the management, the delay was caused due to technical issues encountered in the approval process of e-form SH-9, the approved SRN of which is a pre-requisite to upload e-form SH-11.

ii. As informed by the management, one instance of reporting under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was delayed due to technical glitches.

iii. Shareholders of the Company at the Annual General Meeting ("AGM") held on September 26, 2024, approved the following Resolution(s):

a) Declared the final dividend of Rs. 9.92 per equity Share of the face value of Rs. 2 each for the financial year ended March 31, 2024.

b) Approved the reappointment of Mr. Kishan N Parikh (DIN: 00453209) as a Non-Executive Director w.e.f. September 3, 2024, upon completion of his tenure as an Independent Director in accordance with the provisions of the Companies Act, 2013 and the applicable rules and regulations made thereunder.

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

CS Mohit K Dixit
Partner
FCS No. 12361
C P No. 17827
UDIN: F012361G000944985
Peer Review No.: 6406/2025

Date: August 08, 2025
Place: New Delhi

Annexure III

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

1. Brief Outline of Company's CSR Policy

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

2. Composition of CSR Committee:

SN	Name of Director	Designation	Nature of Directorship	Number of meetings entitled to attend	Number of meetings attended
1	Shri Kishan N. Parikh	Chairman	Non-Executive-Independent Director	2	2
2	Shri Ajay Relan	Member	Managing Director	2	2
3	Shri Sharda Relan[2]	Member	Non-Executive-Non-Independent Director	1	-
4	Shri Ashok Kumar Bhattacharya[3]	Member	Non-Executive-Independent Director	1	1
5	Shri Udayan Banerjee[1]	Member	Non-Executive-Independent Director	1	1

Note

1. Shri Udayan Banerjee has been appointed as a member of the CSR Committee on September 03, 2024.
2. Smt. Sharda Relan retired on September 02, 2024.
3. Shri Ashok Kumar Bhattacharya ceased to be a member of the CSR committee from September 02, 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company
CSR Committee - https://www.shardamotor.com/investor-relations/board-of-directors/
CSR Policy - https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf
CSR Projects - https://www.shardamotor.com/about-us/csr-initiatives/

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

5 a) Average net profit of the company as per sub-section (5) of section 135 : Rs. 29,639.91 Lakhs

b) Two percent of average net profit of the company as per sub-section (5) of section 135 : Rs. 592.80 Lakhs

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

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

e) Total CSR obligation for the financial year [(b)+(c)-(d)]. : Rs. 592.80 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). : Rs. 519.00 Lakhs

   b) Amount spent in Administrative Overheads : Nil

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

   d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : Rs. 519.00 Lakhs

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

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 1 35		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
Amount (In Rs. Lakhs)	Amount (In Rs. Lakhs)	Date of transfer	Name of the Fund	Amount (In Rs. Lakhs)	Date of transfer
519.00	73.80	28-04-2025	-	-	-

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

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	592.80
(ii)	Total amount spent for the Financial Year	519.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

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

Amount (Rs. in lakhs)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135,if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	2023-24	365.33	-	365.33	-	-	-	-
2	2022-23	214.06	-	214.06	-	-	-	-
3	2021-22	199.94	-	199.94	-	-	-	-

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	Nil			

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
-	-	-	-	-	-	-	-

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

During Financial Year 2024-25, the Company has started major CSR projects focusing on Health, Education, and other critical areas identified by our CSR committee. The Company has spent Rs. 519.00 lakhs out of Rs. 592.80 lakhs for the ongoing projects and Rs. 73.80 lakhs remained unspent has been appropriately transferred to the unspent CSR account FY 2024-25 which will be spent in subsequent years.

For Sharda Motor Industries Limited

Ajay Relan
Managing Director
(DIN:00257584)

Kishan N. Parikh
Chairperson
CSR Committee
(DIN:00453209)

Date : August 08, 2025
Place : New Delhi

Annexure IV

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Requirements of Rule 5(1)	Details	
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	**Name of Director**	**Ratio**
	Kishan N Parikh	-
	Ajay Relan	1:179.19
	Navin Paul	-
	Nitin Vishnoi	1:24.87
	Udayan Banerjee	-
	Sarita Dhuper	-
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	**Directors:**	**% Increment**
	Kishan N Parikh	NA
	Ajay Relan	7.33
	Navin Paul	NA
	Udayan Banerjee	NA
	Sarita Dhuper	NA
	Key Managerial Personnel	
	Shri Nitin Vishnoi	10.00
	Shri Puru Aggrawal (up to 31-03-2025)	5.00
(iii) the percentage increase in the median remuneration of employees in the FY;	24.57%	
(iv) the number of permanent employees on the rolls of Company;	768 Nos. employees as on March 31, 2025	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last FY and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	1) Average increase in remuneration of non-managerial personnel is 10.00% 2) Average increase in remuneration of managerial personnel is 7.50%	
(vi) affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended March 31, 2025 is as per the Remuneration Policy of the Company.	

General Note:

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

Annexure V

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

A. Employed throughout the year ended March 31, 2025:

S. No.	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Experience (in years)	Date of commencement of employment	Age as on 31.03.2025	Last employment held
1	Ajay Relan	Managing Director	1109.21	B. Com (Hons.) OPM from Harvard Business School USA	38 Years	29-01-1986	63 Years	-
2	Aashim Relan	Chief Executive Officer	138.75	Graduate in Economics major from Emory University, Atlanta (U.S.A)	11 Years	28-06-2012	35 Years	-
3	Nitin Vishnoi	Executive Director & Company Secretary	139.36	B.Com (Hons.), FCS	33 Years	01-07-1998	55 Years	Korin India Limited
4	Ghan Shyam Dass	Chief Commercial Officer	179.31	B Com, CA	24 Years	06-04-2023	48 years	CK Birla Group
5	Vikas Khokha	Chief Human Resource Officer	101.78	PGDM	25 Years	27-11-2023	52 Years	Dhanuka Agritech Limited
8	Ashish Shashikant Kulkarni	Chief Procurement and Program Management Officer (Purchase)	149.25	BE (Prod), EMBA	31 Years	21-09-2020	57 Years	Tenneco Automotive India Pvt. Ltd.
9	Krishna Kumar Sharma	Chief Manufacturing Officer	147.77	B. Com.	31 Years	14-06-1993	54 Years	-
10	Dnyaneshwar Pramod Dandekar	Senior Vice President - R&D	139.81	BE (Mech), ME (Thermal Engg), EMBA	26 Years	27-11-2019	48 Years	Tenneco Automotive India Pvt. Ltd.
11	Yong Hee Cho	Executive Director Sales & New Business (R & D)	118.69	BBA	33 Years	14-02-2022	60 years	OTO Industry
12	Puru Aggarwal*	President & Group CFO	348.32	CA, ICWA & CS	32 Years	01-09-2022	58 Years	Sandhar Technologies Ltd.

*Superannuated on March 31, 2025

B. Employed part of the year ended March 31, 2025:

S. No.	Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Experience (in years)	Date of commencement of employment	Age as on 31.03.2025	Last employment held
1	Deepak Bhasker	SVP - CEO-Office	67.04	MBA – HR, NDA	32 years	01-08-24	53 years	Victora Auto
2	Deepak Manchanda	CEO-Global Business	85.81	M.Tech & PGDBM,	28 years	04-06-24	50 Years	Spark Minda Group

1. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Managing Director & Whole time Director is contractual, for the rest of the employees, it is other than contractual.
3. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 58.25 Percent and 5.10 percent equity shares of the Company respectively, none of the above employees holds more than 2 Percent of the equity share capital of the Company as on March 31, 2025 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

Annexure VI

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

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

A. Conservation of energy:

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

India comes in at the bottom of the global ranking, placing 176th out of 180 countries with 27.6 points* in the 2024 Environmental Performance Index (EPI) among the most polluting countries. The Country ranks 155th in the Air Quality issue categories with 55.3 points*. India is going through the most degraded phase in terms of pollution in all forms whether it is air, water or soil pollution. Energy conservation offers a practical approach for reduction of greenhouse gases. A socially responsible organisation always keeps track of its operations to make them environmentally efficient. Your Company always strives to achieve the highest standards of energy conservation techniques by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the manufacturing plants has also helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

- Installation of automatic sensors at several Plants for auto-cut off of the electricity of equipments and heavy motors / machines when not in use / idle.
- Maintenance of "Power Factor" to reduce consumption of electricity.
- Installation of efficient "Harmonic Panel" for reducing consumption of electricity. -
- Replacement of halogen bulbs with LED lights across the plants.
- Installation of VFD drivers to save power in machines and motors
- Regular cleaning of Solar Panels to increase solar energy contribution.
- Installation/Implementation of Robotic Cells as Automation drives effective utilization of energy
- Replacement of electric motors / other equipments with latest energy efficient equipment's with higher standards.
- Protoshop Timer shave have been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressors.
- Autostop timers for shop floor machines, exhaust fans, welding machines.
- Installation of Solar Norikool Advance Day Light System in Nasik Plant.-
- Installation of Solar Power Plant in SIPCOT Chennai (300KW) and 763KW in Chennai Mahindra World City (MWC) plant.
- Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- 2 Hydraulic Pumps (10KW) eliminated by combining the hydraulic pump &operation in Chakan plant.
- Compressed Air Leakage reduction across all plants.
- Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.

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

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

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

(iii) **The capital investment on energy conservation equipments:**

The Company has not made any substantial capital investment during the year 2024-25.

B. Technological Absorption:

(i) **The efforts made towards technology absorption;**

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

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

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

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

No Technology has been imported during the last three years.

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

- Capital Expenditure– Rs.525.95.
- Revenue Expenditure– Rs.480.39

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the financial year 2024-25.

Source: ***Environmental Performance Index 2024.**

Annexure VII

FORM AOC-2

[Pursuant to clause(h) of section 134(3) of the Companies Act 2013 and Rule 8(1) of the Companies (Accounts) Rule 2014].

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

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

There were no contract or arrangements or transaction entered into during the year ended March 31, 2025 which were not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Exhaust Technology Private Limited, Joint Venture Company	Relan Industrial Finance Limited, Associate Company
Nature of contracts/ arrangements/ transactions	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature.	Recurring, whenever, it will be in the best interest of the Company.
Salient terms of the contracts or arrangements or transactions including the value, if any	Up to a maximum of Rs. 100 Crore per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crore per transaction, However, remaining outstanding amount at any point of time shall not exceed Rs. 300 Crore during any Financial Year
transactions including the value, if any	NIL	NIL
Date(s) of approval by the Board, if any	Since the transaction entered into is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 08, 2024 as per the Listing Regulations.	Since the transaction entered in to is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 08, 2024 as per the Listing Regulations.
Amount paid as advances, if any	NIL	NIL

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

Kishan N. Parikh
Chairperson
(DIN: 00453209)

Date : August 08, 2025
Place : New Delhi

Annexure VIII

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions, if any, (including any statutory modification(s) / re-enactment(s) thereof for the time being in force) your directors are pleased to present the Company's Annual Report on Corporate Governance for the year ended March 31, 2025, forming part of the Board Report.

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

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

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

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

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

In alignment with its governance philosophy, SMIL is also deeply committed to Environmental, Social, and Governance (ESG) principles. Our ESG vision is to lead the way in responsible automotive innovation—enabling sustainable mobility, empowering communities, and operating with integrity for a greener, safer future. We are working towards reducing our environmental footprint by adopting resource-efficient practices, exploring sustainable sourcing and manufacturing opportunities, and monitoring and reducing our emissions and environmental impacts. We are equally focused on building a workplace that's inclusive, safe, and empowering for all our employees, while also contributing positively to the communities around us through targeted social initiatives. We uphold transparency, ethical business conduct, and robust oversight to ensure responsible decision-making and long-term value creation.

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on March 31, 2025, the Board of Directors of the Company consist 6 (Six) directors, chaired by Shri Kishan N. Parikh, Non- Executive Non-Independent Director. The composition of the Board is in conformity with the Companies Act, 2013 ("The Act") and Listing Regulations. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Five (5) times during the financial year 2024-25 on April 18, 2024, May 23, 2024, August 02, 2024, November 12, 2024 and February 04, 2025. All the Board & Committee Meetings were in compliance with the Act, Listing Regulations and Directives issued/notified by the Ministry of Corporate Affairs / other Authorities. The intervening gap between any two meetings was well within the prescribed statutory timeline.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on March 26, 2025 in compliance with Regulation 25(3) of Listing Regulations and in pursuant to the provision of Schedule IV to the Act.

The composition and category of directors, their attendance at the Board meetings held during the year ended March 31, 2025 and at the last Annual General Meeting, number of other directorships and membership/ chairpersonships of committees etc. are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on September, 26, 2024	Directorship of other Listed public companies*		Name & Category of Directorship held in other Listed Entities	Committee position held in other public Companies#		Share-holding in the Company As on March 31, 2025
						Chair-person	Director		Chair-person	Member**	
1.	Shri Kishan N Parikh[1][2] (00453209) (Chairperson)	Non-Independent/ Non-executive Director	5	5	Yes	1	2	Pebco Motors Limited (Managing Director)	-	2	750
2	Shri Ashok Kumar Bhattacharya[3] (02804551) (Director)	Independent/ Non-executive Director	3	2	Not Applicable	-	-	-	-	-	NIL
3	Shri Ajay Relan (00257584) (Managing Director)	Promoter / Executive Director	5	5	Yes	-	1	-	-	-	1,67,21,017
4	Shri Udayan Banerjee (DIN: 0339754), (Director)	Independent/ Non-executive Director	5	5	Yes	-	-	-	-	-	NIL
5	Smt. Sharda Relan[4] (00252181) (Director)	Promoter / Non-executive Director	3	None	NO	-	-	-	-	-	NIL
6	Shri Nitin Vishnoi (DIN:-08538925)	Executive Director	5	5	Yes	-	-	-	-	-	NIL
7.	Smt. Sarita Dhuper (DIN:08776286) (Director)	Independent/ Non-executive Director	5	4	No	-	-	-	-	-	NIL
8	Shri Navin Paul[5] (DIN:00424944)	Independent/ Non-executive Director	2	2	Yes			Pricol Ltd. (ID) Amalgama-tions Repco Ltd. (ID) IP Rings Limited (ID)			NIL

Note: During the financial year 2024-25, there is no inter-se relationship between our Board members except Shri Ajay Relan is Son of Smt. Sharda Relan.

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

\# For the purpose of considering the limit of committee membership and chairmanship of a director, audit committee and stakeholder relationship committee of all Public Limited Companies, whether listed or not, have been considered. Further membership also includes chairmanship.

[1] & [3]Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.

[2] Shri Kishan N. Parikh (DIN: 00453209) was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024.

[4] Smt. Sharda Relan, Non-Executive Non-Independent Director retired on September 26, 2024.

[5] Shri Navin Paul (DIN 00424944) appointed as Non-Executive - Independent Director of the company w.e.f. August 02, 2024.

At the time of appointment and thereafter at the first board meeting of every financial year, the Independent Directors submit a self- declaration confirming their independence in compliance with various eligibility criteria laid down by the Act & Listing Regulations and that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. The same are placed before the Board. In the Opinion of the Board, all Independent Directors of the Company fulfill the conditions specified in the Act and the Listing Regulations and are independent of the management of the Company.

Details of familiarisation programme(s) imparted to independent directors along with cumulative no. of hours thereof are available on Company website at https://www.shardamotor.com/wp-content/uploads/2016/08/Independent-Directors-Familirisation-Programme.pdf

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

The Board has identified the skills/expertise/competencies fundamental for effective functioning of the Company. Further the Board has members having skill/experience /competence required for the business and affairs of the company for it to function effectively.

In the opinion of the Board, the following is a list of core skills/expertise/competencies required in the context of the company's business, however, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill. :

S. N	Name of Director	Industry knowledge/Competencies				
		Leadership & strategy	Environ-mental/ sustainability and CSR	Industry knowledge Innovation & Technology	Corporate Governance, Ethics & compliance	Finance & Risk Management
1	Shri Kishan N Parikh [1][2]	√	√	√	√	√
2	Smt. Sharda Relan [4]	√	√	√	√	√
3	Smt. Sarita Dhuper	√	-	-	√	√
4	Shri Ashok Kumar Bhattacharya[3]	√	√	√	√	√
5	Shri Ajay Relan	√	√	√	√	√
6	Shri Udayan Banerjee	√	√	√	√	√
7	Shri Nitin Vishnoi	√	√	√	√	√
8	Shri Navin Paul [5]	√	√	√	√	√

[1] & [3]Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.
[2] Shri Kishan N. Parikh (DIN: 00453209) was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024 .
[4] Smt. Sharda Relan, Non-Executive Director retired on September 26, 2024.
[5] Shri Navin Paul (DIN 00424944) was appointed as Non-Executive - Independent Director of the company w.e.f. August 02, 2024

3. Audit Committee

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

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

In addition to the members of the audit committee, these meetings were attended by the Managing Director, Executive Director, CFO, Compliance Officer and representative of Statutory Auditors of the company. Whenever felt necessary, other executive of the company or experts were invited for providing necessary inputs to the committee.

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

(i) oversight of the Company's financial reporting processes and disclosures of financial information;

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

(iii) review of financial statements including subsidiaries financials and auditor's report thereon;

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

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

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

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

The proceedings and minutes of the Committee meetings are regularly placed before the Board. The Chairperson of the committee was present at the last Annual General Meeting held on September 26, 2024 to address the members of the Company.

During the year ended March 31, 2025, the Audit Committee meetings were held on May 23, 2024, August 02, 2024, November 12, 2024 and February 04, 2025.

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

The Composition of Committee and attendance of Members at the meeting held during the financial year 2024-25 are tabulated reunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Kishan N Parikh [1]	Independent & Non-Executive [1]/ Non-Independent & Non-Executive [2]	Chairperson/ Member [4]	4	4
Smt. Sharda Relan [3]	Non-Independent & Non-Executive	Member	4	-
Shri Ashok Kumar [1] Bhattacharya	Independent & Non-Executive	Member	2	2
Shri Udayan Banerjee	Independent & Non-Executive	Member	4	4
Shri Navin Paul[5]	Independent & Non-Executive	Chairperson [5]	2	2

[1] Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.
[2] Shri Kishan N. Parikh was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024.
[3] Smt. Sharda Relan retired from directorship on September 03, 2024
[4] Appointed/designated as a Member of the Committee with effect from September 03, 2024.
[5] Appointed/designated as Chairperson of the Committee with effect from September 03, 2024.

4. Nomination and Remuneration Committee

The Constitution of Nomination and Remuneration Committee is in line with section 178 of the Act and Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee presently comprise of three Non Executive Directors of the Company.

During the year under review, Nomination and Remuneration Committee met 4 times on May 23, 2024, August 02, 2024,November 12, 2024 and February 04, 2025.

The Composition of the Committee and attendance of Members at the meeting held during the financial year 2024-25 are tabulated hereunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Ashok Kumar Bhattacharya [1]	Independent & Non-Executive Director	Chairperson/ Member [3]	2	2
Shri Kishan N Parikh [1]	Independent & Non-Executive Director/ Non-Independent & Non-Executive [2]	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive Director	Member	4	4
Shri Navin Paul [4]	Independent & Non-Executive Director	Chairperson [4]	2	2

[1] Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.
[2] Shri Kishan N. Parikh was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024.
[3] Appointed/ designated as a Member of the Committee with effect from September 03, 2024.
[4] Appointed/designated as Chairperson of the Committee with effect from September 03, 2024.

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

The terms of reference of the Nomination and Remuneration Committee are aligned with the matters as stated in section 178 of the Act and Regulation 19 read with Part-D of Schedule II of Listing Regulation which includes inter alia:

i) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of Directors, a policy relating to the remuneration of the Directors, key managerial personnel and other employees;

ii) To appoint an independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent Director. The person recommended to the Board for appointment as an independent Director shall have the capabilities identified in such description.

iii) To formulate the criteria for evaluation of Independent Directors and the Board

iv) To devise a policy on Board diversity;

v) To identify 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 of Directors their appointment and removal.

vi) To recommend / review remuneration of the Managing Director(s), Whole-time Director(s) and their relatives, Key Managerial Personnel and Senior Management based on their performance and defined assessment criteria

vii) To extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent directors

viii) To carry out any other functions as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable;

Performance evaluation criteria is given in Directors Report, forming part of this Corporate Governance Report in line with the Act and Listing Regulations.

The Non-Executive Directors are paid sitting fees for attending Board and committee meetings. Criteria for making the payment to Non-Executive Directors is disclosed in the Nomination, Remuneration and Evaluation Policy which is available on the website of the Company at https://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf

The details of remuneration paid to the Board of the Directors in the financial year 2024-25 is given hereinunder.

Executive Directors (Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Shri Ajay Relan	417.64	60.08	631.49	**1109.21**
Shri Nitin Vishnoi	129.46	9.90	-	**139.36**
Total	**547.10**	**69.98**	**631.49**	**1248.57**

Non-Executive Directors (Rs. in Lakhs)

Name of Director	Sitting fee
Shri Kishan N Parikh	7.95
Shri Ashok Kumar Bhattacharya	3.60
Smt. Sharda Relan	-
Shri Udayan Banerjee	7.95
Smt. Sarita Dhuper	3.00
Shri Navin Paul	4.00
TOTAL	**26.50**

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
2. The Company has an Employee Stock Option Scheme viz SMIL ESOP 2022;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee governing the appointment of executive directors;
5. No commission was paid to non-executive directors during the year under review;
6. Performance incentive was paid to executive directors based on their individual goals related to production, sales and company targets like profit, revenue from operations and such other criteria;
7. There has been no pecuniary relationship or business transaction by the Company with any Independent Non- Executive Director, other than(i) the sitting fee for attending the Board / Committee meetings(ii) the payment of dividend on the equity shares held by them in the company (if any).

5. **Particulars of senior management including the changes therein since the close of the previous financial year.**

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, has identified category of Senior Management Personnel(s) (SMP) pursuant to the provisions of regulation 16(1)(d) of listing regulation. Details of SMP as on March 31, 2025 are as under:

S. No	Name of Employee	Designation	Change during Financial year 2024-25 (If any)
1	Aashim Relan	Chief Executive Officer	-
2	Nitin Vishnoi	Executive Director & Company Secretary	-
3	Ghan Shyam Dass	Chief Commercial Officer	-
4	Ashish Kulkarni	Chief Procurement and Program Management Officer (Purchase)	-
5	M Yuvaraja	Senior General Manager	-
6	Puru Aggarwal	President & GCFO	Retired on March 31, 2025

S. No	Name of Employee	Designation	Change during Financial year 2024-25 (If any)
7	Paramjeet Singh	Senior Vice President (Sales & BD)	-
8	Deepak Bhasker	Senior Vice President - CEO Office	Joined on August 01, 2024
9	Deepak Manchanda	CEO-Global Business	Joined on June 04, 2024
10	Rajesh Kumar Malik	Vice President - Safety	-
11	Krishan Kumar Sharma	Chief Manufacturing Officer	-
12	Dnyaneshwar Dandekar	Senior Vice President - R & D	-
13	Raviraman T	Vice President - Corporate Quality	-
14	Arvind Kumar	Deputy Manager - Operations	
15	Poonam Gandhi Kalra	Senior Manager - Corp. Communication	
16	Vikas K Khokha	Chief Human Resource Officer	
17	Sandeep Ruhela	Chief Strategy Officer	
18	Manikandan K A	Assistant General Manager - Operations	

* Only those persons are considered who are identified as SMP as on March 31, 2025.

6. Stakeholders' Relationship Committee ("SRC")

The Stakeholder relationship Committee presently comprises of 3 Director, chaired by Non – Executive Independent Director.

The Committee met once during the financial year 2024-25 on May 23, 2024. The necessary quorum was present for the meeting. The Chairperson of the SRC Committee was present at the last Annual General Meeting of the Company held on September 26, 2024. The Committee periodically reviews the status of shareholders' grievances and redressal of the same.

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

(i) to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;

(ii) to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;

(iii) to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;

(iv) to review measures taken by the Company for effective exercise of voting rights by the Shareholders;

(v) to review adherence to the standards adopted by the Company in respect of services being rendered by the Registrar & Share Transfer Agent;

(vi) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Committee and attendance of members at the Committee meeting held during the year ended March 31, 2025 are tabulated hereunder:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Udayan Banerjee	Non-Executive- Independent Director	Chairperson	1	1
Smt. Sharda Relan[1]	Non-Executive- Non-Independent Director	Member	1	-
Shri Ajay Relan	Executive Director	Member	1	1
Shri Kishan N Parikh[2]	Non-Executive- Non-Independent Director	Member	Not Applicable	Not Applicable

[1] Smt. Sharda Relan, ceases to be Member of the Committee on September 03, 2024

[2] Appointed/ designated as a Member of the Committee with effect from September 03, 2024.

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

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

During the year ended March 31, 2025, status of investor grievances is tabulated hereunder: -

Description	Numbers
Complaint pending as on April 1, 2024	Nil
Complaints received during the financial year 2024-25	Nil
Complaints disposed-off up to the satisfaction of shareholder during the financial year 2024-25	N.A.
Complaints pending as on March 31, 2025	Nil

7. Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility Committee of the company consists of three directors, having two non- executive director and one is executive director. The Company Secretary acts as the Secretary of the committee. Terms of reference of the committee are in line with the Act.

During the financial year 2024-25, CSR Committee meetings were held on August 02, 2024 and March 18, 2025. The Composition of the Committee along with the attendance of its members are as under: -

Name of Director	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Kishan N. Parikh [1]	Non-Executive - Independent Director [1]/ Non-Executive – Non-Independent Director [2]	Chairperson	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Ashok Kumar Bhattacharya [1]	Non-Executive - Independent Director	Member	1	1
Shri Udayan Banerjee [3]	Non-Executive - Independent Director	Member	1	1
Smt. Sharda Relan[4]	Non-Executive- Non-Independent Director	Member	1	-

[1] Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.

[2] Shri Kishan N. Parikh was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024.

[3] Appointed/ designated as a member of the committee with effect from September 03, 2024.

[4] Smt. Sharda Relan, cessed to be Member of the Committee on September 03, 2024

The Corporate Social Responsibility Report for the year ended March 31, 2025 is annexed to the Director's Report.

Term of reference

(i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;

(ii) Recommend the amount of expenditure to be incurred on the CSR activities.

(iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(iv) Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).

(v) All other activities as informed or delegated by the Board of Directors from time to time.

8. Risk Management Committee (RMC)

The Risk Management Committee comprises of 4 Directors. Chief Financial Officer of the Company is permanent invitee to the Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of Listing Regulations. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Director from time to time.

The Company Secretary acts as the Secretary of the Committee. The brief description of terms of reference of the RMC are as under:

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

During the financial year 2024-25, Risk Management Committee meetings were held on August 02, 2024 and February 04, 2025. The Composition of the Committee along with the attendance of its members are as under:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Shri Kishan N Parikh [1]	Independent, Non- Executive Director/ Non-Independent, Non- Executive Director[2]	Chairperson	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Ashok Kumar Bhattacharya [1]	Non-Executive Independent Director	Member	1	1
Shri Udayan Banerjee	Independent, Non- Executive Director	Member	2	2
Shri Navin Paul[3]	Independent, Non- Executive Director	Member	1	1

[1] Shri Kishan N Parikh and Shri Ashok Kumar Bhattacharya, completed their 2nd consecutive term on September 02, 2024 as Independent Director of the company.

[2] Shri Kishan N. Parikh was appointed as Non-Independent Non-Executive Director of the company w.e.f. September 03, 2024.

[3] Appointed/ designated as a member of the committee with effect from September 03, 2024.

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

9. General Body Meetings

A. Annual General Meeting:

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
39	2023-24	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	26.09.2024	12:00 noon	one
38	2022-23	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	26.09.2023	12:00 noon	None
37	2021-22	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	20.09.2022	12:00 noon	None

B. Extraordinary General Meetings

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

C) Postal Ballot

Date of Postal Ballot Notice : April 24, 2024
Voting period : April 25, 2024 to May 24, 2024
Date of Passing of Resolution : May 24, 2024
Date of Declaration of Results : May 25, 2024
Type of Resolution : Special Resolution
Resolution : Approval for buy back of equity shares of the company

Procedure for Postal Ballot

The Company dispatched Postal Ballot Notice(s) along with Explanatory statement and relevant annexures through e-mail on Wednesday, April 24, 2024 to its Members, whose names appeared in the Register of Members as on Friday, Friday, April 19, 2024 ('cut-off date') and whose e-mail Ids were registered with the Company/ the Depositories/ Registrar and Share Transfer Agent. The company had published an advertisement on Thursday, April, 25, 2025 regarding service of Postal Ballot Notice to eligible members in New Delhi edition of Financial Express (English) and Vir Arjun (Hindi). As per relaxation given by Ministry of Corporate Affairs through its various General circulars issued from time to time, the Members of the Company were given facility to vote through electronic means only (remote e-voting). The e-voting facility was provided by CDSL through its e-voting platform at https://www.evotingindia.com/

The Board of Directors in their Meeting held on April 18, 2024 had appointed Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. FCS 5327), Managing Partner of M/s. VKC & Associates, or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. FCS 12361), Partner of M/s. VKC & Associates, New Delhi, as the Scrutinizer for conducting the E-voting process in a fair and transparent manner

Details of Voting Pattern

Mode	Total Valid Votes		Votes in Favour			Votes Against		
	Voters	No. of Votes	Voters	No. of Votes	%	Voters	No. of Votes	%
Postal Ballot (Remote e-voting)	133	21942311	120	21929190	99.94%	13	13212	0.06%

10. Disclosures

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

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

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

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

d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised as specified under regulation 32 (7A).

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

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

g) Disclosure of certain types of agreements binding listed entities.

There is no Agreement exist as on March 31, 2025 which is required to be disclosed as per clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.

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

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

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

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

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

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

i) Further in view of the Regulation 21 read with Schedule II, Part D Para C of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company has constituted the Risk Management Committee and has devised the Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation. Risk Management Policy is available on the Company's website at: http://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf.

j) **Commodity price risk or foreign exchange risk and hedging activities**

In the ordinary course of business, the Company is exposed to commodity price risk resulting from exchange rate fluctuations, commodity price risk and interest rate movements. Details of foreign currency exposure are disclosed in notes to the financial statements. In the ordinary course of business the company has done suitable price indexing arrangement with customers for price movements. The Disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018) is given below:-

Commodity	Exposure (Rs. In Lakh)	Exposure (Qty in MT)	Percentage Hedged		Percentage Hedged	
			Domestic OTC	Domestic Exchange	Int'l OTC	Int'l Exchange
Stainless Steel (SS)	32,827	21,818	Nil	Nil	Nil	Nil
Aluminized Coated Mild Steel (ACMS)	1,819	2,108	Nil	Nil	Nil	Nil
Mild Steel (MS)	4,557	6,591	Nil	Nil	Nil	Nil
Total	**39,203**	**30,517**	-	-	-	-

11. Certificate of Non-Disqualification of Directors

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming the Non-Disqualification of Directors for the financial year ended March 31, 2025 obtained from M/s Jaya Yadav & Associates Unique Id No. I2013HR1041100) has been enclosed as **Annexure - X** to this Report.

12. Credit Ratings

CRISIL's has reaffirmed that the credit rating based on the Working Capital facility(ies) of Sharda Motor Industries Limited (SMIL) for "Long Term Rating" is 'CRISIL AA- / Stable' and for "Short Term Rating" is "'CRISIL A1+". Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilisation of funds are issued by the Company. Source: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShardaMotorIndustriesLimited_April%2008_%202025_RR_366651.html

13. Total fees for all Services Paid by the Company and its Subsidiaries on a Consolidated basis to the Statutory Auditor of the Company The details of fees paid for all services by the Company and its Subsidiaries to the Statutory Auditors of the Company is given below.

(Rs. in Lakhs)

S. No.	Particular	Financial Year 2024-25	Financial Year 2023-24
As Auditor			
1.	Statutory Audit Fees	19.91	14.50
2.	Tax audit fee	6.00	5.50
3.	Certification Fees	2.75	1.63
4.	Other Services	13.00	12.00
In Other Capacity			
5	Reimbursement of expenses	0.69	0.49
Total		**42.35**	**34.12**

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

a. number of complaints pending at the beginning of the financial year - NIL

b. number of complaints filed during the financial year - NIL

c. number of complaints disposed of during the financial year - NIL

d. number of complaints pending as on end of the financial year – NIL

15. Means of Communication

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

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

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

16. General Shareholders' Information:

40th Annual General Meeting:

Date: September 18, 2025

Day: Thursday, Time: 12:00 Noon

Venue: Through Video Conferencing (VC)/ Other Audio Video Means (OVAM)

Financial Year: April 1 to March 31

Date of Book Closure: September 11, 2025 To September 18, 2025 (both days inclusive)

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

Listing on Stock Exchanges: The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the financial year 2024-25 has been paid in respect of both the stock exchanges.

Stock Code and ISIN No:

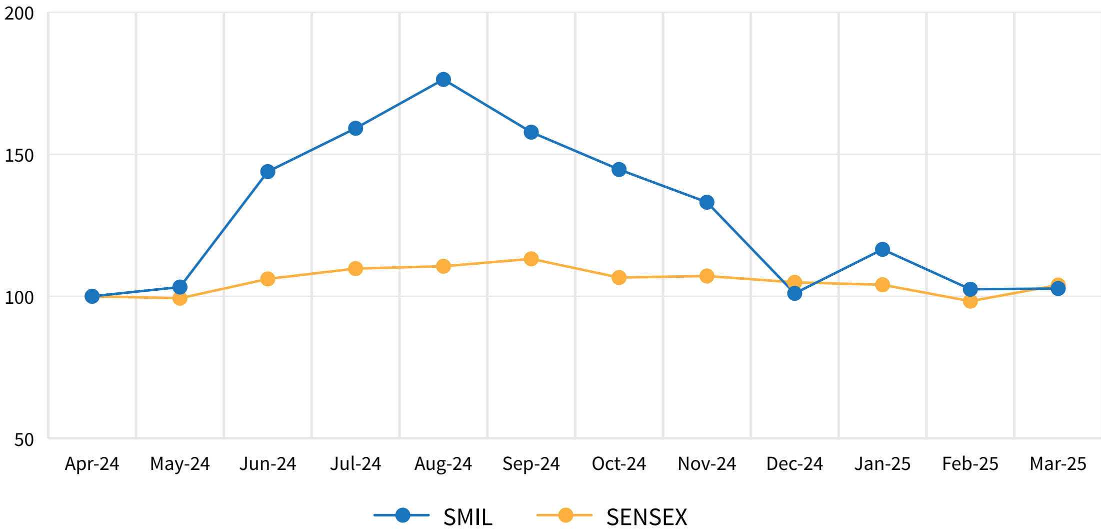
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai- 400051	SHARDAMOTR (Symbol)
ISIN No. prior to the Split of Face Value of Equity Share (Valid upto April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

Market price data: Monthly high low in financial year 2024-25

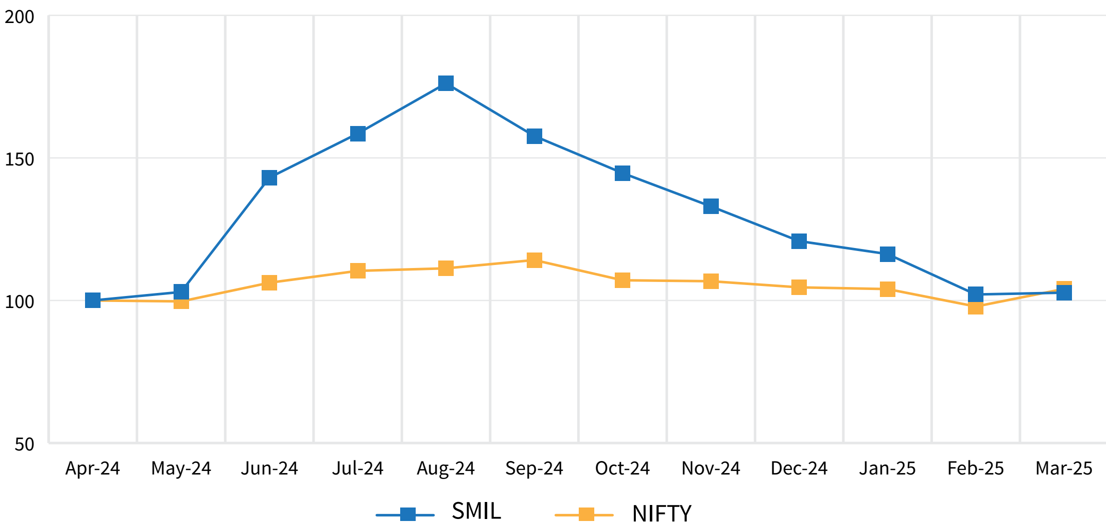
Month	BSE		NSE	
	High	Low	High	Low
Apr-24	1,644.00	1,364.80	1,641.85	1,364.25
May-24	1,644.95	1,437.20	1,645.50	1,436.00
Jun-24	2,227.00	1,422.00	2,224.00	1,419.10
Jul-24	2,955.90	2,146.10	2,952.10	2,145.70
Aug-24	2,863.15	2,220.50	2,863.40	2,200.05
Sep-24	2,716.75	2,373.15	2,719.95	2,372.10
Oct-24	2,465.05	1,975.00	2,480.00	1,974.20
Nov-24	2,360.15	1,903.00	2,370.10	1,884.00
Dec-24	2,164.00	1,805.20	2,150.00	1,808.95
Jan-25	1,929.95	1,538.10	1,920.80	1,541.05
Feb-25	1,896.75	1,526.80	1,899.40	1,526.00
Mar-25	1,946.15	1,398.30	1,947.95	1,392.00

Source:- https://www.bseindia.com/markets/equity/EQReports/ScripwiseHighLow.aspx
https://www.nseindia.com/get-quotes/equity?symbol=SHARDAMOTR

SMIL SHARE PRICE COMPARISON BSE: -



SMIL SHARE PRICE COMPARISON NIFTY 50



(Closing value of SMIL share price Vs. BSE Sensex & SMIL share price vs. NSE Nifty 50 on the last trading day of the Month. Base is considered as 100 as at April, 2024 in both Charts. Further during the year under review, Securities were never suspended from trading on the above said stock exchanges.)

Registrar & Transfer Agent

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

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

Share Transfer System:

As mandated by SEBI, securities of the Company can be transferred/transmitted only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Distribution of shareholding as on March 31, 2025

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
1-500	32837	97.07	1295213	4.51
501-1000	434	1.28	336040	1.17
1001-2000	221	0.65	330183	1.15
2001-3000	80	0.24	202135	0.70
3001-4000	59	0.17	215271	0.75
4001-5000	28	0.08	128976	0.45
5001-10000	70	0.21	514865	1.79
10001-99999999999	99	0.29	25681170	89.47
Total	**33828**	**100.00**	**28703853**	**100.00**

Shareholding Pattern as on March 31, 2025

Category Code	Category	Number of Shareholder	Total No. of shares	Percent of total no. of Shares
(A)	**Promoters and Promoter Group**			
	(i) Resident Individual	4	18458048	64.31
(B)	**Public Shareholding**			
	Individuals	32006	5020993	17.49
	Mutual Funds/ UTI	6	3121458	10.87
	Foreign Portfolio Investors	67	631400	2.20
	Insurance Companies	1	107647	0.38
	Alternate Investment Funds	3	134185	0.47
	Bodies Corporate	174	501983	1.75
	Non-Resident Indians	761	299455	1.04
	Trust	1	165	0.00
	Clearing Members	9	41512	0.14
	Resident HUF	779	145006	0.51
	LLP	16	206501	0.72
	IEPF	1	35500	0.12
	Total Shareholding	**33828**	**28703853**	**100**

Dematerialisation of shares and liquidity

The shares of the Company are generally traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2025, 98.77. Percent shares of the Company are held in dematerialised form.

Plant Locations:

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

Address for correspondence:

Sharda Motor Industries Limited
Corporate office: D-188, Okhla Industrial Area Phase-I, New Delhi-110020

DECLARATIONS

COMPLIANCE WITH CODE OF CONDUCT

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, Ajay Relan, Managing Director of Sharda Motor Industries Limited, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the financial year 2024-25.

For **Sharda Motor Industries Limited**

Ajay Relan
Managing Director
(DIN:00257584)

CEO/CFO Certification

CERTIFICATE FOR THE YEAR ENDED 31.03.2025

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, We, Aashim Relan, Chief Executive Officer and Ghan Shyam Dass, Chief Financial Officer of Sharda Motor Industries Limited do hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2024-25 and that to the best of our knowledge and belief:

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

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

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

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

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

  i) that there are no significant changes in internal control over financial reporting during the financial year 2024-25;

  ii) that there are no significant changes in accounting policies during the financial year 2024-25; and

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

For **Sharda Motor Industries Limited**

Date : May 24, 2025	**Ghan Shyam Dass**	**Aashim Relan**
Place : New Delhi	Chief Financial Officer	Chief Executive Officer

AUDITOR CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Sharda Motor Industries Limited

1. This certificate is issued in accordance in accordance with the terms of our engagement letter dated July 21, 2025.

2. We, S.R. Dinodia & Co. LLP, Chartered Accountants, the Statutory Auditors of **SHARDA MOTOR INDUSTRIES LIMITED** ("**the Company**"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") as amended from time to time.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2025.

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

Restriction On Use

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689
UDIN: 25083689BMIUHQ9278

Place of Signature: New Delhi
Date: August 08, 2025

Annexure IX

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

SECTION A: GENERAL DISCLOSURE

I. Details of the listed entity:

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1986PLC023202
2.	Name of the Listed Entity	Sharda Motor Industries Limited
3.	Year of Incorporation	29/01/1986
4.	Registered Office Address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
5.	Corporate Address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
6.	E-mail	investorrelations@shardamotor.com
7.	Telephone	+91 11 47334100
8.	Website	www.shardamotor.com
9.	Financial Year for which reporting is being done	April 01, 2024 - March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	1). BSE Limited 2). National Stock Exchange of India (NSE) Limited
11.	Paid-up Capital (INR.)	574.08 Lakhs
12.	Name and contact details *(telephone & email)* of the person who may be contacted in case of queries on the BRSR report	**Ms. Iti Goyal** Assistant Company Secretary and Compliance Officer Contact Details: +91 11 47334100 Mail Id: iti.goyal@shardamotor.com
13.	Reporting Boundary *(Standalone or Consolidated basis)*	The disclosures made under this report are on a **"Standalone basis"** for Sharda Motor Industries Ltd (SMIL).
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products/ Services:

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

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the entity
1.	Manufacturing	Manufacturing of motor vehicle parts such as exhaust system, suspension system and sheet metal components.	98.97%

17. Product/ Services sold by the entity *(accounting for 90% of the entity's turnover)*:

S. No.	Product/ Service	NIC Code	% of total Turnover contributed
1.	Manufacturing of motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	98.97%

III. Operations:

18. Number of locations where plants and/or operations/ offices of the entity are situated:			
Location	**Number of Plants**	**Number of Offices**	**Total**
National	8	2	10
International	0	1	1

Our Manufacturing locations:

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

19. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	11
International (No. of Countries)	2

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

The Company's contribution of exports as a percentage of the total turnover was 0.84% during FY 2024-25.

c. A Brief on types of customers?

SMIL leads in automotive innovation by delivering customized solutions using advanced machinery and equipment. The Company supplies high-quality automobile components to prominent automakers and engine manufacturers across India and internationally. Partnering with OEMs, Tier-1 suppliers, and industry leaders, SMIL provides innovative components that improve vehicle performance and efficiency. Our diverse product portfolio includes exhaust systems, suspension systems, roof systems, and supply chain management services. Committed to excellence, innovation, and customer satisfaction, SMIL continues to advance the automotive sector and maintain its reputation as a trusted industry partner.

IV Employees:

20. Details as at the end of Financial Year 2024- 25:

a. Employees and Workers

Employees (*including differently abled*)						
S. No.	**Particulars**	**Total (A)**	**Male**		**Female**	
			Number (B)	**Percentage (B/A)**	**Number (B)**	**Percentage (B/A)**
1.	Permanent Employees	768	738	96.09	30	3.91
2.	Other than Permanent Employees	410	374	91.22	36	8.78
3.	Total Employees (1+2)	1178	1112	94.40	66	5.60

Workers (*including differently abled*)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	293	292	99.66	1	0.34
5.	Other than Permanent Workers	2776	2690	96.90	86	3.10
6.	Total Workers (4+5)	3069	2982	97.17	87	2.83

b. Differently abled Employees and Workers

Differently Abled Employees						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	1	1	100	0	-
2.	Other than Permanent Employees	0	0	-	0	-
3.	Total Employees (1+2)	1	1	100	0	-

Differently Abled Workers						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	0	0	-	0	-
5.	Other than Permanent Workers	1	1	100	0	-
6.	Total Workers (4+5)	1	1	100	0	-

21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	6	1	17
Key Management Personnel (KMP)	5	1	20

22. Turnover rate for permanent employees and workers:

	FY 2024- 25			FY 2023- 24			FY 2022- 23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.49%	20%	21.24%	28.24%	33%	30.62%	28.03%	0.98%	29.02%
Permanent Workers*	-	-	-	0.91%	-	0.91%	0.7%	-	0.7%

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

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

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Uddipt Mobility India Private Limited	Subsidiary	74	No
2.	Exhaust Technology Private Limited	Associate	50	No
3.	Relan Industrial Finance Limited	Associate	47.12	No

VI. CSR Details:

24.

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (in INR.)	283,657.09 lakhs
(iii) Net Worth (in INR.)	107,866.04 lakhs

VII. Transparency and Disclosures Compliances:

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

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) *(Provide web-link of policy)*	Current Financial Year 2024- 25			Previous Financial Year 2023- 24		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Communities	Yes, the communities we engage with, can address their concerns and grievances through the Dedicated Email id: shardacsrtrust@shardamotor.com	0	0	-	0	0	-
Investors *(Other than shareholders)*	Yes, Investors and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint and redress their grievances.	0	0	-	0	0	-
Shareholders	Yes. The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on. Investor and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or contact the Compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint and redress their grievances.	0	0	-	0	0	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (*Provide web-link of policy*)	Current Financial Year 2024- 25			Previous Financial Year 2023- 24		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Employees and Workers	Yes. A Whistleblower policy is established alongside an Ethics helpline accessible via email at shardamotor@ethicshelpline.co.in. Additionally, a comprehensive policy addressing the redressal of workplace sexual harassment is meticulously crafted in accordance with the Sexual Harassment of Women at Workplace Act, 2013. For detailed insights, the Whistleblower policy can be reviewed at: https://www.shardamotor.com/wp-content/uploads/2016/08/Whistle-Blower-Policy.pdf	1	2	During the reporting period, one complaint was filed and successfully resolved. Additionally, two complaints from the previous reporting period remain pending resolution, with proceedings ongoing as of the end of FY 2024-25.	3	2	During the reporting period 3 complaints were filed out of which 1 was resolved. 2 complaints filed during FY 2023-24 were pending resolution at the end of FY 2023-24.
Customers	Yes. At SMIL, we consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.	43	0	-	33	0	-
Value Chain partners	Yes. Supply chain manual and our Code of Conduct are in place for resolving the complaints of value chain partners. The same can be accessed at https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concern.	10	11	During the reporting period, 10 complaints were filed out of which 2 were closed and 3 complaints were pending for resolution from the PY.	3	3	The proceedings were ongoing; hence the complaints were pending during the end of FY 2023-24.

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

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

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
1.	Energy Management	Risk and Opportunity	**Risk Perspective:** SMIL faces cost volatility due to fluctuating energy prices and reliance on non-renewable sources. Global supply chain disruptions, geopolitical tensions, and natural disasters may further impact energy availability and production. Additionally, stricter international energy regulations increase the risk and legal liabilities in cases of non-compliance. **Opportunity Perspective:** Early adoption energy-efficient technologies, optimizing processes, and integrating renewable energy solutions can deliver substantial long-term cost savings. Improved energy management enhances production efficiency, reduces downtime, and boosts overall productivity. This shift aligns with SMIL's sustainability commitment, strengthening its reputation with environmentally conscious customers, investors, and stakeholders.	Energy management means careful planning, monitoring, and control of energy use across the Company's operations. The Company uses renewable energy sources such as solar and wind power. It has also added automatic systems to turn off power to large machines when they are not running. In addition, of financial penalties energy-saving equipment has been installed to help lower overall energy use. These steps show the Company's strong focus on improving environmental performance by using cleaner and more efficient methods.	**Negative Financial Implications:** Ignoring energy inefficiencies increases operating costs and reduces profitability. Non-compliance with energy regulations risks fines, penalties, and reputational damage to SMIL. **Positive Financial Implications:** Implementing energy-efficient technologies reduces utility bills and energy expenses, improving SMIL's profitability. As energy costs rise, efficient energy management offers a competitive advantage and attracts environmentally conscious consumers and investors, enhancing brand value and market position.
2.	Physical impacts of climate change	Risk	**Risk Perspective:** Climate change poses significant risks to Sharda Motor Industries Limited (SMIL) and the automotive sector. Its physical impacts—such as extreme weather, resource shortages, rising energy costs, and infrastructure vulnerability—threaten SMIL's operations, supply chains, and business continuity. Additionally, shifting consumer preferences and potential liability issues increase these risks.	The Company addresses climate-related risks by identifying and evaluating weak points across its operations, facilities, and supply chains. It invests in infrastructure that can withstand climate impacts and reduces the risk of disruption by using a diverse network of suppliers and transport routes. Water conservation is also a priority, with recycling and reuse strategies in place. SMIL has adopted alternative energy sources such as solar and wind power to reduce its environmental footprint. In addition, the Company promotes sustainable practices across its value chain and uses water-saving technologies, including recycling and treatment systems, to achieve zero liquid discharge from	**Negative Financial Implications:** Extreme weather and rising sea levels can cause costly damage to SMIL's facilities. Climate-related supply chain disruptions may delay raw material delivery, slow production, and increase alternative sourcing costs. Insurance premiums are likely to rise due to heightened climate risks, raising operating expenses. Additionally, expenses for contingency planning and resilience measures to ensure business continuity will increase.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
				its plants. These actions strengthen overall climate resilience.	
3.	Waste and Hazardous material management	Risk and Opportunity	**Risk Perspective:** Improper waste handling can cause environmental harm, leading to regulatory fines and reputational damage. Waste management can be costly, especially when new systems are needed to meet standards. Mishandling hazardous materials risks workplace accidents, employee health issues, and increased liability and compensation costs. Accidental releases may contaminate ecosystems and communities, resulting in legal and financial consequences. Compliance with strict hazardous material regulations is critical to avoid penalties. **Opportunity Perspective:** Effective waste management reduces disposal costs and optimizes resource use, leading to cost savings. Recycling can improve industrial efficiency and showcase environmental responsibility. Additionally, proper waste management helps meet environmental standards and strengthens community relations.	The Company ensures responsible waste disposal and recycling in line with environmental regulations. It promotes sustainable resource use by focusing on reduction, reuse, and recycling, supported by efficient waste management practices. Regular evaluations of waste and hazardous material handling help identify areas for improvement. The Company follows best practices for the safe handling, storage, and disposal of hazardous materials to protect both employee health and the environment.	**Negative Financial Implications:** Poor waste management can result in higher costs, fines, and legal penalties. Implementing new systems to meet environmental regulations may increase capital expenditures in the short term. Hazardous material accidents can lead to medical costs, worker downtime, and legal claims, raising operational expenses. Environmental contamination from hazardous materials may also incur significant remediation and restoration costs for SMIL.
4.	Water Resilience	Opportunity	**Opportunity Perspective:** Focusing on water resilience enhances resource efficiency, conservation, and access to shared resources while preventing supply chain disruptions. Effective water management reduces exposure to risks like scarcity and regulatory limits, leading to lower operational costs and improved business sustainability.	The Company has adopted water-saving technologies and practices, including recycling plants and treatment systems, to use water more efficiently and ensure zero discharge outside its plant premises. Water risk assessments are carried out to identify weak points in operations and supply chains. The company uses a variety of water sources, such as rainwater harvesting, recycling, and local water initiatives. Strong monitoring and reporting systems are in place to track water use, improve efficiency, and provide transparency to stakeholders about the Company's water management efforts.	**Negative Financial Implications:** Water shortages or supply interruptions can disrupt production and increase costs for alternative sourcing or process adjustments. Rising water prices in scarce regions elevate operating expenses. Compliance with water regulations may require costly investments in water-saving and treatment technologies. **Positive Financial Implications:** Efficient water use reduces operational costs and enhances business sustainability.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
					It can create new market opportunities through innovative water-efficient products and services. A strong reputation for sustainability also boosts customer loyalty and brand value, benefiting the Company financially.
5.	Product design and safety	Opportunity	**Opportunity Perspective:** Effective product design and safety practices enhance customer satisfaction, brand reputation, and market competitiveness. Prioritizing safety and quality leads to reliable products that meet customer expectations and differentiate SMIL from competitors. Investing in robust design reduces recalls and safety incidents, saving costs related to liabilities and reputational damage.	The Company ensures environmentally responsible manufacturing and supply of all products, including Complete Exhaust Systems and Catalytic Converter Assemblies. Committed to product safety, it continuously invests in new technologies for innovation and enhancement. Industry shifts driven by climate change present opportunities to further invest in R&D, improving designs and creating more efficient, sustainable products.	**Positive Financial Implications:** A reputation for safe products boosts customer loyalty, repeat purchases, and positive word-of-mouth, increasing sales and market share. Avoiding recalls and safety incidents prevents costly expenses and legal fees. Emphasizing product safety and quality enhances SMIL's brand value and distinguishes it as a trusted, responsible automotive manufacturer.
6.	Responsible supply chain and material sourcing efficiency	Risk and opportunity	**Risk Perspective:** Unethical supply chain practices, such as forced or child labor, can cause reputational damage and legal issues. Overreliance on single suppliers or sourcing from high-risk regions may disrupt operations due to geopolitical or natural events. Unsustainable sourcing increases environmental impact and SMIL's carbon footprint. **Opportunity Perspective:** Building strong relationships with responsible suppliers improves collaboration, reliability, and long-term partnerships. Partnering with sustainability-focused suppliers fosters innovation in eco-friendly materials and processes, giving SMIL a competitive edge. A responsible supply chain enhances SMIL's reputation with customers, investors, and stakeholders who prioritize sustainability.	The Company has established comprehensive sustainability and environmental, health, and safety policies to promote responsible sourcing across its value chain. These policies emphasize environmental sustainability and aim to minimize adverse impacts. By adhering to its Environment & Sustainability Policy, the Company fosters environmental awareness among partners and commits to procuring materials responsibly to reduce environmental harm.	**Negative Financial Implications:** Shifting to responsible sourcing may increase complexity and administrative costs due to identifying and integrating new suppliers. Dependence on responsible suppliers could risk supply chain disruptions, causing production delays and revenue losses. **Positive Financial Implications:** Efficient supply chain management and responsible sourcing can reduce costs through optimized procurement, less waste, and better resource use. It lowers risks of non-compliance, legal issues, and disruptions, preventing financial losses. Responsible practices also enhance SMIL's appeal to environmentally and socially conscious customers and investors.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
7.	Protection of Human Rights	Risk	**Risk Perspective:** Human rights violations within SMIL or its supply chain can severely damage reputation, customer trust, and brand loyalty. Non-compliance with labor laws or unethical practices, such as forced or child labor, may result in legal liabilities, reputational harm, and boycotts. Insufficient monitoring increases exposure to supply chain human rights risks. Lack of diversity and inclusion can lead to employee dissatisfaction, internal conflict, and higher turnover.	The Company has formulated a human rights policy that applies to all stakeholders, ensuring protection and respect for human rights through non-discrimination, zero tolerance for child labor, and equal opportunities for all. SMIL has implemented an effective grievance redressal mechanism, enabling employees and stakeholders to raise concerns related to human rights violations. The Company also provides training and awareness programs to promote a culture of respect for human rights and ethical behavior. Additionally, SMIL enforces a supplier code of conduct that clearly sets expectations for suppliers on human rights, labor practices, and ethical standards.	**Negative Financial Implications:** Human rights violations can lead to substantial regulatory and legal costs, loss of goodwill, increased employee turnover expenses, and reduced investments.
8.	Employee engagement and well being	Opportunity	**Opportunity Perspective:** Engaged and well-supported employees are more motivated and productive, enhancing organizational efficiency. A positive work environment reduces turnover, cutting recruitment and training costs, while attracting top talent seeking growth and well-being. Additionally, engaged employees foster innovation and creativity, driving continuous improvement and contributing to SMIL's success.	The Company fosters a motivated workforce through employee engagement initiatives, recognizing that supporting individual growth directly contributes to its overall goals.	**Positive Financial Implications:** Enhanced employee engagement fosters a positive workplace culture, leading to higher retention, reduced hiring costs, and lower training expenses. Promoting employee rights further boosts productivity and profitability.
9.	Labour Practices	Opportunity	**Opportunity Perspective:** Labour practices that ensure fair treatment, respect, and support foster a positive and inclusive work environment. This promotes employee satisfaction, productivity, and well-being. Emphasizing responsible labour practices aligns with SMIL's commitment to corporate responsibility and enhances its reputation as an employer of choice.		**Positive Financial Implication:** Efficient labour management boosts productivity and reduces absenteeism. Higher employee morale directly supports company growth and increases revenue streams.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
10.	Occupational health and safety	Risk	**Risk Perspective:** Poor health and safety practices can cause employee dissatisfaction, low morale, reduced productivity, and high turnover, increasing recruitment and training costs. Workplace accidents lead to higher compensation claims and financial strain. Non-compliance with health and safety regulations risks legal liabilities, penalties, and reputational damage. Ensuring employee health and safety is crucial to mitigating these risks and maintaining a positive work environment.	The Company provides regular, targeted safety training on protocols and equipment use. It enforces clear safety policies and procedures to ensure a safe work environment. Routine maintenance of machinery minimizes accident risks from equipment failure. Employee involvement is encouraged through safety initiatives, hazard reporting, and suggestions for improvement.	**Positive Financial Implications:** A safe workplace reduces accidents and illnesses, lowering claims and insurance costs while boosting efficiency. This fosters employee satisfaction, reduces turnover, and results in cost savings and higher profitability. **Negative Financial Implications:** Occupational health and safety issues can lead to legal liabilities, increased insurance premiums, compensation claims, and lost productivity, all of which may significantly impact SMIL's profitability and reputation.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Ethics and Trans-parency	Sustain-able Business	Employee Well-being	Stake-holder Relation-ship	Human Rights	Environ-ment Steward-ship	Public Advocacy	Commu-nity Develop-ment	Customer Relations
Policy and Management Processes									
1. (a). Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b). Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c). Web Link of the policies, if available	https://www.shardamotor.com/investor-relations/policies/								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	ISO 45001: 2018	-	-	ISO 14001: 2015	-	-	IATF 16949:2016
5. Specific commitments, goals, and targets set by the entity with defined timelines if any.	At SMIL, we recognize the paramount importance of establishing clear and measurable sustainability targets to effectively address the multifaceted environmental and ethical challenges confronting our operations. Our commitment is anchored in advancing environmental stewardship, social responsibility, and exemplary corporate governance through strategically defined objectives. Our approach prioritizes the reduction of our environmental footprint by adopting sustainable manufacturing and procurement practices, alongside fostering impactful collaborations with key stakeholders. Central to our agenda are the promotion of diversity, equity, and inclusion, the assurance of employee well-being and safety, and the empowerment of local communities through targeted initiatives. We uphold stringent product quality and safety standards and are unwavering in our dedication to safeguarding human rights and enforcing fair labor practices throughout our organizational footprint and supply chain. To strengthen our governance framework, we are instituting a diverse and inclusive board of directors, enhancing transparency in financial reporting and disclosures, implementing comprehensive risk management and compliance systems, and cultivating a culture of the highest ethical standards.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Business Responsibility and Sustainability Report (BRSR) FY 2024-25 discloses a comprehensive overview of our sustainability performance across key performance indicators, both in terms of quantitative data and qualitative narration. While outlining our current progress, we acknowledge the need for continual improvement and are committed to establishing clear, ambitious goals to advance our efforts. This report reaffirms our dedication to building a more sustainable and accountable business model, and we are actively refining and setting specific targets.								
Governance, leadership, and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements *(listed entity has flexibility regarding the placement of this disclosure)*									
I am pleased to present the Business Responsibility and Sustainability Report, which reflects our steadfast commitment to environmental, social, and governance principles. As ESG factors increasingly influence the business landscape, we acknowledge the importance of addressing these issues proactively. We believe that embedding ESG principles into our core strategy will generate long-term value for all stakeholders and contribute to a more sustainable and inclusive future. We are dedicated to continuous improvement and are actively setting new goals to drive our growth forward.									

Disclosure Questions	P1 Ethics and Trans-parency	P2 Sustain-able Business	P3 Employee Well-being	P4 Stake-holder Relation-ship	P5 Human Rights	P6 Environ-ment Steward-ship	P7 Public Advocacy	P8 Commu-nity Develop-ment	P9 Customer Relations
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Shri Ajay Relan, Managing Director (DIN: 00257584) continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If "Yes", provide details	Yes. Ms. Iti Goyal, Assistant Company Secretary and Compliance Officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors and Internal Committee review all the policies annually to evaluate the accuracy, clarity, effectiveness, and comprehensiveness of all the policies. Suitable amendments are made as per the changing regulatory requirements and same is reviewed by the Board as and when required.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Our Company is committed to responsible business practices and is compliant to all statutory and regulatory requirements applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If "Yes", provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
Ethics and Trans-parency	Sustain-able Business	Employee Well-being	Stake-holder Relation-ship	Human Rights	Environment Steward-ship	Public Advocacy	Community Development	Customer Relations
-	-	ISO 450001: 2018 by Intertek	-	-	ISO 14001: 2015 by Intertek	-	-	IATF 16949: 2016 by Intertek

12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:

Questions	P1 Ethics and Trans-parency	P2 Sustain-able Business	P3 Employee Well-being	P4 Stake-holder Relation-ship	P5 Human Rights	P6 Environ-ment Steward-ship	P7 Public Advocacy	P8 Commu-nity Develop-ment	P9 Customer Relations
The entity does not consider the principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any Other Reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 2024-25:**

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	• Financial and business highlights, including industry performance. Periodical familiarization programmes as per The Companies Act and Listing regulations. • Outlook of Auto Component sector and related compliance management requirements.	100%
Key Managerial Personnel	5	Training and awareness on Leadership and People Management, Vision Setting, and Design Thinking.	100%
Employees other than BoD and KMPs	74	• APQP Online Workshop • Customer Centricity Workshop • DFMEA Training Email • Writing Skills Workshop-Online • First Aid-R&D IATF-R&D • Managing Priority @ Workplace • Ownership & Accountability-R&D • POSH (eLearning) • Presentation Skills • R&D Problem Solving Technique • R&D Product Part Approval Process (PPAP) • West Region-OMNEX Training Workshop (APQP+PPAP) • APQP/PPAP Training • Decoding Ownership, Accountability and Responsibility (Online) • Design for Manufacturing Failure Analysis of Crack First Time Managers • FMEA Inventory Management MIQAI Foundation • MS Excel Learning Workshop • Welding Process Knowledge Workshop 5S	100%

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Workers	15	Various training and awareness sessions are conducted during the reporting year, as mentioned below, • Safety and Wellbeing • Customer Centricity Workshop • DFMEA Training • Email Writing Skills Workshop-Online • First Aid-R&D IATF-R&D • Managing Priority @ Workplace • Ownership & Accountability-R&D • POSH (eLearning) • Presentation Skills-R&D • Problem Solving Technique-R&D • Product Part Approval Process (PPAP) • West Region-OMNEX Training Workshop (APQP+PPAP) APQP/ PPAP Training Decoding Ownership, Accountability and Responsibility (Online) • Design for Manufacturing Failure Analysis of Crack First Time Managers FMEA	100%

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

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Penalty/ Fine	Nil				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of Case	Has an appeal been preferred? (yes/ No)
Imprisonment	Nil			
Punishment				

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable to the Company in the reporting period, as no monetary nor non-monetary case filed against SMIL.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief

Yes. The Company's "Code of Conduct" is adequately capturing anti-bribery and anti-corruption measures along with the standalone "Whistle Blower Policy". Together, they offer thorough guidance for maintaining the highest standards of ethical conduct, delineate principles and guidelines emphasizing on ethics, accountability, and the prevention of misconduct. Adherence with these standards is mandatory for all employees, senior management, and stakeholders including all employees, on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment, independent contractors and Consultants. Additionally, our Code of Conduct for Stakeholders explicitly forbids any corrupt business practices, strictly prohibiting the receipt or offering of bribes in any form to influence business decisions, conduct transactions, or gain unfair advantages.

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Directors	0	0
Key Managerial Personnel (KMPs)	0	0
Employees	0	0
Workers	0	0

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

	Current Financial Year 2024-25		Previous Financial Year 2023-24	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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.

During the reporting period, no instances of conflict of interest nor corruption were filed, thus affirming Company's commitment to ethical business conduct and integrity.

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Number of days of accounts payables	93	84

9. **Openness of Business:**

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

Parameter	Metrics	Current Financial Year 2024-25	Previous Financial Year 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	*Not applicable, as we procure our raw materials from mills and manufacturers, rather than through trading houses.*	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	*Not applicable, as we sell our products directly to Original Equipment Manufacturers (OEMs), who then integrate our components into their final products. We do not engage in sales through dealers or distributors, ensuring a direct and streamlined relationship with our clients.*	
	b. Number of dealers/ distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors		
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties/ Total Sales)	-	0.0011%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties/ Total Investments made)	-	-

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2024-25:

Total number of awareness programmes held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
SMIL partners with its suppliers to elevate their sustainability practices and contribute to broader positive change across industry and the sector. Currently, no formal awareness sessions are undertaken, however the Company actively shares insight and knowledge with its value chain partners. This ongoing dialogue supports its commitment to the NGRBC principles and promotes a deeper understanding of sustainability and responsible sourcing throughout the business network.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No).

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

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

Essential Indicators

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24	Details of improvements in environmental and social impacts
R&D	88.87%	89.88%	• Advanced R&D center with engine dyno, semi-anechoic chamber, and CAD/CAE/CFD tools accelerates product innovation. • Developed high Uniformity Index (>0.95) exhaust catalysts and patented mixers for efficient Ad-blue blending, enhancing emission control. • Hot Shake and Hot Fatigue Labs simulate real-world thermal and vibrational stresses to validate durability, safety, and compliance. These advanced testing capabilities have enabled faster product validation, minimized field failures, and ensured compliance with environmental and safety regulations - contributing to lower vehicular emissions, improved air quality, and enhanced product reliability and durability.
Capex	88.97%	51.60%	

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

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

Yes. SMIL is a leading manufacturer of exhaust systems, catalytic converters, suspensions and pressed white goods components, SMIL integrates sustainability into all business decisions and processes in line with our Sustainability Policy. The Company prioritizes sourcing from local and small-scale producers, including nearby communities, to build capacity and promote inclusive growth. Our procurement practices comply with automotive industry standards and require suppliers to follow our Code of Conduct, legal requirements, and risk management protocols. Sustainability is central to our sourcing, with suppliers evaluated every three years or as needed.

In FY 2024–25, 74.49% of our procurement was sustainable, comprising:

- ₹13,158 lakhs from MSMEs and small vendors
- ₹46,585 lakhs within the state
- ₹23,992 lakhs from other Indian states
- ₹34,712 lakhs from international suppliers

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

   a. **Plastics (including packaging)**

   b. **E-waste**

   c. **Hazardous waste**

   d. **Other waste**

SMIL's products are integrated into vehicles manufactured by their customers, making it impossible to separate or recover them individually. Therefore, this question is not applicable to their products.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

   - **If "Yes", whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?**

   - **If "Not", provide steps taken to address the same.**

Extended Producer Responsibility (EPR) regulations do not apply to SMIL's business operations.

Leadership Indicators

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

NIC Code	Name of product/ service	% of Total Turnover contributed	Boundary for which the Life cycle perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If "Yes", provide web-link
The Company has not undertaken Life Cycle Assessment (LCA) of its product or service during the reporting period.					

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

Name of Product/ Service	Description of the risk/ concern	Action Taken
Life Cycle Assessments (LCA) was not undertaken by SMIL during the reporting period. Consequently, no significant social nor environmental risks related to the production or disposal of our products and services have been identified. However, being a responsible Company, we are committed to sustainability and continue exploring ways to improve our practices and address any potential risk that may emerge due to internal or external factors.		

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

Indicate input material	Recycled or re-used input material to total material	
	Current Financial Year 2024-25	Previous Financial Year 2023-24
Not applicable		

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

	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

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

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
Not applicable as the company does not reclaim products and packaging material at the end of life.	

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

Essential Indicators

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	738	738	100	738	100	0	-	738	100	-	-
Female	30	30	100	30	100	30	100	0	-	-	-
Total	**768**	**768**	100	**768**	100	**30**	**3.91**	**738**	**96.09**	**-**	**-**
Other than Permanent Employees											
Male	374	374	100	374	100	0	-	374	100	-	-
Female	36	36	100	36	100	36	100	-	-	-	-
Total	**410**	**410**	100	**410**	100	**36**	**8.78**	**374**	**91.22**	**-**	-

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	292	292	100	292	100	0	-	292	100	-	-
Female	1	1	100	1	100	1	100	0	-	-	-
Total	**293**	**293**	100	**293**	100	**1**	**0.34**	**292**	**99.66**	**-**	**-**
Other than Permanent Workers											
Male	2690	102	3.79	-	-	-	-	-	-	-	-
Female	86	16	18.60	-	-	-	-	-	-	-	-
Total	**2776**	**118**	**4.25**	-	-	-	**-**	**-**	**-**	**-**	-

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.48%	0.45%

2. Details of retirement benefits, for Current FY 2024-25 and Previous FY 2023-24

Benefits	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	12.65	90.45	Yes	16.38	89.48	Yes

3. **Accessibility of Workplaces**

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

The Company's premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act, 2016. We are committed to providing comprehensive support to individuals with disabilities as needed and our ongoing efforts focus on fostering a welcoming, inclusive environment that upholds equality and accessibility for all.

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

SMIL has a comprehensive HR Manual and Code of Conduct including "***Equal Opportunity Policy***", underscoring its commitment to fairness and non-discrimination. At SMIL, we treat all employees in an equitable manner, irrespective of race, gender, religion, ethnicity, color, age, disability, or other characteristics, as detailed in our Code of Conduct. Employment opportunities are awarded based on experience, merit, and objective criteria, promoting an inclusive and unbiased workplace. This policy is outlined on pages 8 and 9 of our Code of Conduct for Stakeholders, which is accessible on the weblink https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave for FY 2024-25.**

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

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

Permanent Workers	At SMIL, we uphold the rights and dignity of every employee, ensuring a respectful and secure work environment free from abuse, intimidation, and prejudice. Our commitment safeguards fundamental rights and aims to prevent conflicts arising from such issues. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have established a comprehensive Policy on Redressal of Sexual Harassment, detailed on page 9 of our Code of Conduct. Employees are encouraged to report concerns to their managers, who refer the matter to the Redressal Committee or Internal Complaints Committee for resolution. The investigation process is also outlined in our Whistleblower Policy. To promote ethical conduct, we have instituted an Ethics Helpline, managed by an external agency, providing employees with a confidential and anonymous platform to report ethical concerns or seek guidance. Stakeholders with legal or ethical questions are encouraged to contact the Helpline at 1800-103-0269, email shardamotor@ethicshelpline.co.in, or visit http://www.shardamotor.ethicshelpline.in/.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	768	0	-	679	0	-
Male	738	0	-	655	0	-
Female	30	0	-	24	0	-
Total Permanent Workers	293	281	95.90	238	234	98.32
Male	292	280	95.89	234	234	100
Female	1	1	100	4	0	-

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

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Male	1112	1112	100	774	774	100
Female	66	66	100	26	26	100
Total	1178	1178	100	800	800	100
Male	2982	2982	100	2,439	2,439	100
Female	87	87	100	61	61	100
Total	3069	3069	100	2,500	2,500	100

8 (b) Details of training given to employees and workers on "Skill Upgradation"

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Male	1112	1112	100	774	774	100
Female	66	66	100	26	26	100
Total	1178	1178	100	800	800	100
Male	2982	2982	100	2,439	2,439	100
Female	87	87	100	61	61	100
Total	3069	3069	100	2,500	2,500	100

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

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	738	562	76.15	774	488	63.05
Female	30	24	80	26	23	88.46
Total	768	586	76.30	800	511	63.88
Workers						
Male	During the fiscal year 2024-25, we prioritised advancing workers progress through our comprehensive union agreement, which undergoes a full review every three years. In addition, we actively align all updates and improvements with the latest amendments to labour laws issued by the government, reaffirming our commitment to legal compliance and the continuous development of our workforce.					
Female						
Total						

10. Health and Safety Management System:

Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) **If "Yes", then coverage of the system.**	The health, safety, and well-being of our workforce are of utmost importance to us. We are committed to minimizing workplace accidents and enhancing both the mental and physical well-being of our employees through a comprehensive health and safety management system. We regularly conduct risk assessments, evaluations, and inspections across all facilities and operations. Our workforce actively participates in EHS activities through a safety committee that communicates health and safety policies, fostering a strong EHS culture. In addition to providing extensive safety training and awareness sessions, we continuously monitor the effectiveness of our EHS system, ensure compliance with legal requirements, and implement improvements to maintain the highest standards of workplace safety, in compliance with ISO 45001:2018.
What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	SMIL have successfully implemented a robust safety management system that integrates Hazard Identification and Risk Assessment (HIRA) with regular safety inspections across all facilities. To safeguard our workforce, we have installed advanced exhaust systems to control welding fumes and ensure optimal ventilation with a continuous supply of fresh air. Our dedicated safety officers conduct daily inspections to promptly identify and address unsafe practices or conditions, enabling immediate corrective actions. Furthermore, we maintain a rigorous safety review process that continuously evaluates and improves our protocols, fostering a safer and healthier work environment for all employees.
Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)	The Company has established clear and effective procedures for workers to report safety-related incidents or hazards. Employees are encouraged to promptly communicate concerns to their respective plant heads, who then collaborate with department heads to implement timely and appropriate corrective measures. These actions aim to eliminate or reduce health and safety risks, demonstrating the Company's commitment to maintaining a secure work environment. Furthermore, the Company fosters an open culture by encouraging hazard reporting and safety discussions during central department meetings and safety committee sessions. This collaborative approach reinforces our shared responsibility for workplace safety.

Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	The Company's employees have access to a wide range of non-occupational medical and healthcare services. First aid resources are readily available on-site, supported by regular visits from a physician. To further promote employee well-being, we provide a comprehensive group mediclaim policy covering diverse medical needs, reflecting our commitment to safeguarding their health. Additionally, workers are enrolled in the Employee State Insurance Corporation (ESIC) program, ensuring access to thorough medical and healthcare services. We also promote various wellness initiatives, including routine health check-ups, screenings, and preventive care, empowering employees to maintain their health. To enhance access to medical services, we have partnered with local healthcare providers offering general consultations, preventive care, vaccinations, and treatment for common illnesses and injuries. These clinics are equipped to refer employees to specialists or hospitals for advanced care when necessary. This comprehensive approach underscores our dedication to prioritizing the health and well-being of our workforce.

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

Safety Incidents/ Number	Category	Current Financial Year 2024-25	Previous Financial Year 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	**Employees**	0	0
	Workers	0.82	0.34
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	**Employees**	0	0
	Workers	0	0

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

The Company firmly believes to ensure a safe and healthy work environment is essential for the well-being, productivity, and overall development of every employee. To support this, we have implemented comprehensive safety measures and guidelines in compliance with regional regulations and industry best practices. These include emergency procedures, evacuation plans, proper use of personal protective equipment (PPE), and safe handling of hazardous materials. Regular risk assessments are conducted to identify potential workplace hazards, guiding the preventive actions necessary to mitigate health and safety risks. Our training programs provide employees with essential knowledge on safety protocols, hazard recognition, proper equipment use, and emergency response. Additionally, regular safety drills and awareness campaigns reinforce these practices. Together, these efforts foster a strong and cohesive safety culture across the organization.

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

	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessment for the Year:

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

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

No significant risks or concerns were identified through the assessment of health and safety practices and working conditions.

Leadership Indicators

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

The Company maintains a comprehensive gratuity policy through LIC for all employees who have completed a minimum of five years of service, providing benefits in the unfortunate event of their demise. Additionally, all employees are covered under a Group Personal Accident policy, offering compensation to the employee or their beneficiaries in case of death or unforeseen incidents. Furthermore, all workers are protected under the ESIC Policy/Employee Deposit Linked Insurance, which provides compensation in the event of death or other unpredictable circumstances.

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

In accordance with our Supplier Code of Business Conduct, a key component of the Supplier Manual, all supplier personnel are expected to strictly comply with all applicable laws and regulations in every jurisdiction where they operate. To ensure compliance, we conduct comprehensive assessments of our value chain partners, verifying the correct deduction and payment of statutory obligations. Additionally, we perform monthly compliance audits and review proof of remittance for contributions such as Provident Fund (PF), Employee State Insurance (ESI), and other statutory dues.

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

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	-	-	-	-
Workers	-	-	-	-

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

Retired employees often bring invaluable expertise due to their deep understanding of the organization, its processes, and industry knowledge. At SMIL, we continue to leverage this experience by engaging them as consultants, where they provide specialized guidance and support for specific projects or challenges. Additionally, current employees are encouraged to consult with their managers and HR for advice on career development, internal job opportunities, and succession planning.

5. **Details on assessment of value chain partners (FY 2024-25):**

	% of value chain partners *(by value of business done with such partners)* **that were assessed**
Health and Safety Practices	84.09%
Working Conditions	84.09%

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

   No issues were identified that necessitated corrective actions.

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

Essential Indicators

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

To uphold trust and ensure transparency through effective governance, we prioritize building strong relationships with stakeholders and follow a rigorous process to identify both internal and external parties. Our approach involves mapping stakeholders to understand who is impacted by or interested in our activities. Internally, this includes employees, managers, and board members; externally, customers, suppliers, investors, and local communities. Stakeholders are prioritized based on their influence and the impact of our activities on them. This process enables us to address key sustainability challenges and opportunities by engaging thoughtfully with the most relevant groups. Our primary stakeholders are employees, investors, suppliers, customers, local communities, and government authorities. We are committed to maintaining open and ongoing communication with these groups to ensure their perspectives are considered and concerns addressed promptly. This dedication supports sustainable growth through strong, enduring stakeholder relationships.

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

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/ No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, tele-communication, and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/ Earning call) and on need basis.	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Employees and Workers	No	E-mail, Internal portal and Newsletters.	Daily, weekly	Employee safety, professional and career development, well-being, training, and awareness.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Communities	Yes	Community events and meetings and CSR programs	Need based.	Various CSR interventions.
Government and Regulators	No	Official letters or correspondence, Email, In person meetings, Website, Trade and industry associations	Need based.	Compliance Checks and other regulatory requirements.
Customers	No	Website, Email and Tele communication, Feedback surveys and SMS	Need based.	Long term product improvements, concerns and feedback.
Value chain partners	No	Email and Tele communication, in person meetings, visits and review sessions.	Need based.	Facilitating alignment on quality, cost, delivery, and complain requirements. Supporting continuous improvement, innovation, and long-term value creation in the supply chain.

Leadership Indicators

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

Stakeholder consultations aim to build relationships based on mutual trust and benefit, helping to define our strategic priorities. Dedicated departments are responsible for conducting these consultations with identified stakeholders. Although the board of directors does not directly engage in the consultations, they oversee the implementation of necessary improvements based on the feedback and recommendations received.

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

SMIL's operations prioritize addressing and protecting stakeholders' interests when identifying material issues important to the Company. Stakeholder consultation plays a crucial role in this process and by maintaining open communication, we ensure stakeholders' views are considered and promptly presented to the board for integration. Consultations on social and environmental matters are particularly valuable, offering diverse perspectives, helping to identify and prioritize key issues, reducing risks, supporting informed decisions, fostering trust, and enhancing our sustainability performance and reputation.

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

At SMIL, we actively engage marginalized and vulnerable groups through our company's charitable arm, the Sharda CSR Foundation Trust. The Trust funds a broad range of initiatives, including the construction of public clinics and ambulance services, organizing health camps and blood donation drives, and supporting education by donating stationery and enhancing facilities at low-income government schools. Additionally, we prioritize improving the lives of those in impoverished rural areas through campaigns against pollution, tree plantation drives, and the distribution of essential daily necessities.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Permanent	768	768	100	679	657	97
Other than permanent	410	410	100	121	119	98
Total Employees	**1178**	**1178**	**100**	**800**	**776**	**97**
Permanent	293	293	100	238	233	98
Other than permanent	2276	2276	100	2,262	2,257	99
Total Workers	**3069**	**3069**	**100**	**2,500**	**2,490**	**99**

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

Category	Current Financial Year 2024-25					Previous Financial Year 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	768	0	-	768	100	679	0	-	679	100
Male	738	0	-	738	100	655	0	-	655	100
Female	30	0	-	30	100	24	0	-	24	100
Other than Permanent	410	0	-	410	100	121	0	-	121	100
Male	374	0	-	374	100	119	0	-	119	100
Female	36	0	-	36	100	2	0	-	2	100
Workers										
Permanent	293	0	-	293	100	238	0	-	238	100
Male	292	0	-	292	100	234	0	-	234	100
Female	1	0	-	1	100	4	0	-	4	100
Other than Permanent	2276	0	-	2276	100	2,262	0	-	2,262	100
Male	2690	0	-	2690	100	2,205	0	-	2,205	100
Female	86	0	-	86	100	57	0	-	57	100

3. **Details of remuneration/ salary/ wages, in the following format for FY 2024-25:**

a. **Median remuneration/ wages:**

	Male		Female	
	Number	Median salary/ wage of respective category	Number	Median salary/ wage of respective category
Board of Directors (BoD)	5	631.86 lakhs	1	-
Key Managerial Personnel (KMP)	4	207.25 lakhs	1	8.43 lakhs
Employees other than BoD and KMP	738	6.19 lakhs	30	6.85 lakhs
Workers	292	6.21 lakhs	1	0.53 lakhs

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Gross wages paid to females as % of total wages	3.58%	2.68%

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

At SMIL, we have established an Internal Complaints Committee to address sexual harassment concerns in compliance with the Prevention of Sexual Harassment (POSH) Act, 2013. This committee oversees complaint handling, redressal, and inquiry processes related to sexual misconduct. Additionally, we operate "SHAKTI," a secure and transparent communication platform that facilitates trust between human resource managers and employees, enabling effective resolution of rights-related concerns, including human rights. Furthermore, our ethics helpline offers employees and workers an additional channel to report issues or seek guidance on workplace safety and business conduct.

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

The Company is committed to preventing human rights violations through its comprehensive Human Rights Policy. Compliance is ensured via an effective grievance redressal mechanism, closely monitored by our HR department at all plant locations. Employees and workers have 24/7 anonymous access to raise concerns and redress their grievances in a timely manner. The Company maintains a Whistleblower Policy that defines procedures for reporting misconduct or unethical behavior and its Ethics Helpline provides a confidential and secure channel for employees to report ethics or whistleblower concerns/ issues and/or seek guidance, as deemed appropriate. Detailed information about the investigation process is available on the whistleblower policy webpage.

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

	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the following format:

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Total complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/ workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

At Sharda Motor Industries Limited, we are committed to protecting the dignity and rights of our employees by maintaining a workplace free from discrimination and harassment. We strive to provide a safe and equitable environment with equal opportunities for all. Although no complaints related to sexual harassment have been received, we remain proactive in prevention. Our Internal Complaints Committee is accessible to all employees for raising concerns, and we are dedicated to addressing and resolving all issues effectively. For more detailed information, please refer to page 8 of our Code of Conduct – Stakeholders.

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

At SMIL, we have implemented a comprehensive Human Rights Policy that extends across the entire group, encompassing joint ventures, suppliers, and contractors. This policy was developed through extensive consultations with all relevant stakeholders.

10. Assessment for the FY 2024-25:

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

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 9, above.

No significant risk/ concern was identified during the assessment.

Leadership Indicators

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

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

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

Human Rights due diligence was not carried out in the reporting year, we continue to uphold all applicable human rights regulations and are dedicated to safeguard the rights of all our stakeholders.

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

The Company's premises are fully accessible to employees, workers, and visitors with disabilities, in compliance with the Rights of Persons with Disabilities Act, 2016. We are committed to provide comprehensive assistance to individuals with disabilities whenever and wherever needed. Our goal is to create a welcoming and inclusive environment, and we continuously strive to enhance our accessibility measures and Company is fully dedicated to foster equality and inclusiveness for all.

4. Details on assessment of Value Chain Partners:

	% of value chain partners (by value of business done with such partners) **that were assessed:**
Child Labour	84.09%
Forced/ Involuntary Labour	84.09%
Sexual harassment	84.09%
Discrimination at workplace	84.09%
Wages	84.09%

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

No corrective actions were required, as no significant risks nor observations were found during the assessment.

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

Essential Indicators

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

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24*
From 'Renewable Sources' (in GJ)		
Total Electricity Consumption (A)	18,386.40	15,441.20
Total Fuel Consumption (B)	0	0
Energy consumption through Other Sources (C)	0	0
Total Energy Consumption from renewable sources (A+B+C)	18,386.40	15,441.20
From 'Non-Renewable Sources' (in GJ)		
Total Electricity Consumption (D): Grid Electricity	30,786.60	31,235.11
Total Fuel Consumption (E)	966.20	860.41
Energy consumption through Other Sources (F)	0	0
Total Energy Consumption from non-renewable sources (D+E+F)	31,752.80	32,095.52
Total Energy Consumption (RE + non-RE)	50,139.20	47,536.72
Energy intensity per rupee of turnover *(Total energy consumption/turnover in rupees)*	0.0000018	0.0000017
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity ** *(Total energy consumed/ Revenue from operations adjusted for PPP)*	0.000037	0.000035
Energy intensity in terms of physical output *(Total energy consumed/No. of units produced)*	0.00055	0.00051

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

* The values for previous year's consumption have been recalculated in this reporting year.

** The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66. The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. Thes same PPP conversion rate (20.66) is used in intensity ratio calculations across Principle 6 for financial year 2024-25 and is also updated for previous year (2023-24).

2. **Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No) If "Yes", disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

SMIL's manufacturing plants are not classified as Designated Consumers (DCs) under the Government of India's Performance, Achieve, and Trade (PAT) Scheme; therefore, not applicable.

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

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24*
Water withdrawal by source (in kiloliters- Kl)		
(i). Surface Water	0	0
(ii). Groundwater	0	0
(iii). Third Party Water	56305	63214
(iv). Seawater/ Desalinated water	0	0
(v). Others	0	0
Total Volume of water withdrawal (in KL) *(i + ii + iii + iv + v)*	56305	63214
Total volume of water consumption (in KL)	46970	63214
Water intensity per rupee of turnover *(water consumed/ turnover)*	0.0000017	0.0000023
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total water consumption/ Revenue from operations adjusted for PPP) ** *	0.000034	0.000046
Water intensity in terms of physical output *(Total water consumption/ no. of units produced)*	0.00052	0.00068

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

* The values for previous year's consumption have been recalculated in this reporting year.

** The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66. The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. Thes same PPP conversion rate (20.66) is used in intensity ratio calculations across Principle 6 for financial year 2024-25 and is also updated for previous year (2023-24).

4. **Provide the following details related to water discharge:**

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
Water discharge by destination and level of treatment (in kilo litres)		
(i). To Surface Water		
- No treatment	0	0
- With treatment- *please specify level of treatment*	0	0
(ii). To Ground Water		
- No treatment	0	0
- With treatment- *please specify level of treatment*	0	0
(iii). To Seawater		
- No treatment	0	0
- With treatment- *please specify level of treatment*	0	0

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
(iv). Sent to Third Parties		
- No treatment	0	0
- With treatment- *please specify level of treatment*	0	0
(v). Others		
- No treatment	0	0
- With treatment- *please specify level of treatment*	9,335	0
Total water discharged. (in kilolitres)	9,335	0

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

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

At SMIL, we have implemented an effective system for recycling wastewater from toilets and kitchens, which is connected to the common drainage leading to the Mahindra World City Sewage Treatment Plant (CETP). The treated water is then used for gardening and green belt development within Mahindra World City. Additionally, our SIPCOT Plant, Chennai Plant, and other facilities have comprehensive recycling systems for operational wastewater, which recycled and reuses approximately 10–15% of wastewater at each facility.

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

Parameter	Please specify unit	Current Financial Year 2024-25	Previous Financial Year 2023-24
NOx	Tonnes/year	0.07	0.04
SOx	Tonnes/year	0.08	0.07
Particulate Matter (PM)	Tonnes/year	0.24	0.20
Persistent organic pollutant (POP)	Not applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: ***Yes, the evaluation for Chakan plant is done by Eurofine Enviro Lab Pvt. Ltd., MWC plant by EHS 360 Labs Private Limited, Nashik plant by Ashwamedh engineers and consultants, Sanand plant by Metro Enviro Chem Associates, Sipcot plant by Enviro Care India Pvt. Ltd.***

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

Parameter	Please specify unit	Current Financial Year 2024-25	Previous Financial Year 2023-24*
Total Scope 1 Emissions (*Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available*)	Metric tonnes of CO_2 equivalent	309.58	270.34
Total Scope 2 Emissions (*Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available*)	Metric tonnes of CO_2 equivalent	6,213.73	6,158.60
Total Scope 1 and Scope 2 emissions per rupee of turnover	*Metric tonnes of CO_2e/INR.*	0.00000023	0.00000023
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) ** *(Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)*	*Metric tonnes of CO2 / adjusted for PPP*	0.0000048	0.0000047
Total Scope 1 and Scope 2 emission intensity in terms of physical output *(Total Scope 1 & 2 emissions/No. of units produced)*	*Metric tonnes of CO2 / unit produced*	0.000072	0.000069

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

* The values for previous year's consumption have been recalculated in this reporting year.

** The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66. The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. Thes same PPP conversion rate (20.66) is used in intensity ratio calculations across Principle 6 for financial year 2024-25 and is also updated for previous year (2023-24).

8. Does the entity have any project related to reducing Greenhouse gas emissions? If "Yes", then provide details.

The Company acknowledges its commitment towards environmental stewardship and in this regard, we have implemented several initiatives to reduce our greenhouse gas (GHG) emissions through energy conservation and energy saving initiatives. Other initiatives are:

- The Company strictly complies with permissible limits set by CPCB/ SPCB for air emissions, effluent quality, and discharge, and solid and hazardous waste management across all its facilities. The facilities ensure that no pollutants from water, air, or other fluids are released into the environment, protecting the ecological health of its surroundings.
- The Company prioritizes environmental safety by enforcing stringent pollution control measures as required by regulations and standard guidelines at its manufacturing facilities.

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

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24*
Plastic Waste (A)	0.26	2.25
E-Waste (B)	0.20	0.26
Bio-medical Waste (C)	0	0
Construction and Demolition Waste (C&D) (D)	0	0
Battery Waste (E)	0	0
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G)	4.59	4.22
Other Non-Hazardous Waste generated (H)	998.47	993.16
Total Waste Generated *(A+B+C+D+E+F+G+H)*	1003.52	999.89
Waste intensity per rupee of turnover. *(Total waste generated/ Revenue from operations)*	0.00000004	0.00000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total waste generated/ Revenue from operations adjusted for PPP)*	0.0000007	0.0000007
Waste intensity in terms of physical output *(Total waste generated/No. of units produced)*	0.00001	0.00001
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste		
(i). Recycled	754.10	756.94
(ii). Re-used	2.97	3.60
(iii). Other recovery operations	215.89	224.26
Total	972.96	984.80
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste		
(i). Incineration	0	0
(ii). Landfilling	0	0
(iii). Other disposal operations	30.56	15.30
Total	30.56	15.30

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

* The values for previous year's waste generation have been recalculated in this reporting year.

** The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66. The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. Thes same PPP conversion rate (20.66) is used in intensity ratio calculations across Principle 6 for financial year 2024-25 and is also updated for previous year (2023-24).

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

The Company strictly adheres to CPCB/SPCB-approved standards for air pollutants, effluent quality, discharge protocols, and the management of solid and hazardous waste and comply fully with all relevant environmental regulations and guidelines throughout the waste disposal process.

SMIL's waste management strategy focuses on three key areas:

a). reducing waste through optimized manufacturing and responsible production practices.

b). promoting recycling and reuse to maximize resource efficiency; and

c). ensuring conscientious disposal methods.

The Company emphasizes source reduction by refining manufacturing processes to minimize material waste and limit the generation of hazardous and non-hazardous substances. Wherever possible, recyclable materials are segregated and sent to specialized recycling facilities. Scrap and waste raw materials from our operations are transported offsite to these plants rather than being recycled onsite. In addition to this, the Company has implemented a comprehensive approach to minimize the use of hazardous and toxic chemicals, including stringent hazardous waste management, controlled use of chemicals, and ongoing employee training.

The Company encourages its suppliers and vendors to adopt sustainable procurement practices, such as reducing packaging and enhancing recycling capabilities, to minimize waste generation and waste to landfill at the end, as part of its sustainable procurement journey.

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

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
SMIL's manufacturing facilities do not operate in or near ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones. Therefore, no environmental approvals nor clearances are required.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2024-25:

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web-link
No, Environmental Impact Assessments (EIAs) were conducted during the financial year 2024-25, as none of the projects were within categories requiring EIAs as per the applicable environmental regulations of Government of India.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/ No). If "Not", provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken, if any
SMIL was compliant with all applicable environmental laws, regulations, and guidelines of Government of India during the reporting period 2024-25.				

Leadership Indicator

1. Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo litres):
For each facility/ plant located in areas of water stress, provide the following information:

i. Name of area

ii. Nature of operations

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

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
Water withdrawal by source (in kilo litres)		
(i) Surface Water	Not applicable	
(ii) Ground Water		
(iii) Third Party Water		
(iv) Seawater/ Desalinated Water		
(v) Others		
Total volume of water withdrawal (in KL)		
Total volume of water consumption (in KL)		
Water intensity per rupee of turnover *(Water consumed/ Turnover)*		
Water intensity *(optional)- the relevant metric may be selected by the entity*		
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water	Not applicable	
No treatment		
With treatment- please specify level of treatment		
(ii) To Ground Water		
No treatment		
With treatment- please specify level of treatment		
(iii) Sent to Third Party Water		
No treatment		
With treatment- please specify level of treatment		

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
(iv) Into Seawater	Not applicable	
No treatment		
With treatment- please specify level of treatment		
(v) Others		
No treatment		
With treatment- please specify level of treatment		
Total water discharged. (in kilo-litres- Kl)		

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

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

Parameter	Please specify unit	Current Financial Year 2024-25	Previous Financial Year 2023-24
Total Scope 3 Emissions (*Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available*)	Metric tonnes of CO_2 equivalent	Not applicable	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity *(optional)- the relevant metric may be selected by the entity*			

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

3. With respect to the ecologically sensitive areas reported in Qs. 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable, since none of SMIL's manufacturing facilities nor plants/ offices fall under ecologically sensitive areas.

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

S. No.	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along with summary)*	Outcome of the Initiative
At SMIL, we take pride in leading the way in emission control technology, offering advanced products that comply with stringent BS6 and BS6.2 regulations, which are vital for improving air quality and reducing respiratory illnesses. Our key innovations include Lean NOx Trap (LNT) and Selective Catalytic Reduction (SCR) systems for controlling NOx emissions from diesel engines, Diesel Particulate Filters (DPF) for capturing particulate emissions, and Gasoline Particulate Filters (GPF) to reduce emissions from gasoline engines. Additionally, our Diesel Oxidation Catalysts address CO and HC emissions, while Three Way Catalysts (TWC) manage non-methane hydrocarbons and convert HC, CO, and NOx simultaneously.			

Beyond product innovation, we are committed to operational sustainability. We have implemented measures to reduce power consumption, including optimizing air conditioning settings and enhancing machine efficiency through preventive maintenance. We also invest in energy-efficient machinery to further our environmental objectives. These efforts underscore our dedication to preserving the environment and positively impacting society.

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

SMIL has established a comprehensive Risk Management Policy to identify and mitigate risks that could impact business operations and business continuity. The Risk Management Committee (RMC) oversees the implementation of action plans to address actual and potential hazards and continuously monitors the effectiveness of the risk mitigation strategies and action plan. This Policy defines processes, procedures, and safeguards to ensure efficient risk management strategy and framework for uninterrupted business activities.

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

At SMIL, we take measures to ensure sustainable and responsible business operations at facilities and across the value chain. Therefore, as a result of the Company's continuous efforts, no significant negative impact on the environment have been identified as a result of value chain activities.

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

Nil

8. How many "Green Credits" have been generated or procured:

a. By the listed entity.

b. By the top ten (in terms of the value of purchases and sales, respectively) value chain partners.

Nil

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

Essential Indicators

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

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

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Automotive Component Manufacturers Association of India	National
2	PHD Chamber of Commerce and Industry	National

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

Name of authority	Brief of the Case	Corrective action taken
Not applicable.		

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
Not applicable					

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

Essential Indicators

1. **Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2024-25:**

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web-link
No Social Impact Assessments (SIAs) were undertaken in the financial year 2024-25.					

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

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

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

The Company's esteemed CSR Committee, comprising of distinguished Board members, work collaboratively to effectively address community needs. Through regular consultations between plant heads and local stakeholders, the CSR Steering Committee designs and oversees long-term initiatives focused on key areas such as healthcare, sanitation, education, environmental protection, and support for underprivileged communities. These initiatives are implemented with precision through the Sharda CSR Foundation Trust, delivering measurable benefits to society. To promote transparency and inclusivity, we have established a dedicated communication channel shardacsrtrust@shardamotor.com, enabling community members to share their concerns and suggestions directly.

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

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Directly sourced from MSMEs/ Small producers	12.50%	6.73%
Directly from within India	67.03%	85.76%

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

Location	Current Financial Year 2024-25	Previous Financial Year 2023-24
Rural	32.36%	30.50%
Semi-Urban	8.53%	7.54%
Urban	53.84%	58.59%
Metropolitan	5.28%	3.37%

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

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
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 INR.)
Not applicable			

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

SMIL does not have a formal preferential procurement policy, we actively encourage the participation and development of Micro and Small Enterprises (MSEs) and local suppliers. We focus on building long-term, mutually beneficial relationships through targeted support, capability building, and inclusion in our sourcing processes. Our procurement strategy is driven by the principles of competitiveness, transparency, and value creation. A strong governance framework ensures all procurement activities are fair, equitable, and aligned with global best practices. By fostering a diverse and agile supplier base, SMIL strengthens supply chain resilience and contributes to socio-economic development, while maintaining cost-efficiency and operational excellence.
(b) From which marginalized/ vulnerable groups do you procure?
MSME and Small Producers
(c) What percentage of total procurement (by value) does it constitute?
In FY 2024-25, procurement from MSME suppliers accounted for approximately 12.5% of total purchases, amounting to 13,158 lakhs INR.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2024-25), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
Not applicable				

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

Name of authority	Brief of Case	Corrective action taken
Not applicable.		

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

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1.	Sharda Unnati - Sharda CSR Medical Clinic	5,910	100%
2.	Sharda Unnati- Contribution to Breast Cancer Patients under Health Project	235	100%
3.	Sharda Unnati- CSR Ambulance Services for Community (Chakan, Nashik, SIPCOT and MWC location)	248	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.**

In an increasingly competitive market, providing excellent customer service is more important than ever. To support this goal, we have developed a strong system that encourages customers to share their thoughts and opinions on our products and services. We are committed to responding quickly to customer concerns, which helps us build lasting relationships and strengthen our brand. Engaging directly with our customers gives us valuable knowledge about changing needs, preferences, and market trends. We gather feedback from all our business clients through a well-structured complaint management process and multiple communication methods such as email, face-to-face meetings, and phone calls. This practical approach helps us deliver customized solutions that not only fix current problems but also reduce the chances of similar issues happening again. Our company focuses on handling customer concerns in a fair, timely, and effective manner, which improves the overall customer experience and drives us toward higher levels of performance.

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

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

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

	Current Financial Year 2024-25		Remarks	Previous Financial Year 2023-24		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Customer Complaints	Nil	Nil	-	Nil	Nil	-

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

	Number	Reasons for recall
Voluntary Recalls	Not applicable	
Forced Recalls		

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

Yes. The Company has a comprehensive IT and Cyber Security Policy in place, which outlines the framework for managing cybersecurity and data privacy risks. This policy is aligned with legal requirements and industry best practices, and it includes preventive and corrective measures to protect against internal and external threats.

The policy is available at the following link:
https://www.shardamotor.com/wp-content/uploads/2023/07/IT-and-Cyber-Security-Policy.pdf

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

Not applicable.

7. **Provide the following information relating to data breaches during FY 2024-25:**

(a) Number of instances of data breaches:
Nil
(b) Percentage of data breaches involving personally identifiable information of customers.
Nil
(c) Impact, if any, of the data breaches.
Nil

Leadership Indicators

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

For more information about our products and services, please visit our official webpage at www.shardamotor.com/products-services

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

SMIL's operations are focused on a Business-to Business (B2B) model, there is no direct interaction with the end consumers. Therefore, this aspect is not applicable.

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

The Company communicates of any potential risks or threat related to service disruptions or discontinuations through email notifications as and when deemed necessary.

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

   (b) Did your entity carry out any survey about customer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No).

(a) This is not applicable as our products are intended for B2B use and are not directly sold to end consumers. (b) Yes, currently, consumer satisfaction feedback is primarily gathered through email communication, mainly with our major OEM clients to gauge insights on service delivery, pricing, competitive landscape, quality, overall satisfaction, and service improvement, if any.

Annexure X

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of
Sharda Motor Industries Limited
D-188, Okhla Industrial Area Phase-I, Delhi, India, 110020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sharda Motor Industries Limited** having **CIN L74899DL1986PLC023202** and having registered office at **D-188, Okhla Industrial Area Phase-I, Delhi, India, 110020** (hereinafter referred to as 'the Company'), produced before me/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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 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.	Mr. Kishan Nagin Parikh	00453209	16/12/2005
2.	Mr. Navin Paul	00424944	02/08/2024
3.	Ms. Sarita Dhuper	08776286	29/06/2020
4.	Mr. Udayan Banerjee	00339754	13/02/2019
5.	Mr. Ajay Relan	00257584	29/01/1986
6.	Mr. Nitin Vishnoi	08538925	03/09/2019

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

For **Jaya Yadav & Associates**
Company Secretaries

Jaya Yadav
Practicing Company Secretary
Mem. No.: F10882
C.O.P. No.:12070
UDIN: F010822G000908081

Place: Gurugram
Date: August 01, 2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction

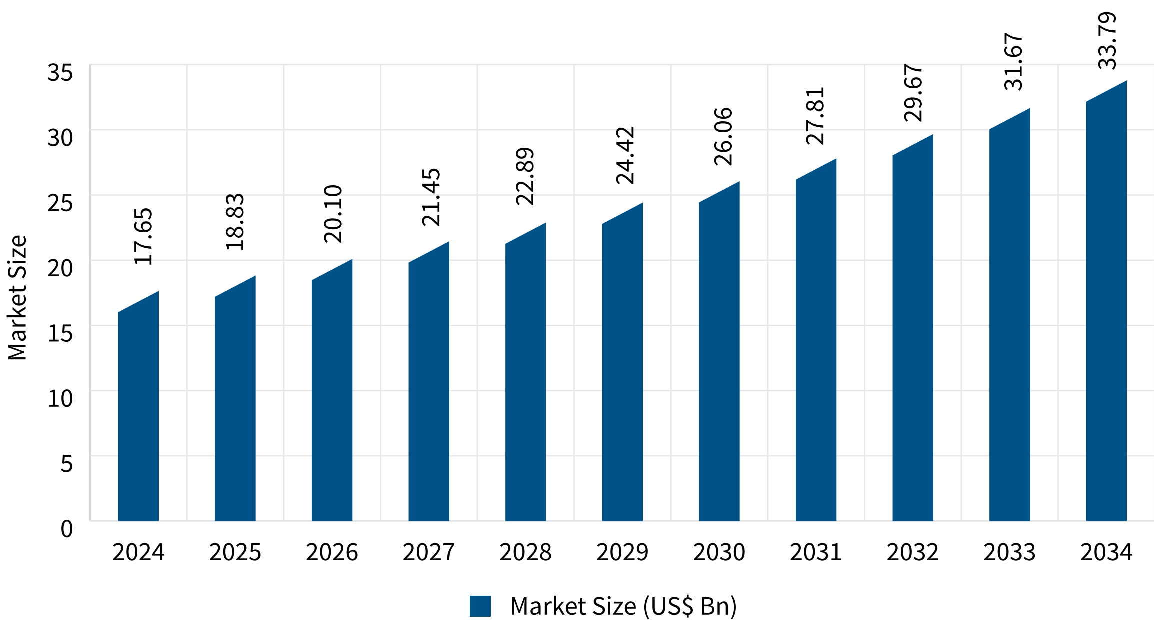
The Indian automotive industry is at a critical inflection point, being shaped by growing focus on sustainability, stricter emission norms, and the shift towards eco-friendly mobility solutions. SMIL, with its strong competence in R&D & Business focused innovation capabilities, is well-positioned to support this transition and drive cleaner automotive solutions.

FY25 saw renewed optimism, supported particularly by infrastructure development and government-led sustainability initiatives. The auto sector is expected to grow steadily, aided by economic reforms and an emphasis on infrastructure investments. SMIL has remained focused on developing innovative and environmentally responsible solutions, enhancing localization, and improving operational efficiency to better serve OEMs and contribute to India's sustainable mobility vision.

This section highlights SMIL's strategic roadmap, operational performance, and future outlook within the framework of industry-wide environmental priorities. Staying aligned with our vision "To be among the Top 100 Companies in India," we are committed to creating long-term value through responsible innovation and expanding our global presence. We extend our heartfelt appreciation to our employees, customers, and shareholders for their continued trust and support as we move forward on this path of sustainable growth.

The global automobile ancillary market: A promising Outlook

The global automotive ancillary products market was valued at USD 17.65 billion in 2024 and is projected to grow from USD 18.83 billion in 2025 to around USD 33.79 billion by 2034, with a CAGR of 6.71% during the forecast period. This growth is driven by rapid technological advancements that enhance vehicle safety, performance, and customization, thereby accelerating demand across the sector.



The automotive industry is witnessing the emergence of several transformative trends. Among the key megatrends driving this evolution are the increasing emphasis on lightweighting, stricter emission regulations, and the development of multiple alternative powertrains.

The global shift towards supply chain diversification, often referred to as the "China+1" strategy, has opened-up significant opportunities for India. With global manufacturers actively seeking reliable alternatives to China, India is emerging as a preferred destination due to its cost competitiveness, skilled labour, and growing manufacturing capabilities. This trend has led to increased export opportunities and greater interest from international players in forming strategic alliances and sourcing partnerships with Indian players. Furthermore, policy initiatives such as the Production-Linked Incentive (PLI) scheme and the Government's focus on 'Make in India' are reinforcing this momentum by attracting foreign investment and supporting local manufacturing. While the sector must continue to enhance scale, quality, and supply chain reliability, the China+1 dynamic is expected to play a pivotal role in accelerating India's prominence in the global automotive value chain.

In 2024, the Asia Pacific region led the global automotive ancillary products market, commanding the largest share at 39%, reflecting its strong manufacturing base and rising vehicle demand. North America is expected to register the fastest compounded annual growth rate (CAGR) over the forecast period, driven by increased investment in advanced automotive technologies. In terms of applications, the passenger vehicle segment accounted for a dominant 73% market share, though the commercial vehicle segment is poised for robust growth in the coming years. (Source: precedence research)

Artificial Intelligence (AI) Integration in the Automotive Ancillaries' Products Market

Artificial Intelligence (AI) is playing a transformative role in the automotive ancillaries' market by enhancing innovation, design efficiency, safety, and overall product performance. Its integration into design and manufacturing processes enables the creation of highly precise and optimized components, streamlining both production and testing phases.

On the manufacturing front, AI contributes towards improved production planning, quality control, and cost optimization by identifying patterns that refine scheduling and resource allocation. Further, AI-powered analytics help forecast demand more accurately, enabling smarter inventory management and ensuring consistent product availability. By accelerating innovation and operational excellence, AI continues to redefine the competitive landscape of the automotive ancillary sector.

Indian Automobile Market Size

The Indian passenger car market, was valued at USD 32.70 billion in 2021, is projected to grow at a CAGR of over 9% to reach USD 54.84 billion by 2027.

In FY25, two-wheelers and passenger cars contributed 75.04% and 21.38% of the overall market share, respectively. During FY25, total vehicle production across passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles stood at 31.03 million units .

Indian Auto Components Industry: A Driving Force of Growth

The Indian automotive components industry witnessed robust expansion, recording 11% year-on-year growth and reaching ₹3.32 lakh crore (US$ 38.4 billion) in the first half of FY25 . India's status as one of the fastest-growing major economies, supported by rising income levels, increased infrastructure investments, and targeted manufacturing incentives, has significantly propelled the broader automobile sector. The two-wheeler segment continues to dominate, reflecting the needs of India's expanding middle class, with overall automobile sales reaching 23.8 million units in FY25 .

This surge in demand has catalysed the emergence of numerous OEMs and auto component manufacturers, enhancing India's capabilities in both vehicle production and component manufacturing. As a result, Indian-made auto components have gained strong traction in global markets. While the electric vehicle segment has grown—with Electric PV registrations crossing 1 Lakh units in FY25 and registration of e-Two Wheelers grew by 21.2% in the same period —internal combustion engine (ICE) vehicles remain dominant, with over 23 million two-wheelers and over 5 million passenger cars produced.

The auto components sector is a vital contributor to India's macroeconomic growth and employment landscape. It spans a wide range of players, from large enterprises to micro-units, operating in specialized clusters nationwide. Currently contributing around 2.3% to India's GDP and employing over 1.5 million people directly, the sector is expected to contribute 5–7% to GDP by 2026. The Automotive Mission Plan (2016–2026) envisions the creation of 3.2 million incremental direct jobs in this period.

India's auto components industry is also a strong export engine, providing livelihoods to over 3.7 crore people. In the first half of FY25 (April-September 2024), India's auto component exports reached $11.1 billion, North America accounted for 33% of total exports (up 5%), while Europe and Asia represented 32% and 24%,respectively with European exports rising 12% and Asian growth remaining stable. Key export categories included drive transmission systems, engine components, body and chassis parts, as well as suspension and braking systems. (Source: IBEF)

There has been a notable increase in emphasis on lightweighting, driven by stringent emission norms, growing demand for fuel-efficient vehicles, safety requirements & EV range enhancement. Lightweight materials such as high-strength steel, aluminum, and advanced technologies are increasingly being adopted by OEMs to enhance vehicle efficiency and performance.

This trend presents a significant opportunity for the Company to expand its product offering, increase content and strengthen its position. The company's strong capabilities in stamping technology and rich experience of supplying suspension components will pave the way towards becoming a key player in the new era.

As part of our long-term strategic roadmap, SMIL is also increasing its emphasis on exploring Joint ventures, and Technical Alliances particularly in areas that align with our focus on increasing revenues in powertrain agnostic products. With the evolving automotive landscape and growing demand for sustainable and efficient mobility solutions, the Company is consistently working on opportunities that enhance product portfolio, strengthen technology capabilities, and improve market access across all areas.

Supporting OEMs to localise key products is another key pillar of our strategy, both in response to preferences and to build supply chain resilience.

Green shoots for Auto Components Industry

Robust Demand:

- The growing working population and an expanding middle class are anticipated to remain strong drivers of automotive demand.
- India is experiencing strong momentum in the auto components sector, supported by a global realignment of supply chains.
- As the country moves to reduce its reliance on imported components, domestic manufacturers are well-positioned to benefit from increased demand.

Export Opportunities:

- India is rapidly establishing itself as a global sourcing hub for auto components, with over 25% of its production exported annually.
- Auto component exports from India are projected to reach US$ 80 billion by 2026, reflecting strong global demand.
- By FY28, the Indian automotive sector plans to invest ₹58,000 crore (US$ 7 billion) for localization of components for reducing import dependence and capitalizing on the global 'China Plus One' strategy.

Competitive Advantage:

- India's cost-efficient manufacturing ecosystem enables production at 10–25% lower costs compared to operations in regions like Europe and Latin America.
- As the world's second-largest steel producer, India enjoys a significant cost advantage in raw material sourcing.
- The country's strategic geographic location—close to major automotive markets such as ASEAN, Europe, Japan, and Korea—is further cementing its position as a global hub for auto components sourcing.

Government Initiatives

The Government of India continues to drive a future-ready automotive ecosystem through targeted policy initiatives. The enforcement of BS-VI emission norms and the upcoming Bharat NCAP safety regulations are further catalyzing demand for high-performance after-treatment systems and light weighting positioning SMIL to play a critical role in helping OEMs meet stringent compliance requirements.

In addition, rising Corporate Average Fuel Efficiency (CAFE) targets have made lightweighting a strategic priority for automakers, driving demand for components that reduce vehicle weight without compromising durability. SMIL's focus on lightweighting segment aligns well with this industry direction.

Infrastructure and testing capabilities have also seen a significant upgrade through programs like NATRIP (National Automotive Testing and R&D Infrastructure Project), which enhances validation opportunities for emission control systems. Alongside the broader shift towards clean mobility—evident in schemes like PM E-DRIVE and the Electric Mobility Promotion Scheme 2024—these policies reflect a cohesive national agenda to support localized, sustainable innovation. For SMIL, this presents a clear opportunity to scale its R&D-driven growth in emission control and lightweighting.

SWOT Analysis for Indian Auto Components Industry

A SWOT analysis for the Indian auto component industry would look at the internal and external factors that can impact the industry's growth and competitiveness. Here's an outline based on the current landscape:

Strengths

1. **Large Domestic Market**: India has one of the largest automobile markets globally, providing significant demand for auto components.
2. **Skilled Workforce**: India boasts a large, skilled labor force, particularly in engineering, which is a key advantage for the production and innovation of auto components.
3. **Cost-Effective Manufacturing**: Labor and raw material costs in India are relatively lower, making the country an attractive destination for manufacturing auto components.
4. **Established Supplier Base**: A well-developed network of suppliers for raw materials, machinery, and other essential goods supports the auto component sector.
5. **Global Export Hub**: India has become a key exporter of auto components, particularly to markets like the U.S., Europe, and ASEAN countries.
6. **Strong R&D Capabilities**: Many Indian auto component manufacturers are investing in R&D to improve product quality, develop new technologies and meet global standards.

Weaknesses

1. **Dependence on Imports for High-End Technology**: India still imports advanced technologies and components for high-end vehicles, which impacts the competitiveness of domestic manufacturers.
2. **Fragmented Industry**: The industry is highly fragmented, with many small and medium-sized enterprises (SMEs), which can face challenges in scaling up operations and maintaining quality.
3. **Limited Product Diversity**: Many Indian auto component manufacturers focus on a narrow range of products, limiting growth opportunities.
4. **Underdeveloped Infrastructure**: While there have been improvements, logistics and transportation infrastructure in some regions are still underdeveloped, affecting supply chain efficiency.
5. **Regulatory Hurdles**: Regulatory challenges such as compliance with international quality standards, environmental laws, and labor laws can be burdensome.

Opportunities

1. **Export Potential**: As global automotive companies increasingly look for cost-effective manufacturing solutions, India can further strengthen its role as a global auto component supplier.
2. **Government Incentives**: The Indian government's "Atmanirbhar Bharat" (self-reliant India) initiative and support for the automotive sector through schemes like PLI (Production-Linked Incentive) can incentivize growth and innovation.
3. **Technological Advancements**: The growing need for lightweight, fuel-efficient, and smart components presents an opportunity for manufacturers to invest in R&D and modernize their production facilities.
4. **Supply Chain Resilience**: Post-pandemic, there's an opportunity for India to strengthen its role in global supply chains by providing cost-effective solutions and tapping into the demand for diversified sourcing.

Threats

1. **Competition from Low-Cost Countries**: India faces competition from countries like China, which often have cheaper labor costs and more advanced manufacturing technologies.
2. **Changing Consumer Preferences**: As consumer preferences shift towards electric vehicles, auto component manufacturers need to adapt quickly or risk becoming obsolete.
3. **Regulatory and Compliance Pressures**: Increased environmental regulations and compliance with global safety standards require significant investment in upgrading technologies and processes.
4. **Economic Slowdown**: Economic downturns, both domestically and globally, can negatively affect the automotive industry, reducing demand for both OEMs (Original Equipment Manufacturers) and replacement components.

Risks and Concerns

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

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

Risks	Analysis	Approach to mitigate the risk
Customer Concentration	Significant dependence on specific customers may impact the Company's Negotiation Power with the Customers.	The company has added multiple new customers in diversified market segments in the past few years & working proactively to increase wallet size with all customers.
Market Concentration	The Company's market is majorly Domestic Geography.	SMIL has established new vertical and onboarded new team to focus on increasing business from exports.
Legal Compliance Risk	The company is a Listed Public Company and attracts lots of compliances of various Regulators. The company is having plants in multiple States having exposure to State specific Laws, Rules and Regulations. This also exposes top management to various litigations.	The Company has built a robust team of competent professionals supplemented by robust compliance processes. It has also put in place a portal-based platform for monitoring of the compliances.
Risk of costs associated with Eventualities	The Company is exposed to various risks like Asset theft, fire, earthquake, Transit Damage, Workmen Compensation cost, Litigation Cost, Risk to Senior Personnel, Product Recall, Third Party Costs etc.	To mitigate these types of eventualities, the Company has taken various Insurance covers and has policies / procedures in place to mitigate these risks.
Human Resource Risk	Every Organization is exposed to Human Resources risk which includes among others: • High Employee Attrition • Skill Development • Employee Unrest (like Strikes and Lock-outs)	The Company has 'Recruitment Policy' and laid down the 'Process' for hiring, to ensure the Right Peg to the Right Hole. Further, the "Compensation Packages" are inclusive of Incentives and are in line with Industry Standards. Employees' "Training and Engagement" activities are conducted. Various "Welfare Measures" for employees and their Family are also in place.

Risks	Analysis	Approach to mitigate the risk
Cyber Security Risk	The company may face technical obsolescence on account of outdated Operating System Software, Tools such as MS-Office, Hardware like Old Storage Servers & Switches, Laptops and Desktops. This may result in vulnerability to Virus, Malware, Fishing, Ransomware attack and also delays and under performance.	The Company carries out VAPT (Vulnerability Assessment and Penetration Testing) on regular basis. It has already in place the Data Back Up Plan in case of any unforeseen disaster resulting in loss of data.

Internal Control system and their adequacy

We have a robust internal control system that is appropriate for the size, scale, and complexity of our operations. Comprehensive policies and procedures are in place to govern all financial and operational activities. These controls are designed to offer reasonable assurance with respect to the maintenance of accurate accounting records, the reliability of financial reporting, effective monitoring of operations, safeguarding of assets against unauthorized use or loss, and adherence to regulatory requirements. The internal financial control framework is further strengthened through periodic internal audits and regular management reviews.

Discussion on Financial Performance with respect to Operational Performance

The financial statements of SMIL and its subsidiaries have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013, and the Companies (Indian Accounting Standards) Rules, as amended from time to time. The significant accounting policies applied in the preparation of these financial statements are detailed in the notes to the consolidated financial statements.

Key standalone financial highlights are as follows:

- Revenue from operations grew by 1% in FY25 compared to FY24.
- EBITDA margin for FY25 stood at 14%, up from 12.9% in FY24.
- PBT margin for FY25 was 14.7%, as compared to 14.0% in FY24.
- PAT for FY25 was ₹312.5 crore.

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

Segment-wise / product-wise performance

The Company is operating under a single segment since its primary business segment involves manufacturing, assembling and trading of automobile components.

Significant changes in Key Financial Ratios and Return on Net Worth

S. No.	Ratios	Unit of Measurement	As of March 31, 2025	As of March 31, 2024	Change	Remarks
1	Debtors Turnover	Times	11.08	10.06	10%	Improvement in overall debtor days
2	Inventory Turnover	Times	14.04	14.01	-	Not Applicable
3	Current Ratio	Times	2.23	1.77	26%	Increase in Current assets
4	Net Profit Margin	Percent	11.02	10.50	5%	Not Applicable
5	Debt Equity Ratio*	Times	0.05	0.02	107%	Change in reserves and equity due to buyback programme

S. No.	Ratios	Unit of Measure-ment	As of March 31, 2025	As of March 31, 2024	Change	Remarks
6	Operating Profit Margin	Percent	14.86	14.10	0.76%	Not Applicable
7	Return on Net Worth	Percent	28.97	28.77	-	Not Applicable
8	Interest Coverage Ratio*	Times	93.22	111.81	(17)%	Not Applicable

**Note: Pursuant to the Guidance Note issued by the ICAI in January 2022, company had considered lease liability as debt and the ratio has been calculated accordingly*

Material developments in Human Resources

The Company offers a comprehensive Employee Value Proposition (EVP) aimed at attracting, retaining, and engaging talent, while fostering an agile workforce aligned with our strategic objectives and core values. Our EVP embraces the evolving paradigm of the 'Future of Work, Workplace, and Workforce, ensuring that employees are well-prepared for success in a dynamic business environment.

With operations spread across 4 states and 8 manufacturing units, we provide our employees with ample opportunities for learning, development, and career growth. We are committed to cultivating a culture of continuous learning, supported by access to rich resources, domain knowledge, and technical expertise.

We place a strong emphasis on employee voice and recognition, ensuring their ideas and contributions are valued. Various initiatives are designed to enhance collaboration and foster a sense of belonging.

In addition to competitive compensation, we offer flexible work arrangements that support work-life balance. Employee engagement is the cornerstone of our culture, with numerous events and programs held throughout the year, such as:

- Monthly reward and recognition ceremonies
- Celebrations for International Women's Day, Diwali, and other regional festivals
- Engagement platforms such as Plant Head Communication forums

We are equally committed to nurturing a workplace grounded in respect, inclusivity, and diversity, which we believe are essential for sustainable, long-term success.

A detailed demographic breakdown of number of people employed by the company as on March 31, 2025 is available in the Business Responsibility and Sustainability Report, which forms part of this Annual Report.

Industrial Relations

Our relationship with employees and labor unions remains strong and collaborative. This constructive engagement is vital for maintaining a healthy and productive work environment. We continue to implement reforms aimed at improving safety, quality, and productivity, and follow a disciplined approach to wage settlements, tailored to the context of each location. These initiatives have led to higher employee satisfaction, lower attrition, and enhanced overall performance.

Cautionary Statement

Certain statements in this Management Discussion and Analysis section, relating to the Company's outlook, industry trends, objectives, and expectations, are forward-looking in nature and subject to applicable laws and regulations. Actual results may vary significantly due to a range of factors including changes in supply-demand dynamics, raw material availability and prices, government regulations, tax laws, judicial outcomes, labour relations, and broader economic conditions. Investors are advised to consider these factors while evaluating the Company's performance and future prospects.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sharda Motor Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the Profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report w.r.t the Company:

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Evaluation of uncertain tax positions and disputed matters** (Refer note no.40 "Contingent liabilities and commitments" in the Standalone Financial Statements) The Company is involved in certain claims/ matters relating to direct taxes and indirect taxes that are pending with various authorities	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls-** Obtained an understanding from the Management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	and courts in India. The Company has disclosed contingent liabilities of ` 16,336.56 lakh related to these litigations as at March 31, 2025. Whether a claim against the Company is recognized as a provision or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on certain assumptions and management assessment. These include assumptions relating to the likelihood and/or timing of the cash outflows and the interpretation of applicable rules and regulations. The amounts involved are significant and due to the range of possible outcomes and considerable uncertainty around these litigations, the determination of the need for recording a provision or disclosure as contingent liability in the standalone financial statements is inherently subjective/ judgmental and therefore is considered to be a key audit matter in the current year.	**(ii) Test of Details-** a) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of the outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts based on documents / communications from the tax authorities and explanations given by the Management. b) Verified the demand notices received during the year from various tax authorities and evaluated Company's response to those matters. c) Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities and assessed the same vis-a-vis management's conclusions through discussions held with the in-house legal counsel and understanding precedents in similar cases. d) Tested the completeness of the litigations list by performing inquiries with key management personnel and tax team. Comparing the same with prior year's disclosures and current year's board meeting minutes. e) Verified the accounting treatment of each case under Ind AS 37 i.e. Whether appropriately classified as a provision or contingent liability. f) Evaluated the appropriateness of disclosures made relating to provisions and contingent liabilities in terms of the applicable Ind AS and obtained a management representation letter confirming that all known contingent liabilities have been disclosed. **Conclusion**: Based on the procedures above, we did not identify any significant exception to the management's assessment of the ongoing direct and indirect tax litigations.
2	**Recognition of Revenue** (Refer Note 3.1 to the accompanying standalone financial statements as at March 31, 2025) In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognize revenue when the entity satisfies a	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls-** a) Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
2.	performance obligation by transferring a promised good or service to a customer. Revenue is one of the key measures of performance and is identified as an area of significant risk, mainly on account of: i) As per its accounting policy, the Company primarily derives revenue from the sale of automotive parts, with revenue recognized at a point in time when control of the goods is transferred to the customer. The Company exercises judgment in determining the timing and amount of revenue recognition for such transactions. This involves assessing the nature of the sales and the appropriate revenue cut-off. Accordingly, there is a risk that revenue may be recognized in the incorrect period or that revenue and the associated profit may be misstated. ii) In determining the transaction price for the sale of products, the Company considers the effects of various factors such as price adjustments to be passed on and/or recovered to/from the customers based on various parameters like negotiations-based savings on cost of materials, rebates etc. provided to the customers. There is a risk that revenue could be recognized at an incorrect amount on account of the significant judgement and estimate involved in calculation of index based and other price variation conditions occurring during the year and around the year end. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	b) Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process & assumptions used in calculation of price variations. **(ii) Test of Details-** a) Assessed the appropriateness of the Company's revenue recognition accounting policy as per Ind AS 115- Revenue from contracts with customers and understood revenue recognition process including identification of performance obligations and determination of transfer of control of the asset underlying the performance obligation to the customer. b) Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e sales invoices, dispatch documents, customer contracts, & purchase orders, sales order, and proof of delivery. c) Performed cut-off testing, on a sample basis to ensure that the revenue from the sale of goods is recognized in the appropriate period. d) Reviewed significant contracts with customers and assessed pricing clauses, including tooling charges, price revisions. compared the management's post-year-end credit notes or settlements. e) Assessed the adequacy and accuracy of the Company's disclosures related to revenue recognition in the financial statements, as required by Ind AS 115. **Conclusion**: Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as a whole in respect of accounting, presentation and disclosure of revenue recognition.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

2B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 40 to the standalone financial statements.

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(d) i. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

(e) i. The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend; and

ii. As stated in note 48 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(f) In respect of reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014:

i. The Company has used an accounting software for maintaining its books of account. It has a feature of recording audit trail (edit log) at application level for all relevant transactions, which has been examined by us on test check basis. However, the feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes. Further, audit trail (edit log) facility operated throughout the year, we did not come across any instance of this being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

ii. The Company has used payroll software for maintaining payroll records which is operated by a third-party service provider. We have relied upon the report of independent service auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in. The audit trail has been preserved by the service provider as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.

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

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 25083689BMIUEU1258

Place of Signature: New Delhi
Date: May 24, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2025, we report that:

i) In respect of Property, Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

d) According to the records examined by us, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i) (d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i) (e) of the Order are not applicable.

ii) a) On the basis of information and explanation provided, the Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification is appropriate having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.

b) According to the records examined by us, during the year, working capital limits in excess of five crore rupees, in aggregate has been sanctioned to the Company by the banks on the basis of security of current assets. According to the information and explanations given to us, the quarterly statements filed by the Company with such banks are materially in agreement with the books of account of the Company as disclosed in Note No 47 of the Financial Statements. The Company has not been sanctioned any working capital limits by any financial institutions.

iii) According to the information and explanations given to us and based on the audit procedures performed by us during the year, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of paragraph 3(iii)(a) to (f) are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Section 73 to 76 of the Act and the companies (Acceptance of Deposits) Rules, 2014(as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained in respect of Company's product / services. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess, and any other material statutory dues applicable to it with the appropriate authorities. Further, the statutory dues of Sales-Tax, Service Tax, Duty of Excise and Value Added Tax have subsumed in GST and accordingly are not applicable to the operations of the Company. There were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any dispute except the following:

S. No.	Name of the Statute	Nature of Dispute	Amount involved (in ₹ in lakh)	Amount Deposited (in ₹ in lakh)	Period to which amount relates	Forum where dispute is pending
1.	Tamil Nadu Sales Tax Act*	VAT	14.14	58.22	FY 2010-11	State Tax Officer
			0.83	23.22	FY 2011-12	State Tax Officer
			4.93	22.69	FY 2012-13	State Tax Officer
			1.36	1.63	FY 2013-14	State Tax Officer
			1.04	2.66	FY 2014-15	State Tax Officer
			1.98	2.96	FY 2015-16	State Tax Officer
2.	Gujarat VAT Act	VAT	39.14	4.63	FY 2016-17	Asst. Commissioner State
			4.38	0.64	FY 2017-18	Asst. Commissioner State
3.	Central Excise Act	Cenvat Credit	440.00	-	FY 2008-09	LTU - Delhi
4.	Income Tax Act	Income Tax	280.90	791.19	AY 2017-18	Commissioner of Income Tax, Appeal
			11.56	8.73	AY 2018-19	
			40.39	24.08	AY 2020-21	
			0.98	-	AY 2020-21	
			878.82	-	AY 2014-15	
			223.60	-	AY 2015-16	
			2,137.80	-	AY 2016-17	
			2,852.14	-	AY 2017-18	
			1,499.00	-	AY 2018-19	
			1,965.93	-	AY 2019-20	
			493.92	-	AY 2020-21	
			351.98	-	AY 2021-22	
			430.14	-	AY 2022-23	

S. No.	Name of the Statute	Nature of Dispute	Amount involved (in ₹ in lakh)	Amount Deposited (in ₹ in lakh)	Period to which amount relates	Forum where dispute is pending
			4,169.99	-	AY 2023-24	
			8.45	-	AY 2024-25	
5.	Maharashtra Goods and Service Tax Act	GST	24.38	4.88	FY 2017-18	Dy Commissioner of State Tax, Nashik
			77.90	7.08	FY 2017-18 & 2018-19	Superintendent, Nashik (Maharashtra)
6.	Uttarakhand Goods and Services Tax Act	GST	11.81	0.42	2018-19	Deputy Commissioner, Uttarakhand
			15.22	0.77	2019-20	Deputy Commissioner, Uttarakhand
			27.18	1.42	FY 2017-18	Dy Commissioner of State Tax, Uttarakhand
7.	Uttar Pradesh Goods and Services Tax Act	GST	0.50	0.30	2018-19	Deputy Commissioner, Uttar Pradesh
			6.08	0.52	2019-20	Deputy Commissioner, Uttar Pradesh
			3.46	-	2020-21	Assistant Commissioner, Uttar Pradesh
8.	Delhi Goods and Services Tax Act	GST	24.80	1.26	2018-19	Sales Tax Officer-cum-Proper Officer
			24.44	1.26	2019-20	Sales Tax Officer-cum-Proper Officer
9.	Tamil Nadu Goods and Services Tax Act	GST	34.67	3.13	2019-20	Additional Commissioner, Tamil Nadu
			10.08	10.08	2024-25	State Tax officer, Tamil Nadu
			86.17	7.83	FY 2017-18 & 2018-19	Assistant Commissioner, Tamil Nadu
10.	Andhra Pradesh Goods and Services Tax Act	GST	29.08	2.06	2021-21 & 2022-23	Deputy Commissioner, Andhra Pradesh
11.	Service Tax Act	Service Tax	7.56	-	Apr-11 to Dec-12	LTU - Delhi
			3.89	-	Jan-13 to Sep-13	LTU – Delhi
			5.52	-	Oct-13 to Aug-14	LTU - Delhi

* The amount deposited in these cases is more than amount involved on account of pending refund receivable by the Company.

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) a) In our opinion and according to the information and explanations given to us, the Company has no loans or other borrowings having stipulated repayment schedule and not liable to pay any interest thereon to any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loans during the year covered by our audit. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company neither raised any funds on short term basis nor utilized the sanctioned working capital (short term) limit during the year. Accordingly, provisions of clause 3 (ix) (d) of the order are not applicable.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

x) In respect of moneys raised by the Company through issue of shares & debt instruments:

a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x) (a) of the Order are not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible). Accordingly, provisions of clause 3 (x) (b) of the Order are not applicable.

xi) a) Based on the audit procedures performed, representation obtained from the Management, and information and explanations given to us on our enquiries in this regard, we report that no fraud on or by the Company, resulting in a material misstatement on the financial statements has been noticed or reported during the year under audit.

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

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii) (a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In respect to internal audit system in the Company:

a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a), (b) and (c) of the Order are not applicable.

b) According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.

xvii) According to the information and explanations given to us, the Company has neither incurred any cash losses in the current financial year nor in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In respect of Corporate Social Responsibility, according to the information and explanations given to us and audit procedures performed by us:

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, provisions of clause 3 (xx) (a) of the Order are not applicable.

b) According to the information and explanations given to us, the Company has transferred the unspent CSR amount in respect of ongoing projects, as stated below, for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act. This matter has also been disclosed in note 35 to the financial statements.

Financial year	Amount identified for spending on CSR activities for "ongoing projects"	Unspent amount	Amount transferred to special account under Section 135(6)	Due date of transfer to the account	Actual date of transfer to the account	Number of days of delay, if any
2024-25	592.80	73.80	73.80	30.04.2025	28.04.2025	Nil

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 25083689BMIUEU1258

Place of Signature: New Delhi
Date: May 24, 2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone financial statements of Sharda Motor Industries Limited **("the Company")** as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 25083689BMIUEU1258

Place of Signature: New Delhi
Date: May 24, 2025

STANDALONE BALANCE SHEET AS AT MARCH 31, 2025

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

Particulars	Note No.	As At March 31, 2025	As At March 31, 2024
I. Assets			
(A) Non-current assets			
(a) Property, plant and equipment	4	19,521.42	18,914.07
(b) Capital work in progress	5	849.47	2.88
(c) Right-of-use assets	39A	4,733.84	1,985.76
(d) Other Intangible assets	6	801.37	1,018.50
(e) Financial assets			
(i) Investments	7A	4,799.07	4,799.07
(ii) Other investments	7B	500.50	30,500.50
(iii) Other financial assets	8	544.53	409.19
(f) Deferred tax assets (net)	9	219.98	530.48
(g) Non-current tax asset (net)	10	1,244.89	1,176.25
(h) Other non-current assets	11	2,160.99	1,272.36
Total non-current assets		**35,376.06**	**60,609.06**
(B) Current assets			
(a) Inventories	12	20,722.30	19,691.15
(b) Financial assets			
(i) Investments	7C	70,412.24	33,414.48
(ii) Trade receivables	13	28,465.87	22,715.69
(iii) Cash and cash equivalents	14	19,886.59	25,836.15
(iv) Bank balances other than (iii) above	15	252.98	627.85
(v) Other financial assets	8	1,011.14	1,011.51
(c) Other current assets	11	1,073.70	802.03
Total current assets		**1,41,824.82**	**1,04,098.86**
(C) Disposal Group (Assets held for sale)	53	165.30	-
Total assets		**1,77,366.18**	**1,64,707.92**
II. Equity and liabilities			
(A) Equity			
(a) Equity share capital	16	574.08	594.63
(b) Other equity	17	1,07,291.96	1,01,917.57
Total equity		**1,07,866.04**	**1,02,512.20**
Liabilities			
(A) Non- current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	4,915.34	2,247.08
(ii) Other financial liabilities	19	12.79	12.79
(b) Provisions	20	1,063.29	1,048.47
(c) Other liabilities	21	-	85.67
Total non- current liabilities		**5,991.42**	**3,394.01**
(B) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	247.71	119.46
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		1,119.65	454.55
- Total outstanding dues of creditors other than micro and small enterprises		53,143.18	49,034.72
(iii) Other financial liabilities	19	1,592.18	1,397.83
(b) Other liabilities	21	5,980.36	6,751.71
(c) Provisions	20	1,276.46	998.86
(d) Current tax Liabilities (net)	23	135.88	44.58
Total current liabilities		**63,495.42**	**58,801.71**
(C) Liabilities included in disposal group held for sale	53	13.30	-
Total liabilities		**69,500.14**	**62,195.72**
Total equity and liabilities		**1,77,366.18**	**1,64,707.92**
Summary of Material Accounting Policy Information	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2025

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

	Particulars	Note No.	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
I	Revenue from operations	24	2,83,657.09	2,80,926.24
II	Other income	25	8,328.09	8,785.41
III	**Total income (I+II)**		**2,91,985.18**	**2,89,711.65**
IV	**Expenses**			
	(a) Cost of materials consumed	26	2,03,947.43	2,09,699.00
	(b) Purchases of stock-in-trade	27	5,496.09	6,070.93
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	181.78	(1,485.25)
	(d) Employee benefits expense	29	14,742.34	13,227.16
	(e) Finance costs	30	393.33	220.76
	(f) Depreciation and amortization expense	31	5,822.62	5,255.66
	(g) Other expenses	32	19,647.57	17,270.96
	Total expenses		**2,50,231.16**	**2,50,259.22**
V	**Profit before exceptional items and tax (III-IV)**		**41,754.02**	**39,452.43**
VI	**Exceptional items**		-	-
VII	**Profit before tax (V-VI)**		**41,754.02**	**39,452.43**
VIII	**Tax expense:**	9		
	(a) Current tax		10,174.98	9,862.79
	(b) Deferred tax		322.64	153.45
	(c) Income tax for earlier Year		7.35	(53.54)
	Total tax expense		**10,504.97**	**9,962.70**
IX	**Profit for the year (VII-VIII)**		**31,249.05**	**29,489.73**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	**33**		
	- Re-measurement gains/ (losses) on defined benefit plans		(48.14)	(33.51)
	- Income tax on items that will not be reclassified to profit or loss		12.12	8.43
	Items that will be reclassified to profit or loss		-	-
	- Income tax on items that will be reclassified to profit or loss		-	-
	Total other comprehensive income for the year, net of tax		**(36.02)**	**(25.08)**
XI	**Total comprehensive income for the year, net of tax**	**(IX+X)**	**31,213.03**	**29,464.65**
XII	**Earnings per share: (Face value ₹ 2 per share)**	**34**		
	1) Basic (amount in ₹)		107.97	99.19
	2) Diluted (amount in ₹)		107.97	99.19

Summary of Material Accounting Policy Information 3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025

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

	Particulars	For the year Ended March 31, 2025	For the Year ended March 31, 2024
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	41,754.02	39,452.43
	Adjustments for:		
	Depreciation and amortization expense	5,822.62	5,255.67
	Finance cost	248.06	198.54
	Interest income	(2,262.23)	(3,110.51)
	Loss / (Gain) on lease termination	-	(0.94)
	Loss / (Gain) on sale of Investments	(940.75)	(1,564.35)
	Amortization of discount/premium on bonds	(222.26)	(8.08)
	Provision for doubtful debts	102.59	230.88
	Loss / (Gain) on disposal of property, plant and equipment (net)	(1,770.34)	(2,686.80)
	Provision for advances written back	(3.67)	-
	Liabilities no longer required written back	(210.45)	-
	Fair value Loss/ (gain) on investments at FVTPL (Net)	(2,681.77)	(509.92)
	Unrealized loss/(gain) on foreign exchange (net)	(74.61)	(42.12)
	Operating profit / (loss) before adjustments	**39,761.21**	**37,214.80**
	Movement in working capital:		
	Decrease/(increase) in inventories	(1,031.15)	715.96
	Decrease/(increase) in trade receivables	(5,855.03)	10,211.84
	Decrease/(increase) in other financial assets	(128.64)	(21.23)
	Decrease/(increase) in other assets	(332.39)	213.89
	Increase/(decrease) in trade payables	5,061.94	(2,062.33)
	Increase/(decrease) in other liabilities	(531.76)	472.82
	Increase/(decrease) in other financial liabilities	25.60	34.91
	Increase/(decrease) in provisions	244.28	384.68
	Cash generated from operating activities	**37,214.06**	**47,165.34**
	Income Tax (paid)/ refund	(10,159.68)	(10,209.50)
	Net cash from operating activities - (A)	**27,054.38**	**36,955.84**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of PPE including capital work-in-progress, & Intangible Assets	(9,234.31)	(7,314.07)
	Proceeds from disposal of property, plant and equipment, and Intangible Assets	3,303.66	4,375.53
	Net Proceeds from sale & Purchase of investments	(3,515.98)	(61,068.69)
	Bank deposits (made)/realised	(30.93)	39,651.69
	Movement in Earmarked balances with banks	405.80	-
	Interest received	2,255.90	2,834.22
	Net cash used in investing activities - (B)	**(6,815.86)**	**(21,521.32)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest payment of lease liability	(248.06)	(198.54)
	Principle payments of lease liability	(134.85)	(90.17)
	Dividend paid (including taxes)	(2,847.42)	(5,134.65)
	Payment for buyback of shares (including transactions costs and taxes)	(23,011.76)	-
	Net cash used in financing activities - (C)	**(26,242.10)**	**(5,423.36)**
	Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	**55.09**	**95.45**
	Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)	**(1.06)**	**3.75**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)	**(5,949.56)**	**10,110.35**
	Cash and cash equivalents at the beginning of the year	25,836.15	15,725.80
	Cash and cash equivalents at the end of the year [refer note 14]	**19,886.59**	**25,836.15**
	Components of cash and cash Equivalents		
	- Cash on hand	0.06	0.03
	- Cheques In Hand	-	2.73
	- With banks on current accounts	8,224.88	4,442.14
	- With banks on EEFC accounts	-	6.99
	- With banks on Deposit accounts	-	2,990.00
	- Liquid Funds	11,661.65	18,394.26
	Total	**19,886.59**	**25,836.15**

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less and investment in liquid mutual funds (refer note 14).

iii) Cash flows from operating activities include ₹ 592.80 lakh (March 31, 2024: ₹ 404.26 lakh) being expenses towards Corporate Social Responsibility initiatives.

iv) Cash flows from investing activities include non cash transaction of ₹ 10.11 lakh (March 31, 2024: ₹ 3.40 lakh) in respect of unwinding of interest on security deposits.

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

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

A. Equity Share Capital*	Amount
Balance As at April 01, 2023	**594.63**
Changes during the year	-
Balance As at March 31, 2024	**594.63**
Shares extinguished on buy-back (Refer Note-16)	(20.56)
Balance As at March 31, 2025	**574.08**

B. Other Equity**

	Reserve & Surplus				
	Capital Reserve	Capital Redemption Reserve (CRR)	General Reserve	Retained Earnings	Total
Balance As at April 01, 2023	0.20	-	21,025.68	56,561.69	77,587.57
Profit for the year	-	-	-	29,489.73	29,489.73
Other comprehensive income for the year, net of tax	-	-		(25.08)	(25.08)
Total Comprehensive Income	-	-	-	29,464.65	29,464.65
Payment of final dividend for the year the FY 2022-23	-		-	(5,134.65)	(5,134.65)
Balance As at March 31, 2024	0.20	-	21,025.68	80,891.69	1,01,917.57
Profit for the year	-		-	31,249.05	31,249.05
Other comprehensive income for the year, net of tax	-		-	(36.02)	(36.02)
Total Comprehensive Income	-		-	31,213.03	31,213.03
Capital Redemption Reserve (CRR)	-	20.56	(20.56)	-	-
Buy Back of Equity shares	-	-	(18,479.43)	-	(18,479.43)
Taxes & Transaction cost on buy back of equity shares	-	-	(205.29)	(4,306.49)	(4,511.77)
Payment of final dividend for the year the FY 2023-24	-		-	(2,847.42)	(2,847.42)
Balance As at March 31, 2025	0.20	20.56	2,320.40	1,04,950.80	1,07,291.96

*** For details, refer note no. 16**

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

Summary of Material Accounting Policy Information 3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

Note 1: Corporate Information

Sharda Motor Industries Limited (“the Company”) was incorporated on January 29, 1986 under the Companies Act, vide Current Registration Number L74899DL1986PLC023202. The Company is currently listed with Bombay Stock Exchange and National Stock Exchnage. It is primarily engaged in the manufacturing and assembly of Auto Components including Exhaust Systems, Catalytic Convertors, Suspension Systems and Sheet metal components for the Automotive. The Company serves as a ‘Tier I’ vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in different states of India.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements were authorized for issue by the Company’s Board of Directors on May 24, 2025.

2.2 Basis of preparation and presentation:

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

Functional and Presentation Currency

The financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2025 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

The principal accounting policies are set out below.

2.4 Use of estimates and judgments:

The preparation of financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

Judgements

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

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.(as applicable from year to year)

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.7 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:-

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2024, which are applicable for financial periods beginning on or after April 1, 2024. A key change includes the introduction of Ind AS 117 Insurance Contracts, which establishes a comprehensive framework for recognition, measurement, presentation, and disclosure of insurance contracts. In addition, consequential amendments have been made to several other standards, including Ind AS 101, 103, 105, 107, 109, and 115, to align with the requirements of Ind AS 117. These amendments aim to enhance transparency and comparability in financial reporting. The Company is in the process of assessing the applicability and impact of these amendments on its financial statements.

2.8 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Note 3: Summary of Material Accounting Policy Information

3.1 Revenue from Contract with Customer

The Revenue is recognised in accordance with the Indian Accounting Standard-115 (IND AS-115) upon transfer of control of promised goods & services to customers in an amount that reflects the consideration, the Company expects to receive in exchange for those products or services.

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

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company applies judgement in respect to transactions relating to recognition of point in time of sale of goods. When control is transferred generally on delivery of goods, that significantly affect the determination of anount and timing of revenue from contract with customers.

b) Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities. Sale includes revision in prices received from customers with retrospective effect.

c) Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

d) Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

e) Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

f) Dividend Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

g) Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

h) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

Cost to obtain a contract

The company does not capitalise costs to obtain a contract because majorly the contracts have terms that do not extend beyond one year. The company does not have a significant amount of capitalized costs related to fulfilment.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	15-20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified
Packaging (Trolleys, Pallets, Crates etc)	5	Not Specified

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

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware) and technical Know-How. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: The useful lives of intangible assets are assesed as either finite or infinite. Intangible assets other than Technical Know-How are amortized on a straight line basis over the estimated life of three years and Technical Know-How is amortised on straight line method over the estimated life of 6 years from the date of capitalisation. The Changes in expected useful life or expected pattern of consumption of future economic benefit embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimates.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.5 Foreign currencies translations:

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The financial statements are presented in (₹) Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in statement of profit or loss on net basis.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were intergal and those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.6 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

3.7 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. However, If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expensesin the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund , employee state insurance and labour welfare fund are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

3.9 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Investments in associate and joint venture

The investment in associates and Joint venture are carried at cost as per IND AS 27. Investments representing equity interest in associate and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments in subsidiaries

As per Ind AS 27, there is an option to measure investments in subsidiaries at cost or in accordance with Ind 109 at either: (a) Fair value on date of transition; or (b) previous GAAP carrying values. The Company has recognised the investment in subsidiary at Cost as per Ind AS 27

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction shall be accounted as a dedcution from equity

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include trade payables, trade deposits, liabilities towards services, sales incentive and other payables. The Company do not have any loans & borrowings as at reporting date

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax. The Management periodically reviews and evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation & establishes provision where appropriate.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.12 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.13 Asset held for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made and management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period

3.14 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.15 Dividends:

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.16 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.17 Impairment of Non financials assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cashgenerating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). An impairment loss is recognised, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in a statement of profit and loss. Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.18 Exceptional assets:

When items of income and expense within a statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Statement of Cash flows-

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

3.20 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of cost of asset. All other borrowings costs are expensed in the period in which they occur. Borrowing costs also includes exchange differences to the extent regarded as on adjustment to the borrowings costs

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

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

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at April 01, 2023	**570.58**	**514.58**	**4,160.09**	**32,750.79**	**259.04**	**565.33**	**126.76**	**1,018.61**	**1,960.85**	**41,926.63**
Add: Additions made during the year	-	-	566.00	5,758.89	75.85	215.71	21.49	32.92	69.27	6,740.13
Less: Disposals / adjustments during the year	-	-	-	2,782.27	4.14	11.92	0.12	8.61	20.06	2,827.12
As at March 31, 2024	**570.58**	**514.58**	**4,726.09**	**35,727.41**	**330.75**	**769.12**	**148.13**	**1,042.92**	**2,010.06**	**45,839.64**
Add: Additions made during the year	-	-	58.76	6,920.61	141.82	158.78	10.75	223.59	94.93	7,609.24
Less: On assets reclassified as held for Sale	-	79.55	125.72	235.15	4.25	3.39	0.61	14.31	-	462.98
Less: Disposals / adjustments during the year	-	-	-	2,593.98	6.81	4.71	-	6.18	5.94	2,617.62
As at March 31, 2025	**570.58**	**435.03**	**4,659.13**	**39,818.89**	**461.51**	**919.80**	**158.27**	**1,246.02**	**2,099.05**	**50,368.28**
Accumulated depreciation and amortization										
As at April 01, 2023	**-**	**42.23**	**2,013.84**	**19,240.64**	**177.93**	**394.50**	**58.11**	**574.60**	**761.14**	**23,262.99**
Add: Depreciation charge for the year	-	5.42	280.46	3,823.42	50.21	154.41	22.51	83.76	380.78	4,800.97
Less: On disposals / adjustments during the year	-	-	-	1,106.11	2.76	4.96	0.10	6.91	17.55	1,138.39
As at March 31, 2024	**-**	**47.65**	**2,294.30**	**21,957.95**	**225.38**	**543.95**	**80.52**	**651.45**	**1,124.37**	**26,925.57**
Add: Depreciation charge for the year	-	5.42	266.87	4,405.73	75.47	170.04	20.53	73.64	285.50	5,303.20
Less: On assets reclassified as held for Sale		8.51	75.77	197.91	2.40	2.88	0.40	9.74	-	297.61
Less: On disposals / adjustments during the year	-	-	-	1,064.90	5.97	3.81	-	4.31	5.31	1,084.30
As at March 31, 2025	**-**	**44.56**	**2,485.40**	**25,100.87**	**292.48**	**707.30**	**100.65**	**711.04**	**1,404.56**	**30,846.86**
Net carrying amount										
As at March 31, 2025	**570.58**	**390.47**	**2,173.73**	**14,718.02**	**169.03**	**212.50**	**57.62**	**534.98**	**694.49**	**19,521.42**
As at March 31, 2024	**570.58**	**466.93**	**2,431.79**	**13,769.46**	**105.37**	**225.17**	**67.61**	**391.47**	**885.69**	**18,914.07**

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for availing working capital facilities. However, the company has not utilised the working capital limits for the year ended March 31, 2025

b) Refer note no. 40 (b) , for disclosure of capital comittment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the company.

d) The lease agreement of the leasehold land is in the name of the company.

e) Refer note no. 53 for the details of the assets classified as held for sale (Net)

Note 5 : Capital Work In Progress

	As At March 31, 2025	As At March 31, 2024
Balance at the beginning of the year	2.88	3.41
Add: Addition made during the year	848.74	2.88
Less: Capitalised/adjustments during the year	2.15	3.41
Balance at the end of the year	**849.47**	**2.88**

Notes:

a) Breakup of capital work in progress is as follows:	As At March 31, 2025	As At March 31, 2024
Plant & Machinery	849.47	2.88
	849.47	**2.88**

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

b) Ageing schedule of CWIP As at March 31, 2025 and As at March 31, 2024:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	848.74	0.73	-	-	849.47
	(2.88)	(-)	-	(-)	(2.88)
(ii) Projects temporarily Suspended		-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2024.

c) There are no capital-work-in progress As at March 31, 2025 and As at March 31, 2024 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount			
As at April 01, 2023	**410.98**	**2,385.17**	**2,796.15**
Add: Additions made during the year	35.83	-	35.83
Less: Disposal/ Deletion during the year	18.70	-	18.70
As at March 31, 2024	**428.11**	**2,385.17**	**2,813.28**
Add: Additions made during the year	15.01	-	15.01
Less: Disposal/ Deletion during the year	-	-	-
As at March 31, 2025	**443.12**	**2,385.17**	**2,828.29**
Accumulated amortisation and impairment			
As at April 01, 2023	**347.50**	**1,224.98**	**1,572.48**
Add: Amortisation for the year	43.76	197.24	241.00
Less: Disposal/ Deletion during the year	18.70	-	18.70
As at March 31, 2024	**372.56**	**1,422.22**	**1,794.78**
Add: Amortisation for the year	34.90	197.24	232.14
Less: Disposal/ Deletion during the year	-	-	-
As at March 31, 2025	**407.46**	**1,619.46**	**2,026.92**
Net carrying amount			
As at March 31, 2025	**35.66**	**765.71**	**801.37**
As at March 31, 2024	**55.55**	**962.95**	**1,018.50**

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

Note 7A : Investments (Non-Current)

Equity Investment in Associates, Joint Ventures & subsidiaries		**As At March 31, 2025**	**As At March 31, 2024**
(Equity instruments- Unquoted (fully paid up-unless otherwise stated, at cost)			
I Investment in Associate			
Relan Industrial Finance Limited: 4,90,000 (March 31, 2024: 4,90,000) Equity shares having face value of ₹ 10 each*		49.00	49.00
	(I)	**49.00**	**49.00**
II Investment in Joint Venture			
In equity shares of Joint Venture (Unquoted, Fully paidup)			
Exhaust Technology Private Limited: 4,75,00,000 (March 31, 2024: 4,75,00,000) equity shares having face value of ₹ 10 each*		4,750.00	4,750.00
Uddipt Mobility India Private Limited: Nil (March 31, 2024: 740) Equity shares having face value of ₹ 10 each*		-	0.07
	(II)	**4,750.00**	**4,750.07**
III Investment in Subsidiary			
In equity shares of Subsidiary (Unquoted, Fully paidup)			
Uddipt Mobility India Private Limited: 740 (March 31, 2024: Nil) Equity shares having face value of ₹ 10 each*		0.07	-
	(III)	**0.07**	**-**
	(I+II+III)	**4,799.07**	**4,799.07**

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

Information about Associate, Joint Ventures & Subsidiary

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2025	As At March 31, 2024
Associate				
Relan Industrial Finance Limited	India	Service Provider of investments	47.12	47.12
Joint Venture				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Joint Venture				
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	-	74.00
Subsidiary				
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	-

Note 7B : Investments (Non-Current)

Investment In Others	As At March 31, 2025	As At March 31, 2024
(Measured at amortised cost)		
In unquoted fully paid -up equity shares		
4,970 (March 31, 2024: 4,970) Equity shares of ₹ 10 each of Jayanthi Wind farms Private Limited*	0.50	0.50
Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2024: 50) units NHAI 2030 - Tax free Bond* (Maturity Date: Sep 2030) *	500.00	500.00

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

Investment In Others	As At March 31, 2025	As At March 31, 2024
Investment in Debenture & Bonds (Quoted)		
Nil (March 31,2024: 500) units HDFC Bank Ltd. SR AA012 7.70 NCD (Maturity Date: Nov 2025)*	-	5,000.00
Nil (March 31,2024: 500) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	-	5,000.00
Nil (March 31,2024: 500) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	-	5,000.00
Nil (March 31,2024: 450) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	-	4,500.00
Nil (March 31,2024: 5500) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	-	5,500.00
Nil (March 31,2024: 500) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	-	5,000.00
	500.50	**30,500.50**

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

Note 7C : Investments (Current)

	As At March 31, 2025	As At March 31, 2024
Investment in Debenture & Bonds (Quoted) (Measured at amortised cost)		
500 (March 31,2024: Nil) units HDFC Bank Ltd. SR AA012 7.70 NCD 18NV25 FVRS10LAC-CBRICS-KSL-1011 (Maturity Date: Nov 2025)*	5,000.00	-
500 (March 31,2024: Nil) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	5,000.00	-
500 (March 31,2024: Nil) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	5,000.00	-
450 (March 31,2024: Nil) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	4,500.00	-
5500 (March 31,2024: Nil) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	5,500.00	-
500 (March 31,2024: Nil) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	5,000.00	-
Investment In Mutual Funds (Quoted) (Measured at fair value through profit or loss)		
1,17,07,373.053 units (March 31,2024: 1,94,33,989.204 units) units SBI Arbitrage Opportunities Fund - Regular Plan (G)*	3,893.42	6,021.91
2,30,69,919.532 units (March 31,2024: 1,75,50,474.808 units) units Kotak Equity Arbitrage Fund - Regular Plan (G)*	8,508.98	6,020.90
1,72,20,657.088 units (March 31,2024: 2,05,79,055.014 units) units Invesco India Arbitrage Fund (G)*	5,409.40	6,020.05
4,29,66,467.4 units (March31,2024: 4,29,66,467.4 units) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan (G)*	5,497.90	5,101.19
3,80,15,130.874 units (March 31,2024: 3,80,15,130.874 units) BHARAT Bond FOF - April 2030 - Direct Plan Growth *	5,585.26	5,143.30
1,81,45,410.21 units (March 31,2024: 1,81,45,410.21 units) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth *	5,543.69	5,107.13
1,98,05,664.401 units (March 31,2024: Nil units) HDFC Arbitrage Fund - Wholesale Plan - Regular Growth *	5,973.59	-
	70,412.24	**33,414.48**

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

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

	As At March 31, 2025	As At March 31, 2024
Aggregate book value of unquoted investments (net of impairment)	4,799.57	4,799.57
Aggregate value of impairment of investments	-	-
Aggregate book value of quoted investments measured at fair value through profit or loss	40,412.24	33,414.48
Aggregate Market value of quoted investments measured at fair value through profit or loss	40,412.24	33,414.48
Aggregate book value of quoted investments carried at amortised cost	30,500.00	30,500.00
Aggregate market value of quoted investments carried at amortised cost	31,155.18	30,209.04

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Security deposits *(Refer to note 'a' below)*	411.62	282.85	-	-
Deposits with original maturity of more than 12 months *(refer to note 15)*	115.00	115.00	-	-
Interest accrued				
- On Fixed deposits & Bonds	17.91	11.34	989.70	989.94
- Others	-	-	2.07	3.10
Receivable from related parties *(Refer to note 'b' below)*	-	-	19.37	18.47
	544.53	**409.19**	**1,011.14**	**1,011.51**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are:

Standalone Statement of Profit and Loss:

Profit or loss section

	As At March 31, 2025	As At March 31, 2024
Tax Expense:		
a) Current tax	10,174.98	9,862.79
b) Adjustments in respect of relating to earlier years	7.35	(53.54)
c) Deferred tax	322.63	153.45
Income tax expense reported in the Standalone statement of profit or loss	**10,504.96**	**9,962.70**

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

OCI section

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

	As At March 31, 2025	As At March 31, 2024
Net loss/(gain) on remeasurements of defined benefit plans	(12.12)	(8.43)
Income tax charged to OCI	**(12.12)**	**(8.43)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024.

	As At March 31, 2025	As At March 31, 2024
Accounting profit before tax from continuing operations	41,754.02	39,452.43
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)	10,508.65	9,929.39
Adjustments in respect of current income tax of previous years	7.35	(53.54)
Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:		
Expenses not deducted for tax purposes	3.27	3.46
Income exempted from income tax	(9.14)	(18.35)
Impact of tax at different tax rate	(155.14)	-
Corporate Social Responsibility expense	149.20	101.74
Others	0.77	-
At the income tax rate of 25.168% (March 31, 2024: 25.168%)	10,504.96	9,962.70
Income tax expense reported in Standalone statement of profit & loss	10,504.96	9,962.70
Variance	-	-

b) **Deferred tax:**

		Standalone Balance sheet	
		As At March 31, 2025	As At March 31, 2024
Deferred tax assets relates to the following:			
Property, plant and equipment		332.71	180.63
Provision for employee benefits		373.70	302.23
Provision for Doubtful Debts/Advances		123.06	98.16
Unamortized Premium		6.94	5.93
Lease Liabilities		1,299.44	595.61
	(A)	**2,139.52**	**1,182.56**
Deferred tax liability relates to the following:			
Right to use assets		1,191.41	499.78
Unamortized Discount		70.24	13.29
Fair valuation of mutual fund		646.29	128.34
Security Deposits		11.60	10.67
	(B)	**1,919.54**	**652.08**
Total deferred tax assets/(liabiities) (Net)	(A-B)	**219.98**	**530.48**

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

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax assets relates to the following:				
Property, plant and equipment	180.63	152.08	-	332.71
Provision for employee benefits	302.23	59.36	12.12	373.70
Provision for Doubtful Debts/Advances	98.16	24.90	-	123.06
Provision for Slow moving Inventory	-	3.67	-	3.67
Unamortized Premium	5.93	1.01	-	6.94
Right to use assets	-	-	-	-
Lease Liabilities	595.61	703.83	-	1,299.44
	1,182.56	**944.85**	**12.12**	**2,139.52**
Deferred tax liability relates to the following:				
Right to use assets	499.78	691.64	-	1,191.41
Fair valuation of mutual fund & bonds	128.34	517.96	-	646.29
Unamortized Discount	13.29	56.95	-	70.24
Security Deposits	10.67	0.93	-	11.60
	652.08	**1,267.48**	**-**	**1,919.54**
Total deferred tax assets/(liabities) (Net)	**530.48**	**(322.63)**	**12.12**	**219.98**

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

d) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

Note 10 : Non-Current Tax Asset

	As At March 31, 2025	As At March 31, 2024
Advance Income Tax	1,244.89	1,176.25
[Net of provision for income tax of ₹ 32,002.63 lakh (March 31, 2024 : ₹ 22,139.85 lakh)]		
	1,244.89	**1,176.25**

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Capital advances (refer note 'a' below)	1,897.76	1,069.50	-	-
Balance with Government Authorities - Good	-	-	27.64	14.43
Balance with Government Authorities - Doubtful	-	-	45.86	45.86
Less : Provision for Doubtful Balance	-	-	(45.86)	(45.86)
Deposits under protest (refer note 'b' below)	157.72	79.06	-	-
Advances to Suppliers - Good	-	-	459.22	257.40
Advances to Suppliers - Doubtful	-	-	26.74	30.41
Less : Provision for Doubtful Advances	-	-	(26.74)	(30.41)
Advances to Employees	-	-	52.33	29.12
Prepaid Expenses	87.53	101.81	340.70	331.70
Premium on Bond Purchase -Unamortise Portion	17.98	21.99	4.02	4.03
Other Receivable (refer note 'c' below)	-	-	189.79	165.35
	2,160.99	**1,272.36**	**1,073.70**	**802.03**

Notes:

a) For details of Capital commitment, refer Note no. 40 (b)

b) Deposits under protest are disclosed separately from Balance with Government authority as Non-Current balance, within the same note i.e. other assets for better presentation as per nature of deposits against on going disputes at different forums

c) Other Receivables of ₹ 189.79 lakh (March 31, 2024 ₹ 165.35 lakh) includes GST Recoverable on accrual basis of ₹ 182.96 lakh (March 31, 2024 ₹ 160.83) and balance pertains to staff impress account etc.

Note 12: Inventories

(Valued at lower of cost or net realizable value)

	As At March 31, 2025	As At March 31, 2024
Raw Materials	14,690.16	13,406.17
Raw Materials - In Transit	475.81	509.95
Work In Progress	2,424.15	2,011.80
Finished Goods (net of provision for slow moving inventory of ` 14.55 lakh (March 31, 2024- Nil))	1,563.17	1,912.10
Finished Goods in Transit	1,004.45	1,249.65
Stores and Spares	564.56	601.48
	20,722.30	**19,691.15**

Notes

a) The mode of valuation of inventories has been stated in note 3.6.

b Inventories have been pledged to secure cash credit facilities from banks. However, the company has not utilised the working capital limits for the year ended March 31, 2025

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

Note 13 : Trade Receivables

	As At March 31, 2025	As At March 31, 2024
Secured, Considered Good	-	-
Unsecured, Considered Good	28,795.84	22,715.69
Unsecured, Credit impaired	86.37	313.75
	28,882.21	23,029.44
Less: Allowance for expected credit loss	416.34	313.75
	28,465.87	**22,715.69**
The movement of change in allowance for credit impairment		
Balance as at the beginning of the year	313.75	82.87
Change in allowance for credit impairment and expected credit loss (net)	102.59	230.88
Balance as at the end of the year	416.34	313.75

a) Trade Receivables Ageing As at March 31, 2025

Particulars	Amount not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,263.90	5,201.97	206.83	88.00	35.14	-	28,795.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	86.37	86.37
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**23,263.90**	**5,201.97**	**206.83**	**88.00**	**35.14**	**86.37**	**28,882.21**
Impairment allowance for trade receivable expected credit loss	-	-	-	-	-	-	416.34

b) Trade Receivables Ageing As at March 31, 2024

Particulars	Amount not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	21,348.32	1,367.37	-	-	-	-	22,715.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	187.33	52.09	46.65	27.68	313.75
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**21,348.32**	**1,367.37**	**187.33**	**52.09**	**46.65**	**27.68**	**23,029.44**
Impairment allowance for trade receivable expected credit loss	-	-	-	-	-	-	313.75

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

c) Trade receivables have been pledged to secure cash credit facilities from banks. However, the company has not utilised the working capital limits for the year ended March 31, 2025

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

e) The company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) For trade receivables due from related parties, refer note 38.

g) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2025	As At March 31, 2024
Balances with banks:		
- on current accounts	8,224.88	4,442.14
- on EEFC accounts	-	6.99
- deposits with original maturity of less than 3 months (refer note 'a' below)	-	2,990.00
Cheque on hand	-	2.73
Cash on hand	0.06	0.03
Liquid Mutual Fund		
410,326.983 units (March 31,2024: 13,91,911.08 units) ICICI Pro. liquid fund (G)*	1,560.44	4,931.63
88,119.653 units (March 31,2024: 1,17,775.908 units) TATA liquid fund regular (G)*	3,564.71	4,439.74
Nil units (March 31,2024: 1,55,292.312 units) Edelweiss Liquid Fund - Regular Plan (G)*	-	4,751.99
28,256.287 units (March 31,2024: 88,295.192 units) Kotak Liquid Fund - Regular Plan (G)*	1,466.96	4,270.91
1,055,209.991 units (March 31,2024: Nil units) Aditya Birla Sun Life Liquid Fund - (G)*	4,367.35	-
8,000.878 units (March 31,2024: Nil units) Nippon India Liquid Fund - Growth Plan - (G)*	501.55	-
4,996.433 units (March 31,2024: Nil units) SBI Liquid Fund Regular Growth - (G)*	200.64	-
	19,886.59	**25,836.15**

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

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

b) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	105.82	80.22
Unspent CSR account	-	-	-	431.40
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	119.32	116.23
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	115.00	27.84	-
	115.00	**115.00**	**252.98**	**627.85**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	115.00	-	-
	-	**-**	**252.98**	**627.85**

a) The above deposits includes ₹ 262.16 lakh (March 31, 2024 : ₹ 184.38 lakh) which is given against bank guarantee to various authorities.

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

Note 16 : Equity Share Capital

	As At March 31, 2025	As At March 31, 2024
Authorised		
250000000 (March 31, 2024: 250000000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
28703853 (March 31, 2024: 29731630) equity shares of ₹ 2 each*	574.08	594.63
	574.08	**594.63**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2025		As At March 31, 2024	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Buy back during the year	-	-	-	-
Balance As at March 31, 2024	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Buy back during the year	(10,27,777)	(20.56)	-	-
Balance As at March 31, 2025	**2,87,03,853**	**574.08**	**2,97,31,630**	**594.63**

*Number of Shares are given in absolute numbers

b) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Dividend of ₹ 32.50 per equity share was proposed by the Board of Directors for the year ended March 31, 2025 (March 31, 2024: ₹ 9.92 per equity share). In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate numbers of shares bought back during the period of five years immediately preceding the Balance sheet date:

The shareholders approved the proposal of buy back of equity shares recommended by its Board of Directors by way of e-voting/postal ballot, the results of which were declared on 24 May 2024. The buyback was offered to all equity shareholders/ beneficial owners of the company (including the Promoters, members of the Promoter Group of the company). During this buy back period, the company purchased and extinguished 10,27,777 equity shares at a buy back price of ₹ 1,800 per equity share comprising 3.46% of the pre buy back paid-up equity share capital of the company. The buyback resulted in a cash outflow of ₹ 18,684.72 lakh (including transaction costs of ₹ 205.29 lakh towards buy back). The company funded the buy back from its free reserves. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital redemption reserve' of ₹ 20.56 lakh equal to the nominal value of the shares bought back as an appropriation from retained earnings. The company has also paid corresponding tax on buy-back of ` 4,306.49 lakh which is offset from the retained earnings

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

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

Name of Party	As At March 31, 2025		As At March 31, 2024	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%
Mrs. Mala Relan	-	-	26,04,130	8.76%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%

*Number of Shares are given in absolute numbers

e) Disclosure of Shareholdings of Promotors

Promotor's Name	As at March 31, 2025		As at March 31, 2024		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%	-0.17%
Mrs. Mala Relan	6,635	0.02%	26,04,130	8.76%	-8.74%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%	-0.02%
Mrs. Indira Chowdhry	2,65,185	0.92%	2,65,185	0.89%	0.03%

Promotor's Name	As at March 31, 2024		As at March 31, 2023		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%

*Number of Shares are given in absolute numbers

f) There are no shares reserved for issued under options as at reporting date.

Note 17 : Other Equity

	As At March 31, 2025	As At March 31, 2024
Capital Reserve	0.20	0.20
General Reserve	2,320.40	21,025.68
Capital Redemption Reserve	20.56	-
Retained Earnings	1,04,950.80	80,891.69
	1,07,291.96	**1,01,917.57**

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

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	0.20	0.20

The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.

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

b) General Reserve

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	2,320.40	21,025.68

The company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	1,04,950.80	80,891.69

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the company are transferred to retained earnings from statement of profit and loss.

d) Capital Redemtion Reserves (CRR)

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	20.56	-

In accordance with section 69 of the Companies Act 2013, the Company has created the Capital Redemption Reserves equal to the nominal value of shares brought back, as an appropriation from the Reserves of the Company.

Note 18 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Lease liabilities*	4,915.34	2,247.08	247.71	119.46
	4,915.34	**2,247.08**	**247.71**	**119.46**

* for movement during the year, refer note 39B

Note 19 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	AsAt March 31, 2025	AsAt March 31, 2024
Security deposit	12.79	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	105.82	80.22
Creditors for capital goods-micro and small enterprises	-	-	165.26	50.38
Capital Creditors - others	-	-	1,321.10	1,267.23
	12.79	**12.79**	**1,592.18**	**1,397.83**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2025 (March 31, 2024 : Nil)

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

Note 20 : Provisions

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Provision for Employee Benefits				
- Compensated Absences (refer note 37)	392.79	389.36	244.95	208.86
- Gratuity (refer note 37)	-	-	372.50	176.01
Others				
- Warranty (refer note below)	670.50	659.11	659.01	613.99
	1,063.29	**1,048.47**	**1,276.46**	**998.86**

Note: Movement for Provision for Warranty	As At March 31, 2025	As At March 31, 2024
Opening Balance	1,273.10	1,134.97
Add : Provision made during the year	671.40	665.38
Less : Reversed during the year	547.23	457.17
Less : Utilisation during the year	67.76	70.08
Balance at the end of the year	**1,329.51**	**1,273.10**

Note 21 : Other Liabilities

	Non - Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Advance from customers	-	-	1,446.59	2,529.60
Statutory dues	-	-	3,645.12	3,175.38
Provision for Unspent on CSR activities	-	-	73.80	796.73
Advance against Assets held for Sale (Refer note 53)	-	-	700.00	-
Discount on Purchase of Bond - Unamortise Portion	-	85.67	85.67	226.28
Other Liabilities*	-	-	29.18	23.72
	-	**85.67**	**5,980.36**	**6,751.71**

* Other Liabilities primarily include amounts payable on account of employee reimbursements

Note 22 : Trade Payables

	As At March 31, 2025	As At March 31, 2024
- Total outstanding dues of micro and small enterprises	1,119.65	454.55
- Outstanding dues of creditors other than micro and small enterprises	53,143.18	49,034.72
	54,262.83	**49,489.27**

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

a) Trade Payables ageing schedule

As at March 31, 2025:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	1,119.65	-	-	-	-	-	1,119.65
(ii) Others	29,513.90	7,107.00	15,077.68	824.70	91.31	528.59	53,143.18
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

As at March 31, 2024:

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

b) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

c) Payable to related parties amount to ₹ 327.15 lakh (March 31, 2024: ₹ 318.34 lakh)

d) Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006 .

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
- Principal amount due	165.26	50.38	1,119.65	454.55	1,284.91	504.93
- Interest accrued and due on above	2.75	2.46	10.46	10.42	13.21	12.88
	168.01	**52.84**	**1,130.11**	**464.97**	**1,298.12**	**517.81**

(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	13.21	12.88
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

f) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprise Development Act, 2006 is based on the information available with the company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the balance sheet date except disclosed above.

Note 23 : Current Tax Liabilities (Net)

	As At March 31, 2025	As At March 31, 2024
Provision for Income Tax	135.88	44.58
[Net of advance income tax of ₹ 10,040.45 lakh (March 31, 2024 : ₹ 9,818.21 lakh)]	**135.88**	**44.58**

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

Note 24 : Revenue from Operations

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Product		
- Finished goods	2,74,741.91	2,71,039.77
- Traded goods	6,011.25	6,617.60
	2,80,753.16	2,77,657.37
Sale of services	212.32	580.14
Other Operating Revenues		
- Sale of scrap	2,691.61	2,688.73
	2,83,657.09	**2,80,926.24**

Notes:

a) **Disaggregation of revenue:** The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing of recognition & customer type of the operations of the Company. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year Ended March 31, 2025	For the year ended March 31, 2024
India	2,81,280.54	2,78,901.97
Outside India	2,376.55	2,024.27
Revenue from operations	**2,83,657.09**	**2,80,926.24**

Revenue by time	For the year Ended March 31, 2025	For the year ended March 31, 2024
Revenue recognised at point in time	2,83,657.09	2,80,926.24
Revenue recognised over time	-	-
Revenue from operations	**2,83,657.09**	**2,80,926.24**

Revenue Customer-wise	For the year Ended March 31, 2025	For the year ended March 31, 2024
Related Party	-	3.06
Non- Related Party	2,83,657.09	2,80,923.18
Revenue from operations	**2,83,657.09**	**2,80,926.24**

c) **Trade Receivables, Contract Balances**

For Trade Receivables, Refer note no. 13.

Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue As at March 31, 2025.

Further, the company doesn't have any contract liabilities As at March 31, 2025 and March 31, 2024

d) **Unsatisfied performance obligations:**

Information about the Company's performance obligations are summarised below:
Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, the delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

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

Note 25 : Other Income

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Interest Income		
- Fixed deposits with banks	46.74	2,428.55
- Income tax refund	-	21.63
- Interest on tax free bond & other bonds	2,202.64	655.83
Profit on sale of current investments designated at FVTPL	940.75	1,564.35
Fair value gain on current investments designated at FVTPL	2,681.77	509.92
Amortisation of Discount/ (Premium) on Bond	222.26	8.08
Net gain on disposal of property, plant and equipments	1,770.34	2,686.80
Liabilities no longer required written back	210.45	764.67
Provision for advances written back	3.67	-
Miscellaneous income	249.47	145.58
	8,328.09	**8,785.41**

Note 26 : Cost of Raw Material

Consumed	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Raw Material		
Balance at the beginning of the year	13,406.17	15,717.06
Add:- Purchases during the year	2,05,231.42	2,07,388.11
Less:- Balance of raw material at the end of the year	14,690.16	13,406.17
	2,03,947.43	**2,09,699.00**

Note 27 : Purchase of Stock in Trade

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Purchase of stock in trade	5,496.09	6,070.93
	5,496.09	**6,070.93**

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

		For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Inventories at the beginning of the year			
Finished goods		3,161.75	704.06
Work- in- progress		2,011.80	2,984.24
	(A)	**5,173.55**	**3,688.30**
Inventories at the end of the year			
Finished goods		2,567.62	3,161.75
Work- in- progress		2,424.15	2,011.80
	(B)	**4,991.77**	**5,173.55**
(Increase) / Decrease			
Finished goods		594.14	(2,457.70)
Work- in- progress		(412.36)	972.45
(Increase) / Decrease in Inventories (A-B)		**181.78**	**(1,485.25)**

a) The closing stock of finished goods is net off write down of inventories for slow moving inventory of ₹ 14.55 lakh (March 31, 2024- Nil)

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

Note 29 : Employee Benefits Expense

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Salaries, wages & other benefits	12,909.18	11,461.33
Contribution to provident and other funds (refer note below & note 37)	649.00	574.88
Gratuity (refer note 37)	160.01	107.17
Leave encashment (refer note 37)	66.03	191.66
Staff welfare expenses	958.12	892.12
	14,742.34	**13,227.16**

a) The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 30 : Finance Cost

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Interest on :		
- Lease Liabilities	248.06	198.54
- Delayed payments of MSME creditors	13.21	12.88
- Delayed payments of advance tax	1.35	-
- Others	130.71	9.34
	393.33	**220.76**

Note 31 : Depreciation and Amortization Expenses

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Depreciation on property, plant and equipment	5,303.20	4,800.97
Amortization of intangible assets	232.14	240.99
Amortisation on right-of-use assets	287.28	213.70
	5,822.62	**5,255.66**

Note 32 : Other Expenses

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Consumable tools	198.05	173.85
Power & fuel	1,414.44	1,272.28
Hire labour charges	9,193.22	7,702.37
Manufacturing expenses	192.21	555.67
Rent	58.54	75.68
Rates & taxes	63.45	88.08
Repair & maintenance		
-Building	263.18	140.80
-Plant & Equipments	803.79	758.29
-Others	706.98	592.82
Net loss on foreign exchange fluctuation	252.49	110.12
Royalty fees	127.80	133.58

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

		For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Research & development expenses (refer note 36)		480.39	443.84
Travelling & conveyance		1,268.33	997.80
Insurance		218.42	206.23
Communication cost		68.97	58.61
Director's sitting fee		26.50	25.00
Legal & professional expenses		1,132.66	729.36
Auditor's remuneration (refer details 'a' below)		42.35	34.12
Corporate Social Responsibility expenses (refer note 35)		592.80	404.26
Provision for Warranty	671.40		
Less: Warranty Provision written back	(547.23)	124.17	208.21
Packing material		410.98	368.95
Freight outward		1,049.97	1,025.10
Provision for doubtful advances		-	30.41
Provision for doubtful balance with Govt. Authorities		-	45.86
Allowance for Expected Credit Loss	289.41		
Less: Allowance for Expected Credit Loss written Back	(186.82)	102.59	230.88
Miscellaneous expenses		855.29	858.79
Total		**19,647.57**	**17,270.96**

a) **Payment to Auditors***	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
As Auditor:		
- Statutory audit fee (including limited review)	32.91	26.50
- Tax audit fee	6.00	5.50
- Certification Fees	2.75	1.63
In Other Capacity:		
- Reimbursement of expenses	0.69	0.49
	42.35	**34.12**

* The payment to auditors above does not includes amount of ` 2.50 lakh (March 31, 2024- Nil) persuant to transactions of buy back, which is accounted as equity adjustment in Statement of changes in equity.

Note 33: Components of Other Comprehensive Income

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(48.14)	(33.51)
Income tax expense on items that will not be reclassified to profit or loss	12.12	8.43
	(36.02)	**(25.08)**

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

Note 34: Earnings per share (EPS)

	For the year Ended March 31, 2025	For the Year Ended March 31, 2024
Profit attributable to the equity shareholders **(A)**	31,249.05	29,489.73
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**2,89,43,198**	**2,97,31,630**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹)	107.97	99.19

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) The Company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.

ii) Details of amount of expenditure incurred, earmarked & spent during the year

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
a) Amount required to be spent by the company	592.80	404.26
b) Amount of expenditure incurred	592.80	404.26
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above *	519.00	38.93
* Nature of CSR activities includes		
(i) Promoting Health Care including preventive healthcare, Promoting Education, Skill and Livelihood		
(ii) Promoting Education		
f) Amount of CSR provision made during the year	73.80	365.33
Total	**592.80**	**404.26**

Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.

Movement in the provision for corporate social responsibility		
Balance at the beginning of the year	796.73	551.58
Add: provision made during the year	73.80	365.33
Less: utilised during the year	796.73	120.18
Balance at the end of the year (Refer note-21)	**73.80**	**796.73**
Amount yet to be transferred to separate bank account	73.80	365.33

Movement of amount in the separate bank account		
Balance at the beginning of the year	431.40	337.52
Add: amount transferred during the year	365.33	214.06
Less: amount of donation made during the year	796.73	120.18
Balance at the end of the year	**-**	**431.40**

* The company has created a provision for unspent amount of ₹ 73.80 lakh in FY 2024-25 (March 31, 2024: ₹ 365.33 lakh) and transferred the same in separate bank account on April 28, 2025 and April 29, 2024 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

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

Note: 36 Research & Development Expenses is as follows:

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Research & development expenses include:		
- Travelling expenses	53.48	44.93
- Design, development and other expenses	426.91	398.91
	480.39	**443.84**

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Labour Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Standalone Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Employer's Contribution to Provident Fund/ Pension Fund	636.60	554.52
Employer's Contribution to Employee State Insurance	11.81	19.92
Employer's Contribution to Employee Welfare Fund	0.59	0.44
Total	**649.00**	**574.88**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

c) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 10 accumulations every year with total accumulation of 45 leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the standalone statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

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

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

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

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d) The following tables summarize the components of net benefit expense (Gratuity) recognised in the Statement of profit and loss and the funded status and amounts recognised in the standalone balance sheet

Particulars	As At March 31, 2025	As At March 31, 2024
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	1,907.77	1,685.02
Add: Interest cost	120.22	110.92
Add: Current service cost	162.40	116.01
Add: Past service cost	-	-
Less: Benefits paid	(51.76)	(39.60)
Add: Actuarial (gain) / loss	53.03	35.41
Present value of obligation as at the end of the year	**2,191.66**	**1,907.77**

1) Components of expenses recognised in the standalone statement of profit or loss in respect of:

Particulars	As At March 31, 2025	As At March 31, 2024
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	162.40	116.01
Past service cost	-	-
Interest cost	(2.39)	(8.85)
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in profit/loss	**160.01**	**107.16**

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

2) Components of expenses recognised in the other comprehensive income in respect of:

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	37.36	9.20
- experience variance	15.67	26.21
Return on plan assets, excluding amount recognised in net interest expense	(4.89)	(1.90)
Component of defined benefit costs recognised in other comprehensive income	**48.14**	**33.51**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

3) Changes in the fair value of the plan assets are as follows:

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Fair value of plan assets at the beginning	1,731.76	1,649.69
Add: Investment income	122.61	119.77
Add: Employer's contribution	11.66	-
Less: Benefits paid	(51.76)	(39.60)
Add: Actuarial gains / (losses) on the plan assets	4.89	1.90
Fair value of plan assets at the end	**1,819.16**	**1,731.76**

4) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
a.	Discount rate	6.44%	7.08%
b.	Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions			
a.	Expected average remaining working lives of employees (years)	19.00	19.56
b.	Retirement Age (years)	58	58
c.	Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate			
a.	Ages up to 30 Years	29.00%	29.00%
b.	Ages from 30-44	29.00%	29.00%
c.	Above 44 years	29.00%	29.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

5) **Net (assets) / liabilities recognized in the Standalone Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Present value of obligation	2,191.66	1,907.77
Fair value of plan assets	1,819.16	1,731.76
Net (assets) / liability	**372.50**	**176.01**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	372.50	176.01
Total	**372.50**	**176.01**

6) **A quantitative sensitivity analysis for significant assumption is as shown below:**

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(57.76)	(49.90)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	61.36	52.99
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	60.06	53.35
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(59.29)	(52.13)
C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.		

7) **Maturity profile of defined benefit obligation is as follows:**

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,366.81	1,008.79
More than 5 years	657.05	473.57

e) Enterprise best estimate of contribution during next year is ₹ 540.46 lakh (March 31, 2024: ₹ 291.32 lakh.

f) There is no change in the method used in the preparing the sensitive analysis from prior years.

g) Leave Encashment

Amount recognised in the statement of profit & loss is ₹ 66.03 lakhs (March 31, 2024: ₹ 191.66 lakhs)

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

Closing Liability	As At March 31, 2025	As At March 31, 2024
Compensated absences		
-Current	244.95	208.86
-Non-current	392.79	389.36
	637.74	**598.22**

Note 38 : Related Party Transactions

The Company's principal related parties consists of its key managerial personnel, the Company's related party transactions and outstanding balances with related parties with whom the Company routinely enters into the transactions in the ordinary course of business

(a) List of Related Parties

Nature of Relationship	Name of the Related Party
Associate Company	Relan Industrial Finance Limited
Subsidiary Company	Uddipt Mobility India Private Limited
Joint Venture	Exhaust Technology Private Limited
Key Managerial Personnel	a) Mr. Kishan N Parikh (Chairman)/ Non executive Independent Director
	b) Mrs. Sharda Relan (Co-Chairperson up to 26/09/2024)
	c) Mr. Ajay Relan (Managing Director)
	d) Mr. Aashim Relan (Chief Executive Officer)
	e) Mr. Ashok Kumar Bhattacharya (Director up to 02/09/2024)
	f) Mr. Navin Paul (Director) w.e.f 02/08/2024
	g) Mr. Udayan Banerjee (Director)
	h) Mr. Nitin Vishnoi (Whole time Director & Company Secretary)
	i) Mrs.Sarita Dhuper (Director)
	j) Mr. Puru Aggarwal (President & Group CFO up to 31/03/2025)
	k) Mr. G D Takkar (CFO w.e.f 01/04/2025)
Relatives of Key Managerial Personnel	a) Mrs. Mala Relan (Spouse of Managing Director)
	b) Mrs. Aashita Relan (Daughter of Managing Director)
	c) Mrs. Indira Chowdhry (Mother in law of Managing Director)
Entities where Directors/Close family members of Directors having control	a) A.N.I Hospitality LLP
	b) Sharda CSR Foundation Trust

(b) Disclosures of Related Parties

(i) Joint Venture

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Finished Goods	-	3.06
Purchase of Goods	(0.54)	11.60

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

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Trade Receivable	37.01	37.01
Other Receivable	14.30	18.47
Trade Payable	47.66	48.19

(ii) Subsidiary

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Expenses incurred on their behalf	0.90	2.01

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Other Receivable	5.07	4.17

(iii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
CSR Expenditure paid	1,315.73	159.11
Expenses incurred on their behalf	0.09	-

(iv) Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Remuneration Paid	1,668.82	1,557.54
Reimbursement of Expenses	41.54	24.36
Sitting Fee Paid	26.50	25.00
Dividend Paid	1,804.07	3,262.92
Buy Back of shares	12,732.34	-

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Payable to KMP	279.33	270.98

(v) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Salary Paid	15.36	15.36
Dividend Paid	35.93	511.74
Buy back of shares	1,818.16	-

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Payable to KMP	0.17	0.17

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

(c) Disclosures of Material Transactions:

(i) Joint Ventures

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Finished Goods		
Exhaust Technology Private Limited	-	3.06
Purchase of Goods		
Exhaust Technology Private Limited*	(0.54)	11.60
Balance Payable		
Exhaust Technology Private Limited	47.66	48.19
Balance Receivable		
Exhaust Technology Private Limited	51.31	51.31

* Figure in bracket represents purchase return

(ii) Subsidiary

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Expenses incurred on their behalf		
Uddipt Mobility India Private Limited	0.09	2.01

(iii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
CSR Expenditure Paid		
Sharda CSR Foundation Trust	1,315.73	159.11

(iv) Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Remuneration Paid		
Ajay Relan	1,109.71	1,033.42
Nitin Vishnoi	154.02	131.89
Aashim Relan	144.61	144.61
Puru Aggarwal	260.49	247.61
Reimbursement of Expenses		
Puru Aggarwal	41.54	24.36
Sitting Fee Paid		
Kishan N Parikh	7.95	7.20
Ashok Kumar Bhattacharya	3.60	7.20
Udayan Banerjee	7.95	6.85
Sarita Dhuper	3.00	3.00
Sharda Relan	-	0.75
Navin Paul	4.00	-
Dividend Paid		
Ajay Relan	1,658.72	3,000.04
Aashim Relan	145.35	262.88
Buy Back of shares		
Ajay Relan	11,706.53	-
Aashim Relan	1,025.80	-
Balance Payable		
Ajay Relan	314.57	170.07
Nitin Vishnoi	22.85	20.72
Aashim Relan	0.17	0.17
Puru Aggarwal	-	80.02

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

(v) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Dividend Paid		
Mala Relan	0.66	449.73
Aashita Relan	8.96	-
Indira Chowdhry	26.31	-
Buy Back of shares		
Mala Relan	1,754.91	-
Aashita Relan	63.25	-

d) **Terms and conditions of transactions with related parties**

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

e) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for Company as whole on the basis of acturial valuation.

Note 39 : Lease Liabilities

Lease contracts entered by the Company majorly pertains for land & Building taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
Gross Carrying Amount				
As at April 01, 2023	**1,049.84**	1,449.10	53.80	**2,552.74**
Add: Additions made during the year	-	-	-	**-**
Less: Disposals / adjustments during the year	-	-	19.78	**19.78**
As at March 31, 2024	**1,049.84**	**1,449.10**	**34.02**	**2,532.96**
Add: Additions made during the year	-	3,035.36	-	**3,035.36**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**1,049.84**	**4,484.46**	**34.02**	**5,568.32**
Accumulated depreciation and impairment				
As at April 01, 2023	**222.91**	**93.37**	**30.42**	**346.70**
Add: Depreciation charge for the year	55.52	149.48	8.70	**213.70**
Less: On disposals / adjustments during the year	-	-	13.20	**13.20**
As at March 31, 2024	**278.43**	**242.85**	**25.92**	**547.20**
Add: Depreciation charge for the year	55.36	226.52	5.40	**287.28**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**333.79**	**469.37**	**31.32**	**834.48**
Net carrying amount				
As at March 31, 2025	**716.05**	**4,015.09**	**2.70**	**4,733.84**
As at March 31, 2024	**771.41**	**1,206.25**	**8.10**	**1,985.76**

Notes:

a) Leasehold Land represents the properties taken on lease for plants at Chakan and Sanand location having lease terms between 20 to 35 years.

b) Leasehold Land & Building represents the properties taken on lease for plant at Chakan having lease terms of 10 years.

c) Leasehold vehicle represents the vehicles taken on lease for offices having lease terms of 5 years.

d) The company also has certain leases with lease terms of 12 months or less. The company has applied the 'short-term lease' recognition exemptions for these leases.

e) The company has not booked any impairement charges for Right of Use of Assets for the year ended As at March 31, 2025 and also As at March 31, 2024.

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

Note 39B : Lease Liabilities

Movements in carrying value of recognised liabilities	
As at April 01, 2023	**2,464.23**
Add: Additions during the year	-
Add: Interest expense on lease liabilities	198.54
Less: (Disposals) / adjustments during the year	7.52
Less: Repayment of lease liabilities	288.71
As at March 31, 2024	**2,366.54**
Add: Additions during the year	2,931.40
Add: Interest expense on lease liabilities	248.06
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	382.95
As at March 31, 2025	**5,163.05**

	As At March 31, 2025	As At March 31, 2024
Non-current lease liabilities	4,915.34	2,247.08
Current lease liabilities	247.71	119.46
Total lease liabilities	**5,163.05**	**2,366.54**

a) The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

b) Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

c) There are no leases committed which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

The company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/ decisions pending with various forums/authorities, the company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the company. Also, the company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As At March 31, 2025	As At March 31, 2024
I Income Tax		
(i) Tax demand under section 156 of the Income Tax Act, 1961 raised during the FY 2024-25, appeal pending before CIT (A) with respect to the following assessment years:-		
AY 2014-15	878.82	-
AY 2015-16	223.60	-
AY 2016-17	2,137.80	-
AY 2017-18	2,852.14	-
AY 2018-19	1,499.00	-
AY 2019-20	1,965.93	-
AY 2020-21	493.92	-
AY 2021-22	351.98	-
AY 2022-23	430.14	-
AY 2023-24	4,169.99	-
AY 2024-25	8.45	-

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

Particulars	As At March 31, 2025	As At March 31, 2024
(ii) Tax demand under section 154 of the Income Tax Act, 1961		
AY 2022-23	-	90.46
(iii) Tax demand under section 143(3) of the Income Tax Act, 1961 with respect to the following assessment years -Appeal pending before CIT(A)		
AY 2017-18	280.90	280.90
AY 2018-19	11.56	11.56
AY 2020-21	40.39	40.39
AY 2021-22	0.98	0.98
II Other than Income Tax Matters		
Disputed State Tax Matters (VAT)	67.80	630.10
Disputed Service Tax Matters	16.96	16.96
Disputed GST Matters	375.76	215.62
Disputed Central Excise Matters	440.00	440.00
Disputed EPFA demand	-	0.62
Dispute wih vendor	90.44	90.44
III Irrevocable letter of credit outstanding with banks		
i) Foreign LC	8,909.14	
ii) Inland LC	2,340.15	1,982.25

(b) Commitments

Particulars	As At March 31, 2025	As At March 31, 2024
Capital Commitment	1,198.45	565.23
Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2025: ₹ 1897.76 lakh (March 31, 2024 : ₹ 1069.50 lakh))		

The company does not have any other long term commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2025		As At March 31, 2024	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 5.76 lakh	492.01	US$ 15.25 lakh	1,270.71
Trade Payables	US$ 89.53 lakh	7,650.84	US$ 106.17 lakh	8,847.94
Trade Payables	EURO 1.03 lakh	95.21	EURO 2.73 lakh	245.73
Trade Payables	JPY 0.25 lakh	0.140	JPY 0.25 lakh	0.14

Note 42 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

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

2. Major Customer: Revenue from 2 Customers (March 31, 2024: 2 Customers) of the company's manufacturing & trading business are ₹ 210,929.21 lakh (March 31, 2024: ₹ 198,188.61 lakh) which is more than 10% of the company's total revenue. No other single customer contributed 10% or more to the company's revenue for both March 31, 2025 and March 31, 2024.

Note 43 : Fair value measurements

I Financial instruments

a) Financial instruments by category

Except Investment in bond and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2025

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in mutual funds	-	40,412.24	-	-	40,412.24	40,412.24	-	-	40,412.24
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,799.57	-	4,799.57	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	536.40	-	-	536.40
Investment in Bonds (Quoted)	-	-	30,000.00	-	30,000.00	30,618.78	-	-	30,618.78
Security deposits	-	-	411.62	-	411.62	-	-	-	-
Interest accrued but not due on term deposits and bonds	-	-	1,007.61	-	1,007.61	-	-	-	-
Interest accrued others	-	-	2.07	-	2.07	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties	-	-	19.37	-	19.37	-	-	-	-
Trade receivables	-	-	28,465.87	-	28,465.87	-	-	-	-
Cash and cash equivalents	-	-	19,886.59	-	19,886.59	-	-	-	-
Other bank balances	-	-	252.98	-	252.98	-	-	-	-
	-	**40,412.24**	**85,460.68**	**-**	**1,25,872.92**	**71,567.42**	**-**	**-**	**71,567.42**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	5,163.05	5,163.05	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	105.82	105.82	-	-	-	-
Trade payables	-	-	-	54,262.83	54,262.83	-	-	-	-
Creditors for capital goods (including MSME creditors)	-	-	-	1,486.36	1,486.36	-	-	-	-
	-	**-**	**-**	**61,030.85**	**61,030.85**	**-**	**-**	**-**	**-**

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

As at March 31, 2024

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	-	-	-	-	-	-	-	-
Investment in mutual funds	-	33,414.48		-	33,414.48	33,414.48	-	-	33,414.48
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	4,799.57	-	4,799.57	-	-	-	-
Investment In tax free bond (Quoted)			500.00	-	500.00	574.95	-	-	574.95
Investment in Bonds (Quoted)			30,000.00	-	30,000.00	29,634.08	-	-	29,634.08
Staff advance	-	-	-	-	-	-	-	-	-
Security Deposits	-	-	282.85	-	282.85	-	-	-	-
Interest accrued but not due on term deposits and bonds	-	-	1,001.28	-	1,001.28	-	-	-	-
Interest accrued others			3.10		3.10	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties			18.47		18.47	-	-	-	-
Trade receivables	-	-	22,715.69	-	22,715.69	-	-	-	-
Cash and cash equivalents	-	-	25,836.15	-	25,836.15	-	-	-	-
Other bank balances	-	-	627.85	-	627.85	-	-	-	-
	-	**33,414.48**	**85,899.96**	**-**	**1,19,314.44**	**63,623.51**	**-**	**-**	**63,623.51**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	2,366.54	2,366.54	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	80.22	80.22	-	-	-	-
Trade payables	-	-	-	49,489.27	49,489.27	-	-	-	-
Creditors for capital goods (including MSME creditors)	-	-	-	1,267.23	1,267.23	-	-	-	-
	-	**-**	**-**	**53,216.05**	**53,216.05**	**-**	**-**	**-**	**-**

c) The company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the company's board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2025 and 31 March 2024.

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

e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of non-current investment in Bonds has been valued at amortised cost.

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) Specific Valuation techniques used to value financial instruments include:

Particulars	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits) *	Based on the discounting factor as at reporting date.	Not Applicable	Not Applicable

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Note 44 : Capital Management

Equity share capital and other equity are considered for the purpose of company's capital management.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders and benefits for other stakeholders. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. During the year, Company had paid ₹ 9.92 per equity share as final dividend pertaining to year ended March 31, 2024. In addition to this, subsequent to year end the Directors have recommended the payment of a final dividend of ₹ 32.50 per equity share (March 31, 2024: ₹ 9.92) per equity share. The proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.

The company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease liaibility less cash and cash equivalents.Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

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

	As At March 31, 2025	As At March 31, 2024
Lease Liability (Refer to note 18)	5,163.05	2,366.54
Less: Cash and cash equivalents (Refer to note 14)	19,886.59	25,836.15
Net debt (A)	(14,723.54)	(23,469.61)
Equity share capital (Refer to note 16)	574.08	594.63
Other equity (Refer to note 17)	1,07,291.96	1,01,917.57
Total Capital (B)	1,07,866.04	1,02,512.20
Capital and net debt (C=A+B)	**93,142.50**	**79,042.59**
Gearing ratio (A/C)	**-15.81%**	**-29.69%**

Note 45 : Financial Risk Management objectives and policies

The company's principal financial liabilities comprises trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations.

The company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company has exposure to the following risks arising from financial instruments:

- Credit risk

- Liquidity risk

- Market risk

The company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) Trade Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the Company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's finance committee. The company's maximum exposure to the credit risk as at March 31, 2025 and March 31, 2024 is the carrying value of each class of financial assets.

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

B. Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system.

(a) Financing agreements: The company had access to the following undrawn borrowing facilities at the end of the year

	As At March 31, 2025	As At March 31, 2024
Floating Rate- Cash credit and other facilities	19,500.00	19,500.00
	19,500.00	**19,500.00**

(b) The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2025

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,321.10	-	-	-	1,321.10
Trade payables	54,262.83	-	-	-	54,262.83
Lease Liabilities	105.96	141.75	2,140.97	2,774.37	5,163.05
Unclaimed dividends	105.82	-	-	-	105.82
Security deposit	-	-	-	12.79	12.79
	55,795.71	**141.75**	**2,140.97**	**2,787.16**	**60,865.59**

As at March 31, 2024

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,267.23	-	-	-	1,267.23
Trade payables	49,489.27	-	-	-	49,489.27
Lease Liabilities	71.32	139.36	869.49	1,286.36	2,366.53
Unclaimed dividends	80.22	-	-	-	80.22
Security deposit	-	-	-	12.79	12.79
	50,908.04	**139.36**	**869.49**	**1,299.15**	**53,216.04**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the company.

i) Foreign Currency risk

The company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's funactional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

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

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2025	+5%	387.31
	-5%	(387.31)
March 31, 2024	+5%	454.69
	-5%	(454.69)

ii) Exposure to Currency Risk:

As at March 31, 2025	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	5.76	-	-	-
Foreign currency exposure not hedged (Buy)	89.53	1.03	0.25	-
Derivative contract outstanding	-	-	-	-

As at March 31, 2024	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	15.25	-	-	-
Foreign currency exposure not hedged (Buy)	106.17	2.73	0.25	-
Derivative contract outstanding	-	-	-	-

Note 46 : Analytical ratios

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2025	As at March 31, 2024		
1	Current ratio	Current Assets	Current Liabilities	Times	2.23	1.77	26.2%	On account of increase in current assets during the year
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.05	0.02	107.3%	Movement in Debt-equity ratio is majorly due to movement in reserves and equity, mainly due to buy back
3	Debt service coverage ratio *	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization - Profit on sale of PPE	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	Times	93.22	111.81	-16.6%	NA
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	29.71%	32.64%	-2.93%	NA
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	14.04	14.01	0.2%	NA

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

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2025	As at March 31, 2024		
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	11.08	10.06	10.2%	NA
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.06	4.22	-3.7%	NA
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	3.62	6.19	-41.5%	Due to increase in current assets resulting in reduction in working capital
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	11.02%	10.50%	0.52%	NA
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible net worth + Total Debts (Including lease liability)	Percentage	37.29%	37.83%	-0.54%	NA
11	Return on investment **	Interest (Finance Income)	Investment	Percentage	7.05%	3.32%	3.73%	NA

* Since the company has no borrowings during the year, finance cost represent interest on lease liability and statutory dues

** Not annualised

Note: (1) Reasons have been explained for variance in which % of change is more than 25% as compared to March 31, 2024.

Note 47: Sanctioned Working Capital Limits

The company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the company. The quarterly returns/statements filed by the company with such banks are in agreement with the books of accounts of the company and the details are as follows:

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2024	19,480.87	19,480.87	-	No Variance
September 30, 2024	20,622.51	20,622.51	-	
December 31, 2024	23,463.79	23,463.79	-	
March 31, 2025	20,736.85	20,736.85	-	

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2024	25,405.26	25,405.26	-	No Variance
September 30, 2024	24,444.31	24,444.31	-	
December 31, 2024	19,295.18	19,295.18	-	
March 31, 2025	28,465.87	28,465.87	-	

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

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit and credit note etc.
June 30, 2024	50,316.56	50,237.06	-79.50	
September 30, 2024	50,261.07	50,261.07	-	
December 31, 2024	51,682.53	51,681.08	-1.45	
March 31, 2025	54,263.30	54,263.30	-	

Note 48: Subsequent Event

a) Dividend Paid and proposed:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Declare and Paid During the Year:		
i) Final Dividend for FY 2023-24: ₹ 9.92 per share (FY 2022-23: ₹ 17.27 per share)	2,847.42	5,134.65
	2,847.42	**5134.65**
Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
ii) Final Dividend for FY 2024-25: ₹32.50 per share (FY 2023-24: ₹ 9.92 per share)	9,328.75	2,949.38
	9,328.75	**2,949.38**

b) No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the standalone financial statements.

Note 49 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Investments made are given under the respective heads (Refer Note No. 7)	4,799.57	4,799.57
	4,799.57	**4,799.57**

Note 50:

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the company is required to use specified methods for computing arm's length price in relation to specified international transactions with its associated enterprises. Further, the company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed.The company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 51:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity

("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).

The company has not received any fund from any party (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52: Disclosure of transactions with struck off companies

The company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

Note 53: Assets classified as held for sale

(a) The company has entered into an agreement dated February 22, 2025 for sale / transfer of lease hold rights along with building pertaining to its Haridwar unit. The transaction is expected to be completed by end of FY 2025-26. The company has also received non-refundable advance of Rs. 700 lakhs during the year pursuant to the transaction. (Refer note-21)

	As At March 31, 2025	As At March 31, 2024
Assets classified as held for sale (Net value)*		
Lease Hold land	71.03	-
Building	49.95	-
Total	**120.99**	**-**

* Assets classified as held for sale during the reporting period have been measured at the lower of its carrying amount and fair value less costs to sell.

(b) The other identified assets and liabilities (other than mentioned in (a) above) pertaining to Haridwar unit as at March 31, 2025, classified as held for sale and which are not covered through the aforesaid agreement are as under:

	As At March 31, 2025	As At March 31, 2024
Assets classified as held for sale		
-Tangible Assets (Net Value)		
Plant & Machinery	37.24	-
Office Equipment	1.85	-
Computer	0.50	-
Furniture & Fixture	0.22	-
Electric Fitting	4.56	-
Total (A)	**44.37**	**-**
Liabilities classified as held for sale		
Trade Payable	12.82	-
Other payables	0.48	-
Total (B)	**13.30**	**-**

Note 54: No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

iv) Discrepancy in utilisation of borrowings

Note 55: Audit Trail

The company is maintaining its books of account in electronic mode and the back-up of books of account has been kept on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, as amended i.e. August 05, 2022 onwards. The company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there is no known instance of audit trail feature being tempered with in respect of the accounting software used by the company and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Note 56:

Figures have been rounded of to the nearest Lakhs upto two decimal palaces except otherwise stated.

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

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sharda Motor Industries Limited (**hereinafter referred to as "Holding Company"**),** and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statement, including a summary of the material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate company, and joint venture company as at March 31, 2025, the consolidated Profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group, its associate company, and joint venture 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of reports of other auditors and information provided by the Management, referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Evaluation of uncertain tax positions and disputed matters** (Refer note no.40 "Contingent liabilities and commitments" in the Standalone Financial Statements) The Company is involved in certain claims/matters relating to direct taxes and indirect taxes that are pending with various authorities and courts in India. The Company has disclosed contingent liabilities of ` 16,336.56 lakh related to these litigations as at March 31, 2025. Whether a claim against the Company is recognized as a provision or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on certain assumptions and management assessment. These include assumptions relating to the likelihood and/or timing of the cash outflows and the interpretation of applicable rules and regulations. The amounts involved are significant and due to the range of possible outcomes and considerable uncertainty around these litigations, the determination of the need for recording a provision or disclosure as contingent liability in the standalone financial statements is inherently subjective/ judgmental and therefore is considered to be a key audit matter in the current year.	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls** - Obtained an understanding from the Management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. **(ii) Test of Details** - a) Obtained the list of litigations from the management and reviewed their assessment of the likelihood of the outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts based on documents / communications from the tax authorities and explanations given by the Management. b) Verified the demand notices received during the year from various tax authorities and evaluated Company's response to those matters. c) Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities and assessed the same vis-a-vis management's conclusions through discussions held with the in-house legal counsel and understanding precedents in similar cases. d) Tested the completeness of the litigations list by performing inquiries with key management personnel and tax team. Comparing the same with prior year's disclosures and current year's board meeting minutes. e) Verified the accounting treatment of each case under Ind AS 37 i.e. Whether appropriately classified as a provision or contingent liability. f) Evaluated the appropriateness of disclosures made relating to provisions and contingent liabilities in terms of the applicable Ind AS and obtained a management representation letter confirming that all known contingent liabilities have been disclosed.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		Conclusion: Based on the procedures above, we did not identify any significant exception to the management's assessment of the ongoing direct and indirect tax litigations.
2.	**Recognition of Revenue** (Refer Note 3.1 to the accompanying standalone financial statements as at March 31, 2025) In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is one of the key measures of performance and is identified as an area of significant risk, mainly on account of: i) As per its accounting policy, the Company primarily derives revenue from the sale of automotive parts, with revenue recognized at a point in time when control of the goods is transferred to the customer. The Company exercises judgment in determining the timing and amount of revenue recognition for such transactions. This involves assessing the nature of the sales and the appropriate revenue cut-off. Accordingly, there is a risk that revenue may be recognized in the incorrect period or that revenue and the associated profit may be misstated. ii) In determining the transaction price for the sale of products, the Company considers the effects of various factors such as price adjustments to be passed on and/or recovered to/from the customers based on various parameters like negotiations-based savings on cost of materials, rebates etc. provided to the customers. There is a risk that revenue could be recognized at an incorrect amount on account of the significant judgement and estimate involved in calculation of index based and other price variation conditions occurring during the year and around the year end. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our audit procedures included, but were not limited to, the following: **(i) Test of Controls-** a) Obtained an understanding and assessed the design, implementation and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. b) Performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process & assumptions used in calculation of price variations. **(ii) Test of Details-** a) Assessed the appropriateness of the Company's revenue recognition accounting policy as per Ind AS 115- Revenue from contracts with customers and understood revenue recognition process including identification of performance obligations and determination of transfer of control of the asset underlying the performance obligation to the customer. b) Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents i.e. sales invoices, dispatch documents, customer contracts, & purchase orders, sales order, and proof of delivery. c) Performed cut-off testing, on a sample basis to ensure that the revenue from the sale of goods is recognized in the appropriate period. d) Reviewed significant contracts with customers and assessed pricing clauses, including tooling charges, price revisions. compared the management's post-year-end credit notes or settlements. e) Assessed the adequacy and accuracy of the Company's disclosures related to revenue recognition in the financial statements, as required by Ind AS 115.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		Conclusion: Based on our procedures as mentioned above, we did not identify any findings that are significant for the financial statements as a whole in respect of accounting, presentation and disclosure of revenue recognition.

Information other than Consolidated Financial Statements and Auditor's Reports thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate company and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies in the Group including its associate company and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Companies included in the Group, its associate company, and joint venture are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group, associate company and joint venture companies are also responsible for overseeing the financial reporting process of each Company

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its associate company and joint venture Company which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- 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, its associate company and joint venture Company 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, its associate company and joint venture company 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, its associate company and joint venture company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities consolidated in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in Other Matters paragraph in this report.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) The consolidated financial statements include the Holding Company's share of net profit (including other comprehensive income) of ` 68.09 lakh for the year ended March 31, 2025 (March 31, 2024: ` 33.58 lakh), as considered in the consolidated financial statements, in respect of an associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on the report of the other auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

b) The consolidated financial statements include the Holding Company's share of net profit (including other comprehensive income) of ` 179.53 lakh for the year ended March 31, 2025 (March 31, 2024: ` 439.78 lakh), as considered in the consolidated financial statements, in respect of a joint venture, which have not yet been audited. These financial statements have been certified by the respective management and furnished to us by the Holding Company's Management. Our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such management certified financial statement. In our opinion and according to the information and explanations given to us by the Holding Company's Management, the financial statement is not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the management certified financial information.

c) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets (before eliminating of inter-company transaction of ₹ Nil) of ₹ 0.10 lakh as at March 31, 2025, total revenues (before eliminating of inter-company transaction of ₹ Nil) of ₹ Nil, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil) of (₹ 1.88 lakh) & total comprehensive income (before of eliminating inter-company transaction of ₹ Nil) of (₹ 1.88 lakh) for the year ended March 31, 2025 respectively and total net cash inflow of ₹ Nil for the year ended March 31, 2025, as considered in the consolidated financial statements. These financial statements and other information has been audited by other auditor whose report have been furnished to us by the Holding Company's Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Regulation read with the Circulars, in so far as it relates to the aforesaid subsidiary, are based on the reports of the other auditor and the procedures performed by us.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and CARO reports issued by respective statutory auditors of its associate and its subsidiary to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the compliance of CARO matters in terms of sub-section (11) of section 143 of the Act.

2A. 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 financial statements of the components (as applicable), as were audited by other auditors and noted in Other Matters Paragraph above. we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In case of the Holding company, one associate & one subsidiary company which are companies incorporated in India, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules 2014. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company's and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company and associate company incorporated in India, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act. In respect of the joint venture company whose accounts have been furnished to us by the Holding company's Management and are unaudited, we are unable to report on the compliance of section 164 (2) of the Act.

(f) In case of the Holding company, one associate & one subsidiary which are companies incorporated in India, the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the compliance of section 143(3)(b) of the Act and Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company audited by us and in case of an associate company and one subsidiary company incorporated in India whose accounts have been audited by other auditor their reports being furnished to us by the Holding's Management, refer to our separate Report in "**Annexure A**" for operating effectiveness of such controls. In respect of one joint venture company whose accounts are unaudited & have been furnished to us by the Holding's Management, we are unable to report on the requirement of Internal Financial Controls over Financial Reporting.

2B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financials of the components (as applicable),as were audited by other auditors and noted in Other Matters Paragraph above:

(a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group, its associate company, and Joint venture company - Refer Note No. 40 to the consolidated financial statements.

(b) The Group, its associate company, and Joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate company, and Joint venture company.

(d) i. The respective Managements of the Holding Company, its associate and one subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 51 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding or any of such associate and subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding or any of such associate and subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (i) of the Companies (Audit and Auditors) Rules, 2014;

ii. The respective Managements of the Holding Company, its associate and one subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate and one subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 51 to accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding or such associate and subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding or such associate and subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (ii) of the Companies (Audit and Auditors) Rules, 2014; and

iii. Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate and subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company's Management and are unaudited, we are unable to report on the requirement of Rule 11(e) (iii) of the Companies (Audit and Auditors) Rules, 2014.

(e) The amount of dividend is in accordance with Section 123 of the Act

i. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in compliance with section 123 of the Act to the extent it applies to payment of dividend. In respect of an associate and one subsidiary company which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been paid by them during the year. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014;

ii. As stated in note 47 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. In respect of an associate and one subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, no dividend has been declared by them. In respect of one of the joint venture company whose accounts have been furnished to us by the Holding's Management and are unaudited, we are unable to report on the requirement of Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014.

(f) Based on our examination which included test checks, and that performed by the respective auditor of the associate company and one subsidiary company, which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, associate company and subsidiary company which are companies incorporated in India, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for the instances mentioned below.

i. In case of the Holding company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

ii. The Holding Company has used payroll software for maintaining payroll records which is operated by a third-party service provider. We have relied upon the report of independent service auditors report for compliance & operating effectiveness of audit trail (edit log and backup) feature in the said payroll software, that operated throughout the year for all relevant transactions recorded their in. The audit trail in respect of this software has been preserved by the service provider as per the statutory requirements for record retention.

Further, in case of the Holding company, one associate company and one subsidiary company which are companies incorporated in India, audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of audit trail feature being tampered with. Also, the audit trail has been preserved by the respective companies as per the statutory requirements for record retention. However, in respect of one of the joint venture company whose accounts have been furnished to us by the Holding Company and are unaudited, we are unable to report on the requirement of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Holding Company and associate company has paid remuneration to its directors during the year in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of one joint venture and one subsidiary Company section 197 of the Companies Act, 2013 is not applicable since none of the company is a public company as per definition given under section 2(71) of the Act.

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

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 25083689BMIUEV3318

Place of Signature: New Delhi
Date: May 24, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF SHARDA MOTOR INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as "the Parent") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of the Parent, its associate company and subsidiary company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its associate company and the subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consolidation of reports of the other auditors on internal financial controls with reference to financial statements of associate company and its subsidiary, as were audited by the other auditors, the Parent, its associate company and the subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to associate company and subsidiary company, which are companies incorporated in India, is based on written representations received from the directors of the Holding Company in this regard, and the corresponding report of the auditor of such associate company and subsidiary company incorporated in India.

Our Opinion is not modified in respect of this matter.

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

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 25083689BMIUEV3318

Place of Signature: New Delhi
Date: May 24, 2025

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

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

Particulars	Note No.	As At March 31, 2025	As At March 31, 2024
I. Assets			
(A) Non-current assets			
(a) Property, plant and equipment	4	19,521.42	18,914.07
(b) Capital work in progress	5	849.47	2.88
(c) Right-of-use assets	39A	4,733.84	1,985.76
(d) Other Intangible assets	6	801.37	1,018.50
(e) Financial assets			
(i) Investments	7A	3,123.38	2,875.75
(ii) Other investments	7B	500.50	30,500.50
(iii) Other financial assets	8	544.53	409.19
(f) Deferred tax assets (net)	9	219.98	530.48
(g) Non-current tax asset (net)	10	1,244.89	1,176.25
(h) Other non-current assets	11	2,160.99	1,272.36
Total non-current assets		**33,700.37**	**58,685.74**
(B) Current assets			
(a) Inventories	12	20,722.30	19,691.15
(b) Financial assets			
(i) Investments	7C	70,412.24	33,414.48
(ii) Trade receivables	13	28,465.87	22,715.69
(iii) Cash and cash equivalents	14	19,886.69	25,836.15
(iv) Bank balances other than (iii) above	15	252.98	627.85
(v) Other financial assets	8	1,011.14	1,011.51
(c) Other current assets	11	1,068.63	802.03
Total current assets		**1,41,819.85**	**1,04,098.86**
(C) Disposal Group (Assets held for sale)	53	165.30	-
Total assets		**1,75,685.52**	**1,62,784.60**
II. Equity and liabilities			
(A) Equity			
(a) Equity share capital	16	574.08	594.63
(b) Other equity	17	1,05,611.51	99,994.24
(c) Non controlling interest		(1.73)	-
Total equity		**1,06,183.86**	**1,00,588.87**
(B) Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	4,915.34	2,247.08
(ii) Other financial liabilities	19	12.79	12.79
(b) Provisions	20	1,063.29	1,048.47
(c) Other liabilities	21	-	85.67
Total non- current liabilities		**5,991.42**	**3,394.01**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	247.71	119.46
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		1,119.65	454.55
- Total outstanding dues of creditors other than micro and small enterprises		53,144.45	49,034.72
(iii) Other financial liabilities	19	1,592.18	1,397.83
(b) Other liabilities	21	5,980.61	6,751.71
(c) Provisions	20	1,276.46	998.86
(d) Current tax Liabilities (net)	23	135.88	44.58
Total current liabilities		**63,496.94**	**58,801.71**
(C) **Liabilities included in disposal group held for sale**	53	13.30	-
Total liabilities		**69,501.66**	**62,195.72**
Total equity and liabilities		**1,75,685.52**	**1,62,784.60**
Summary of Material Accounting Policy Information	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2025

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

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I	Revenue from operations	24	2,83,657.09	2,80,926.24
II	Other income	25	8,328.09	8,785.41
III	**Total income (I+II)**		**2,91,985.18**	**2,89,711.65**
IV	**Expenses**			
	(a) Cost of materials consumed	26	2,03,947.43	2,09,699.00
	(b) Purchases of stock-in-trade	27	5,496.09	6,070.93
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	28	181.78	(1,485.25)
	(d) Employee benefits expense	29	14,742.34	13,227.16
	(e) Finance costs	30	393.33	220.76
	(f) Depreciation and amortization expense	31	5,822.62	5,255.66
	(g) Other expenses	32	19,652.63	17,270.96
	Total expenses		**2,50,236.22**	**2,50,259.22**
V	**Profit before share of profit/(loss) of associate and joint Ventures and exceptional items and tax (III-IV)**		**41,748.96**	**39,452.43**
VI	Share of profit/(loss) of associate (net of tax)		68.09	33.58
VII	Share of profit/(loss) of joint venture (net of tax)		179.53	435.78
VIII	**Profit before exceptional items and tax (V+VI+VII)**		**41,996.58**	**39,921.79**
IX	**Exceptional items**		-	-
X	**Profit before tax (VIII-IX)**		**41,996.58**	**39,921.79**
XI	**Tax expense:**	9		
	(a) Current tax		10,174.98	9,862.79
	(b) Deferred tax		322.64	153.45
	(c) Income tax for earlier Year		7.35	(53.54)
	Total tax expense		**10,504.97**	**9,962.70**
XII	**Profit for the year (X-XI)**		**31,491.61**	**29,959.09**
XIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	**33**		
	- Re-measurement gains/ (losses) on defined benefit plans		(48.14)	(33.51)
	- Income tax on items that will not be reclassified to profit or loss		12.12	8.43
	- Share of other comprehensive income of joint venture accounted for using the equity method		-	4.00
	Items that will be reclassified to profit or loss		-	-
	- Income tax on items that will be reclassified to profit or loss		-	-
	Total other comprehensive income for the year, net of tax		**(36.02)**	**(21.08)**
XIV	**Total comprehensive income for the year, net of tax (XII+XIII)**		**31,455.59**	**29,938.01**
XV	**Profit/(loss) for the period/year attributable to:**			
	- Owner of the Company		31,491.93	29,959.09
	- Non Controlling Interest		(0.32)	-
XVI	**Other Comprehensive income for the period/ year attributable to:**			
	- Owner of the Company		(36.02)	(21.08)
	- Non Controlling Interest		-	-
XVII	**Total Comprehensive income for the period/ year attributable to:**			
	- Owner of the Company		31,455.91	29,938.01
	- Non Controlling Interest		(0.32)	-
XVIII	**Earnings per share: (Face value ₹ 2 per share)**	**34**		
	1) Basic (amount in ₹)		108.80	100.77
	2) Diluted (amount in ₹)		108.80	100.77
	Summary of Material Accounting Policy Information	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025

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

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	41,996.59	39,921.79
Adjustments for:		
Depreciation and amortization expense	5,822.62	5,255.67
Finance cost	248.06	198.54
Interest income	(2,262.23)	(3,110.51)
Loss / (Gain) on lease termination	-	(0.94)
Loss / (Gain) on sale of Investments	(940.75)	(1,564.35)
Amortization of discount/premium on bonds	(222.26)	(8.08)
Provision for doubtful debts	102.59	230.88
Loss / (Gain) on disposal of property, plant and equipment (net)	(1,770.34)	(2,686.80)
Provision for advances written back	(3.67)	-
Liabilities no longer required written back	(210.45)	-
Fair value Loss/ (gain) on investments at FVTPL (Net)	(2,681.77)	(509.92)
Unrealized loss/(gain) on foreign exchange (net)	(74.61)	(42.12)
Share of (Profit)/loss in Associate, joint ventures & Non controlling interest	(247.62)	(469.36)
Operating profit / (loss) before adjustments	**39,756.16**	**37,214.80**
Movement in working capital:		
Decrease/(increase) in inventories	(1,031.15)	715.96
Decrease/(increase) in trade receivables	(5,855.03)	10,211.84
Decrease/(increase) in other financial assets	(128.64)	(21.23)
Decrease/(increase) in other assets	(326.71)	213.89
Increase/(decrease) in trade payables	5,063.17	(2,062.33)
Increase/(decrease) in other liabilities	(531.76)	472.82
Increase/(decrease) in other financial liabilities	25.60	34.91
Increase/(decrease) in provisions	244.28	384.68
Cash generated from operating activities	**37,215.91**	**47,165.34**
Income Tax (paid)/ refund	(10,159.68)	(10,209.50)
Net cash from operating activities - (A)	**27,056.23**	**36,955.84**
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of PPE including capital work-in-progress, & Intangible Assets	(9,234.31)	(7,314.08)
Proceeds from disposal of property, plant and equipment, and Intangible Assets	3,303.66	4,375.53
Net Proceeds from sale & Purchase of investments	(3,515.98)	(61,068.69)
Bank deposits (made)/realised	(30.93)	39,651.69
Movement in Earmarked balances with banks	405.80	-
Interest received	2,255.90	2,834.22
Net cash used in investing activities - (B)	**(6,815.88)**	**(21,521.33)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest payment of lease liability	(248.06)	(198.54)
Principle payments of lease liability	(134.85)	(90.17)
Dividend paid (including taxes)	(2,847.42)	(5,134.65)

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

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Payment for buyback of shares (including transactions costs and taxes)	(23,011.76)	-
Increase/ Decrease in Non controlling interest	(1.73)	-
Net cash used in financing activities - (C)	**(26,243.83)**	**(5,423.36)**
Effect of fair Value changes on Cash & Cash Equivalents (investment in Liquid Fund) - (D)	**55.09**	**95.45**
Effect of exchange differences on restatement of of foreign currency cash and cash equivalents - (E)	**(1.06)**	**3.75**
Net increase / (decrease) in cash and cash equivalents - (A+B+C+D+E)	**(5,949.46)**	**10,110.35**
Cash and cash equivalents at the beginning of the year	25,836.15	15,725.80
Cash and cash equivalents at the end of the year [refer note 14]	**19,886.69**	**25,836.15**
Components of cash and cash Equivalents		
- Cash on hand	0.06	0.03
- Cheques In Hand	-	2.73
- With banks on current accounts	8,224.98	4,442.14
- With banks on EEFC accounts	-	6.99
- With banks on Deposit accounts	-	2,990.00
- Liquid Funds	11,661.65	18,394.26
Total	**19,886.69**	**25,836.15**

The accompanying notes form an integral part of these Consolidated financial statements

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less and investment in liquid mutual funds (refer note 14).

iii) Cash flows from operating activities include ₹ 592.80 lakh (March 31, 2024: ₹ 404.26 lakh) being expenses towards Corporate Social Responsibility initiatives.

iv) Cash flows from investing activities include non cash transaction of ₹ 10.11 lakh (March 31, 2024: ₹ 3.40 lakh) in respect of unwinding of interest on security deposits.

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

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

A. Equity Share Capital*	Amount
Balance As at April 01, 2023	594.63
Changes during the year	-
Balance as at March 31, 2024	594.63
Shares extinguished on buy-back (Refer Note-16)	(20.56)
Balance as at March 31, 2025	**574.08**

B. Other Equity**

Particulars	Reserve & Surplus				
	Capital Reserve	Capital Redemption Reserve (CRR)	General Reserve	Retained Earnings	Total
Balance as at March 31, 2023	**0.20**	**-**	**21,025.68**	**54,165.00**	**75,190.88**
Profit for the year	-	-	-	29,959.08	**29,959.08**
Add : Other comprehensive income for the year, net of tax	-	-	-	(21.08)	**(21.08)**
Payment of Final Dividend for the F/Y 2022-23	-	-	-	(5,134.65)	**(5,134.65)**
Balance as at March 31, 2024	**0.20**	**-**	**21,025.68**	**78,968.36**	**99,994.24**
Profit for the year	-	-	-	31,491.93	**31,491.93**
Add : Other comprehensive income for the year, net of tax	-		-	(36.02)	**(36.02)**
Total Comprehensive Income	**-**	**-**	**-**	**31,455.91**	**31,455.91**
Capital Redemption Reserve (CRR)	-	20.56	(20.56)	-	-
Buy Back of share capital	-	-	(18,479.43)		**(18,479.43)**
Taxes & Transaction cost on buy back of share capital	-	-	(205.29)	(4,306.49)	**(4,511.78)**
Payment of Final Dividend for the F/Y 2023-24	-	-	-	(2,847.42)	**(2,847.42)**
Balance as at March 31, 2025	**0.20**	**20.56**	**2,320.40**	**1,03,270.35**	**1,05,611.51**

*** For details, refer note no. 16**

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

Summary of Material Accounting Policy Information 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

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

(Sandeep Dinodia)
Partner
Membership No. 083689

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Holding Company") was incorporated on January 29, 1986 under the Companies Act, having Current Registration Number L74899DL1986PLC023202. The Holding Company is currently listed with Bombay Stock Exchange and National Stock Exchange. It is primarily engaged in the manufacturing and assembly of Auto Components including exhaust systems, catalytic convertors, suspension systems and sheet metal components for the Automotives. The Holding Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got manufacturing facilities across various locations in different states of India.

Note 2: Basis of preparation of Consolidated Financial statements

2.1 Statement of Compliance:

The Consolidated Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on May 24, 2025.

2.2 Basis of preparation and presentation:

Basis of Preparation and presentation: The Consolidated financial statements comprises of the financial statement of the Holding company and its associate, joint venture and Subsidiary company as follows:

Name of Company	Relationship	% of Holding
Relan Industrial Finance Limited	Associate	47.12%
Exhaust Technology India Private Limited	Joint Ventures	50%
Uddipt Mobility India Private Limited	Subsidiary	74%

a) The Consolidation in case of Joint Venture and Associate is done based on Equity Method and under the historical cost convention except for certain financial assets and liabilities that are measured at fair value or amortised cost.

b) The consolidation of Subsidiary company is done in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

c) All assets and liabilities have been classified as current or non-current according to the Holding Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Holding company has ascertained the operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

d) Functional and Presentation Currency

The Consolidated financial statements are presented in ₹ which is its functional & presentational currency and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

2.3 Basis of Consolidation:

(i) Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(ii) Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

iv) **Subsidiary**

A subsidiary is an entity that is controlled by another entity (known as the Holding entity). The company has recognized the investment in subsidiary at Cost as per Ind AS 27. The consolidated financial statements of the Holding company and its subsidiary company have been prepared in accordance with the Ind AS 110 "Consolidated financial statements", on a line-by-line basis by following the procedure below:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding company with those of its subsidiary. For this purpose, the income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the investment in subsidiary and correpending portion of equity of subsidiary.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(v) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates ,joint venture, and subsidiary company have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the company as at March, 31 2025 and the projected cash flows and financial performance for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Holding company's operations. The Material accounting policies information in Note 3 are set out below.

2.5 Use of estimates and judgments:

The preparation of consolidated financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Holding company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Holding company. Such changes are reflected in the assumptions when they occur. Also, certain judgements were made in applying accounting policies which have an effect on amounts recognized in the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate. (as applicable from year to year)

2.6 Measurement of fair values:

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Holding company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, observable market data is used as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Holding company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Holding company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.8 Recent accounting pronouncements notified by Ministry of Corporate Affairs are as under:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2024, which are applicable for financial periods beginning on or after April 1, 2024. A key change includes the introduction of Ind AS 117 Insurance Contracts, which establishes a comprehensive framework for recognition, measurement, presentation, and disclosure of insurance contracts. In addition, consequential amendments have been made to several other standards, including Ind AS 101, 103, 105, 107, 109, and 115, to align with the requirements of Ind AS 117. These amendments aim to enhance transparency and comparability in financial reporting. The Company is in the process of assessing the applicability and impact of these amendments on its financial statements.

2.9 Current versus non-current classification

The assets and liabilities in the consolidated balance sheet are presented based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Note 3: Summary of Material accounting policies Information

3.1 Revenue from Contract with Customer

The Revenue is recognised in accordance with the Indian Accounting Standard-115 (IND AS-115) upon transfer of control of promised goods & services to customers in an amount that reflects the consideration, the company expects to receive in exchange for those products or services.

a) The Holding Company manufactures and trades variety of auto components products. Revenue from contract with customer is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc. The Principal business activities of Associate, Joint venture and subsidiary company are us under-

   a. **Associate -** Relan Industrial Finance Limited-Service Provider of investments

   b. **Joint Venture -** Exhaust Technology India Private Limited-Manufacturing of exhaust systems

   c. **Subsidiary -** Uddipt Mobility India Private Limited-Manufacturing of batteries

   Revenue is recognised either at a point in time or over time, when (or as) the Holding Company satisfies performance obligations by transferring the promised goods or services to its customers. Judgement is applied in respect to transactions relating to recognition of point in time of sale of goods. When control is transferred generally on delivery of goods, that significantly affect the determination of anount and timing of revenue from contract with customers.

b) Revenue from Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities. Sale includes revision in prices received from customers with retrospective effect.

c) Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

d) Variable consideration

If the consideration in a contract includes a variable amount as per Ind AS 115, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

e) Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

f) Dividend Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

g) Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development and that are not ready for their intended use as at the balance sheet date.

The items of property, plant and equipment are derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company, its cost can be measured reliably with the carrying amount of the replaced part getting derecognised and there is increase of future benefits from the existing asset beyond previously assessed standard of performance. The cost for day-to-day servicing of property, plant and equipment are recognised in consolidated statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. (as applicable)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS.

Depreciation: Depreciation is provided on pro-rata basis using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management in order to reflect the actual usage of assets.

Asset

Plant & Machinery

Electrical Fittings

Tools & Dies

Packaging (Trolleys, Pallets, Crates etc)

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

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

3.3 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware) and Technical Know-How . Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the consolidated balance sheet date.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: The useful lives of intangible assets are assesed as either finite or infinite. Intangible assets other than Technical Know-How are amortized on a straight line basis over the estimated life of three years and Technical Know-How is amortised on straight line method over the estimated life of 6 years from the date of capitalisation. The Changes in expected useful life or expected pattern of consumption of future economic benefit embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimates.

3.4 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.5 Foreign currencies translations:

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. The consolidated financial statements are presented in (₹) Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakh with two decimals except otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in consolidated statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in consolidated statement of profit or loss on net basis.

The Holding company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Holding company itself. Monetary assets and liabilities denominated in foreign currencies as at the Consolidated Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in consolidated statement of profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.6 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

3.7 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. However, If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the lease liabilities are recognised measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the incremental borrowing rate is used at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in consolidated statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the consolidated statement of profit and loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in consolidated profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

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

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the year in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

3.9 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the consolidated balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the consolidated statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the consolidtaed statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each consolidated balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

3.10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Initial Recognition and Classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

Write-off: The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's consolidated Balance Sheet) when: (i) The contractual rights to receive cash flows from the asset has expired, or (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities and equity instruments

Classification of Debt and Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and in accordance with Ind AS 109 "Financial Instruments" read with Ind AS 32 "Financial Instruments Presentation".

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction shall be accounted as a dedcution from equity.

Financial Liability- Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables. The Company do not have any loans & borrowings as at reporting date.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the consilidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss. Howeber, the loans and borrowings are nil at reporting date in the consolidated financial statements

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense represents the sum of current tax and deferred tax. The Management periodically reviews and evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation & establishes provision where appropriate.

Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.12 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.13 Asset held for sale and discontinued operations

The non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made and management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period

3.14 Cash and cash equivalents:

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.15 Dividends;

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.16 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.17 Impairment of Non financials assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cashgenerating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU'). An impairment loss is recognised, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in a statement of profit and loss. Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.18 Exceptional assets:

When items of income and expense within a statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Statement of Cash flow:

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

3.20 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of cost of asset. All other borrowings costs are expensed in the period in which they occur. Borrowing costs also includes exchange differences to the extent regarded as on adjustment to the borrowings costs

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

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at April 01, 2023	**570.58**	**514.58**	**4,160.09**	**32,750.79**	**259.04**	**565.33**	**126.76**	**1,018.61**	**1,960.85**	**41,926.63**
Add: Additions made during the year	-	-	566.00	5,758.89	75.85	215.71	21.49	32.92	69.27	6,740.13
Less: Disposals / adjustments during the year	-	-	-	2,782.27	4.14	11.92	0.12	8.61	20.06	2,827.12
As at March 31, 2024	**570.58**	**514.58**	**4,726.09**	**35,727.41**	**330.75**	**769.12**	**148.13**	**1,042.92**	**2,010.06**	**45,839.64**
Add: Additions made during the year	-	-	58.76	6,920.61	141.82	158.78	10.75	223.59	94.93	7,609.24
Less: On assets reclassified as held for Sale		79.55	125.72	235.15	4.25	3.39	0.61	14.31	-	462.98
Less: Disposals / adjustments during the year	-	-	-	2,593.98	6.81	4.71	-	6.18	5.94	2,617.62
As at March 31, 2025	**570.58**	**435.03**	**4,659.13**	**39,818.89**	**461.51**	**919.80**	**158.27**	**1,246.02**	**2,099.05**	50,368.28
Accumulated depreciation and amortization										
As at April 01, 2023	**-**	**42.23**	**2,013.84**	**19,240.64**	**177.93**	**394.50**	**58.11**	**574.60**	**761.14**	**23,262.99**
Add: Depreciation charge for the year	-	5.42	280.46	3,823.42	50.21	154.41	22.51	83.76	380.78	4,800.97
Less: On disposals / adjustments during the year	-	-	-	1,106.11	2.76	4.96	0.10	6.91	17.55	1,138.39
As at March 31, 2024	**-**	**47.65**	**2,294.30**	**21,957.95**	**225.38**	**543.95**	**80.52**	**651.45**	**1,124.37**	**26,925.57**
Add: Depreciation charge for the year	-	5.42	266.87	4,405.73	75.47	170.04	20.53	73.64	285.50	5,303.20
Less: On assets reclassified as held for Sale		8.51	75.77	197.91	2.40	2.88	0.40	9.74	-	297.61
Less: On disposals / adjustments during the year	-	-	-	1,064.90	5.97	3.81	-	4.31	5.31	1,084.30
As at March 31, 2025	**-**	**44.56**	**2,485.40**	**25,100.87**	**292.48**	**707.30**	**100.65**	**711.04**	**1,404.56**	**30,846.86**
Net carrying amount										
As at March 31, 2025	**570.58**	**390.47**	**2,173.73**	**14,718.02**	**169.03**	**212.50**	**57.62**	**534.98**	**694.49**	**19,521.42**
As at March 31, 2024	**570.58**	**466.93**	**2,431.79**	**13,769.46**	**105.37**	**225.17**	**67.61**	**391.47**	**885.69**	**18,914.07**

Notes:

a) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for availing working capital facilities. However, the Holding company has not utilised the working capital limits for the year ended March 31, 2025

b) Refer note no. 40 (b) , for disclosure of capital comittment for acquisition of property, plant and equipment.

c) All the title deeds of immovable properties are held in the name of the company.

d) The lease agreement of the leasehold land is in the name of the company.

e) Refer note no. 53 for the details of the assets classified as held for sale (Net)

Note 5 : Capital Work In Progress

	As At March 31, 2025	As At March 31, 2024
Balance at the beginning of the year	2.88	3.41
Add: Addition made during the year	848.74	2.88
Less: Capitalised/adjustments during the year	2.15	3.41
Balance at the end of the year	**849.47**	**2.88**

Notes:

a) Breakup of capital work in progress is as follows:	As At March 31, 2025	As At March 31, 2024
Plant & Machinery	849.47	2.88
	849.47	**2.88**

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

b) Ageing schedule of CWIP As at March 31, 2025 and As at March 31, 2024:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	848.74	0.73	-	-	849.47
	(2.88)	(-)	-	(-)	(2.88)
(ii) Projects temporarily Suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Figures in bracket represents figures for the year ended March 31, 2024.

c) There are no capital-work-in progress As at March 31, 2025 and As at March 31, 2024 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 6 : Other Intangible Assets

Particulars	Computer Software	Technical Knowhow	Total
Gross carrying amount			
As at April 01, 2023	**410.98**	**2,385.17**	**2,796.15**
Add: Additions made during the year	35.83	-	35.83
Less: Adjustments during the year	18.70	-	18.70
As at March 31, 2024	**428.11**	**2,385.17**	**2,813.28**
Add: Additions made during the year	15.01	-	15.01
Less: Adjustments during the year	-	-	-
As at March 31, 2025	**443.12**	**2,385.17**	**2,828.29**
Accumulated amortisation and impairment			
As at April 01, 2023	**347.50**	**1,224.98**	**1,572.48**
Add: Amortisation for the year	43.76	197.24	241.00
Less: Adjustments during the year	18.70	-	18.70
As at March 31, 2024	**372.56**	**1,422.22**	**1,794.78**
Add: Amortisation for the year	34.90	197.24	232.14
Less: Adjustments during the year	-	-	-
As at March 31, 2025	**407.46**	**1,619.46**	**2,026.92**
Net carrying amount			
As at March 31, 2025	**35.66**	**765.71**	**801.37**
As at March 31, 2024	**55.55**	**962.95**	**1,018.50**

Note 7A : Investments (Non-Current)

Equity Investment in Associates , Joint Ventures & subsidiaries

		As At March 31, 2025	As At March 31, 2024
I Investment in Associate			
(Investment Measured at cost)			
In equity shares of Associate (Unquoted, Fully paidup)			
Relan Industrial Finance Limited: 490,000 (March 31, 2024: 490,000) having face value of ₹ 10 each*		426.16	358.06
	(I)	**426.16**	**358.06**
II Investment in Joint Venture			
(Investment Measured at cost)			
In equity shares of Joint Venture (Unquoted, Fully paidup)			
Unquoted			
Exhaust Technology Private Limited: 47,500,000 (March 31, 2024: 47,500,000) having face value of ₹ 10 each *		2,697.22	2,517.68
	(II)	**2,697.22**	**2,517.68**
	(I+II)	**3,123.38**	**2,875.75**

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

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

Information about Associate, Joint Ventures & Subsidiary

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2025	As At March 31, 2024
Associate				
Relan Industrial Finance Limited	India	Service provider of investments	47.12	47.12
Joint Venture				
Exhaust Technology India Private Limited	India	Manufacturing of exhaust systems	50.00	50.00
Joint Venture				
Uddipt Mobility India Private Limited	India	Manufacturing of exhaust systems	-	74.00
Subsidiary				
Uddipt Mobility India Private Limited	India	Manufacturing of batteries	74.00	-

Note 7B : Investments (Non-Current)

Investment In Others

(Measured at amortised cost)

	As At March 31, 2025	As At March 31, 2024
In unquoted fully paid -up equity shares		
Unquoted, fully paid up		
4,970 (March 31, 2024: 4,970) Equity shares of ₹ 10 each of Jayanthi Wind farms Private Limited*	0.50	0.50
Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2024: 50) units NHAI 2030 - Tax free Bond* (Maturity Date: Sep 2030)*	500.00	500.00
Investment in Debenture & Bonds (Quoted)		
Nil (March 31,2024: 500) units HDFC Bank Ltd. SR AA012 7.70 NCD (Maturity Date: Nov 2025)*	-	5,000.00
Nil (March 31,2024: 500) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	-	5,000.00
Nil (March 31,2024: 500) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	-	5,000.00
Nil (March 31,2024: 450) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	-	4,500.00
Nil (March 31,2024: 5500) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	-	5,500.00
Nil (March 31,2024: 500) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	-	5,000.00
	500.50	**30,500.50**

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

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

Note 7C : Investments (Current)

	As At March 31, 2025	As At March 31, 2024
Investment in Debenture & Bonds (Quoted) (Measured at amortised cost)		
500 (March 31,2024: Nil) units HDFC Bank Ltd. SR AA012 7.70 NCD 18NV25 FVRS10LAC-CBRICS-KSL-1011 (Maturity Date: Nov 2025)*	5,000.00	-
500 (March 31,2024: Nil) units HDB Financial Services Ltd 6.00% HDB Financial 2025 (Maturity Date: June 2025)*	5,000.00	-
500 (March 31,2024: Nil) units HDFC Bank Ltd. 2025 (Maturity Date: Sep 2025)*	5,000.00	-
450 (March 31,2024: Nil) units Tata Capital Ltd 2025 (Maturity Date: Dec 2025)*	4,500.00	-
5500 (March 31,2024: Nil) units Kotak Mahindra Investments Ltd 2025 (Maturity Date: Sep 2025)*	5,500.00	-
500 (March 31,2024: Nil) units LIC Housing Finance Ltd 2025 (Maturity Date: Aug 2025)*	5,000.00	-
Investment In Mutual Funds (Quoted) (Measured at fair value through profit or loss)		
1,17,07,373.053 units (March 31,2024: 1,94,33,989.204 units) units SBI Arbitrage Opportunities Fund - Regular Plan (G)*	3,893.42	6,021.91
2,30,69,919.532 units (March 31,2024: 1,75,50,474.808 units) units Kotak Equity Arbitrage Fund - Regular Plan (G)*	8,508.98	6,020.90
1,72,20,657.088 units (March 31,2024: 2,05,79,055.014 units) units Invesco India Arbitrage Fund (G)*	5,409.40	6,020.05
4,29,66,467.4 units (March31,2024: 4,29,66,467.4 units) Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan (G)*	5,497.90	5,101.19
3,80,15,130.874 units (March 31,2024: 3,80,15,130.874 units) BHARAT Bond FOF - April 2030 - Direct Plan Growth *	5,585.26	5,143.30
1,81,45,410.21 units (March 31,2024: 1,81,45,410.21 units) ICICI Prudential Corporate Bond Fund - Direct Plan - Growth *	5,543.69	5,107.13
1,98,05,664.401 units (March 31,2024: Nil units) HDFC Arbitrage Fund - Wholesale Plan - Regular Growth *	5,973.59	-
	70,412.24	**33,414.48**
** The number of units in note above represents absolute numbers.*		
Aggregate book value of unquoted investments (net of impairment)	3,123.88	2,876.25
Aggregate value of impairment of investments	-	-
Aggregate book value of quoted investments measured at fair value through profit or loss	40,412.24	33,414.48
Aggregate Market value of quoted investments measured at fair value through profit or loss	40,412.24	33,414.48
Aggregate book value of quoted investments carried at amortised cost	30,500.50	30,500.50
Aggregate market value of quoted investments carried at amortised cost	31,155.18	30,209.04

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

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Security deposits *(Refer to note 'a' below)*	411.62	282.85	-	-
Bank Deposits with original maturity of more than 12 months *(refer to note 15)*	115.00	115.00	-	-
Interest accrued				
- On Fixed deposits & Bonds	17.91	11.34	989.70	989.94
- Others	-	-	2.07	3.10
Receivable from related parties *(Refer to note 'b' below)*	-	-	19.37	18.47
	544.53	**409.19**	**1,011.14**	**1,011.51**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) For detailed related party disclosures, refer note 38.

Note 9 : Income Tax

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are:

Consolidated Statement of Profit and Loss:

Profit or loss section

	As At March 31, 2025	As At March 31, 2024
Tax Expense:		
a) Current tax	10,174.98	9,862.79
b) Adjustments in respect of relating to earlier years	7.35	(53.54)
c) Deferred tax	322.64	153.45
Income tax expense reported in the Consolidated statement of profit or loss	**10,504.97**	**9,962.70**

OCI section

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

	As At March 31, 2025	As At March 31, 2024
Net loss/(gain) on remeasurements of defined benefit plans	(12.12)	(8.43)
Income tax charged to OCI	**(12.12)**	**(8.43)**

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024.

	As At March 31, 2025	As At March 31, 2024
Accounting profit before tax from continuing operations	41,748.96	39,452.43
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)	10,507.38	9,929.39
Adjustments in respect of current income tax of previous years	7.35	(53.54)

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

	As At March 31, 2025	As At March 31, 2024
Tax effect of the amounts which are Non-deductible/ (taxable) for tax purposes:		
Expenses not deducted for tax purposes	3.27	3.46
Income exempted from income tax	(9.14)	(18.35)
Impact of tax at different tax rate	(155.14)	-
Corporate Social Responsibility expense	149.20	101.74
Others	2.05	-
At the income tax rate of 25.168% (March 31, 2024: 25.168%)	10,504.97	9,962.70
Income tax expense reported in the Consolidated statement of profit and loss	10,504.97	9,962.70
Variance	-	-

b) Deferred tax:

		Consolidated Balance sheet	
		As At March 31, 2025	As At March 31, 2024
Deferred tax assets relates to the following:			
Property, plant and equipment		332.71	180.63
Provision for employee benefits		377.37	302.23
Provision for Doubtful Debts/Advances		123.06	98.16
Unamortized Premium		6.94	5.93
Lease Liabilities		1,299.44	595.61
	(A)	**2,139.52**	**1,182.56**
Deferred tax liability relates to the following:			
Right to use assets		1,191.41	499.78
Unamortized Discount		70.24	13.29
Fair valuation of mutual fund		646.29	128.34
Security Deposits		11.60	10.67
	(B)	**1,919.54**	**652.08**
Total deferred tax assets/(liabiities) (Net)	(A-B)	**219.98**	**530.48**

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

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax assets relates to the following:				
Property, plant and equipment	180.63	152.08	-	332.71
Provision for employee benefits	302.23	59.35	12.12	373.70
Provision for Doubtful Debts/Advances	98.16	24.90	-	123.06
Provision for Slow moving Inventory	-	3.67	-	3.67
Unamortized Premium	5.93	1.01	-	6.94
Lease Liabilities	595.61	703.83	-	1,299.44
	1,182.56	**944.84**	**12.12**	**2,139.52**

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

	As At April 01, 2024	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2025
Deferred tax liability relates to the following:				
Right to use assets	499.78	691.64	-	1,191.41
Fair valuation of mutual fund & bonds	128.34	517.96	-	646.29
Unamortized Discount	13.29	56.95	-	70.24
Security Deposits	10.67	0.93	-	11.60
	652.08	**1,267.48**	**-**	**1,919.54**
Total deferred tax assets/(liabities) (Net)	**530.48**	**(322.64)**	**12.12**	**219.98**

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

d) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 10 : Non-Current Tax Asset

	As At March 31, 2025	As At March 31, 2024
Advance Tax	1,244.89	1,176.25
[Net of provision for income tax of ₹ 32,002.63 lakh (March 31, 2024 : ₹ 22,139.85 lakh)]	**1,244.89**	**1,176.25**

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

Note 11 : Other Assets

(Unsecured and considered good, unless otherwise stated)

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Capital advances (refer note 'a' below)	1,897.76	1,069.50	-	-
Balance with Government Authorities	-	-	27.64	14.43
Balance with Government Authorities - Doubtful			45.86	45.86
Less : Provision for Doubtful Balance			(45.86)	-45.86
Deposits under protest (refer note 'b' below)	157.72	79.06	-	-
Advances to Suppliers	-	-	459.22	257.40
Advances to Suppliers-Doubtful			26.74	30.41
Less : Provision for doubtful			(26.74)	-30.41
Advances to Employees	-	-	52.33	29.12
Prepaid Expenses	87.53	101.81	340.70	331.70
Premium on Bond Purchase -Unamortise	17.98	21.99	4.02	4.03
Other Receivable (refer note 'b' below)	-	-	184.72	165.35
	2,160.99	**1,272.36**	**1,068.63**	**802.03**

Notes:

a) For details of Capital commitment, refer Note no. 40 (b)

b) Deposits under protest are disclosed separately from Balance with Government authority as Non-Current balance, within the same note i.e. other assets for better presentation as per nature of deposits against on going disputes at different forums

c) Other Receivables of ₹ 184.72 lakh (March 31, 2024 ₹ 165.35 lakh) includes GST Recoverable on accrual basis of ₹ 182.96 lakh (March 31, 2024 ₹ 160.83) and balance pertains mainly to staff imprest account.

Note 12: Inventories

	As At March 31, 2025	As At March 31, 2024
Raw Materials	14,690.16	13,406.17
Raw Materials - In Transit	475.81	509.95
Work In Progress	2,424.15	2,011.80
Finished Goods (net of provision for slow moving inventory of ` 14.55 lakh (March 31, 2024- Nil))	1,563.17	1,912.10
Finished Goods in Transit	1,004.45	1,249.65
Stores and Spares	564.56	601.48
	20,722.30	**19,691.15**

Notes:

a) The mode of valuation of inventories has been stated in note 3.6.

b) Inventories have been pledged to secure cash credit facilities from banks. The Holding company has not utilised the working capital limits for the year ended March 31, 2025

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

Note 13 : Trade Receivables

	As At March 31, 2025	As At March 31, 2024
Secured, Considered Good	-	-
Unsecured, Considered Good	28,795.84	22,715.69
Unsecured, Considered credit impaired	86.37	313.75
	28,882.21	23,029.44
Less: Allowance for expected credit loss	416.34	313.75
	28,465.87	**22,715.69**
The movement of change in allowance for credit impairment		
Balance as at the beginning of the year	313.75	82.87
Change in allowance for credit impairment and expected credit loss (net)	102.59	230.88
Balance as at the end of the year	416.34	313.75

a) Trade Receivables Ageing as at March 31, 2025

Particulars	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	23,263.90	5,201.97	206.83	88.00	35.14	-	28,795.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	86.37	86.37
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**23,263.90**	**5,201.97**	**206.83**	**88.00**	**35.14**	**86.37**	**28,882.21**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	416.34

b) Trade Receivables Ageing as at March 31, 2024

Particulars	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	21,348.32	1,367.37	-	-	-	-	22,715.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	187.33	52.09	46.65	27.68	313.75
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**21,348.32**	**1,367.37**	**187.33**	**52.09**	**46.65**	**27.68**	**23,029.44**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	313.75

c) Trade receivables have been pledged to secure cash credit facilities from banks. However, the Holding company has not utilised the working capital limits for the year ended March 31, 2025

d) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

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

e) The exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 45.

f) The above includes amount due from related parties is ₹ 37.01 lakh (March 31, 2024: ₹ 37.01 lakh) (Refer note 38).

g) No trade or other receivables are due from directors or other officers of the Holding company either severally or jointly with any other persons.

Note 14 : Cash and Cash Equivalents

	As At March 31, 2025	As At March 31, 2024
Balances with banks:		
- on current accounts	8,224.98	4,442.14
- on EEFC accounts	-	6.99
- deposits with original maturity of less than 3 months (refer note 'a' below)	-	2,990.00
Cheque on hand	-	2.73
Cash on hand	0.06	0.03
Liquid Mutual Fund		
410,326.983 units (March 31,2024: 13,91,911.08) units ICICI Pro. liquid fund (G)*	1,560.44	4,931.63
88,119.653 units (March 31,2024: 1,17,775.908 units) TATA liquid fund regular (G)*	3,564.71	4,439.74
Nil units (March 31,2024: '1,55,292.312) units Edelweiss Liquid Fund - Regular Plan (G)*	-	4,751.99
28,256.287 units (March 31,2024: 88,295.192 units) Kotak Liquid Fund - Regular Plan (G)*	1,466.96	4,270.91
1,055,209.991 units (March 31,2024: Nil units) Aditya Birla Sun Life Liquid Fund - (G)*	4,367.34	-
8,000.878 units (March 31,2024: Nil units) Nippon India Liquid Fund - Growth Plan - (G)*	501.55	-
4,996.433 units (March 31,2024: Nil units) SBI Liquid Fund Regular Growth - (G)*	200.64	-
	19,886.69	**25,836.15**

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

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Holding company, and earn interest at the respective short-term deposit rates.

b) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

Note 15 : Bank Balances Other Than Cash and Cash Equivalents

	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Balances with banks:				
Earmarked balance with banks				
Unpaid dividend account	-	-	105.82	80.22
Unspent CSR account	-	-	-	431.40
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	-	-	119.32	116.23
Deposits with original maturity of more than 12 months (refer note 'a' below)	115.00	115.00	27.84	-
	115.00	**115.00**	**252.98**	**627.85**
Less: Amount disclosed in "Other Financial Assets" (refer note 8)	115.00	115.00	-	-
	-	**-**	**252.98**	**627.85**

a) The above deposits includes ₹ 262.16 lakh (March 31, 2024 : ₹ 184.38 lakh) which is given against Bank Guarantee to Various Authorities.

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

Note 16 : Equity Share Capital

	As At March 31, 2025	As At March 31, 2024
Authorised		
250000000 (March 31, 2024: 250000000) equity shares of ₹ 2 each*	5,000.00	5,000.00
Issued, subscribed and fully paid up		
28703853 (March 31, 2024: 29731630) equity shares of ₹ 2 each*	574.08	594.63
	574.08	**594.63**

*Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2025		As At March 31, 2024	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance as at the beginning of the year	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2024	**2,97,31,630**	**594.63**	**2,97,31,630**	**594.63**
Issue/buy back during the year	(10,27,777)	(20.56)	-	-
Balance as at the end of the year	**2,87,03,853**	**574.08**	**2,97,31,630**	**594.63**

*Number of Shares are given in absolute numbers

b) The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian rupees. Final Dividend of ₹ 32.50 per equity share was proposed by the Board of Directors during for the year ended March 31, 2025 (March 31, 2024: ₹ 9.92 per equity share), that is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate numbers of shares bought back during the period of five years immediately preceding the Balance sheet date:

The shareholders approved the proposal of buy back of equity shares recommended by its Board of Directors by way of e-voting/postal ballot, the results of which were declared on 24 May 2024. The buyback was offered to all equity shareholders/ beneficial owners of the company (including the Promoters, members of the Promoter Group of the company). During this buy back period, the company purchased and extinguished 10,27,777 equity shares at a buy back price of ` 1,800 per equity share comprising 3.46% of the pre buy back paid-up equity share capital of the company. The buyback resulted in a cash outflow of ` 18,684.72 lakh (including transaction costs of ` 205.29 lakh towards buy back). The company funded the buy back from its free reserves. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital redemption reserve' of ` 20.56 lakh equal to the nominal value of the shares bought back as an appropriation from retained earnings. The company has also paid corresponding tax on buy-back of ` 4,306.49 lakh which is offset from the retained earnings.

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

Name of Party	As At March 31, 2025		As At March 31, 2024	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%
Mrs. Mala Relan	-	0.00%	26,04,130	8.76%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%

*Number of Shares are given in absolute numbers

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

e) Disclosure of Shareholdings of Promotors

Promotor's Name	As at March 31, 2025		As at March 31, 2024		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,67,21,017	58.25%	1,73,71,380	58.43%	-0.17%
Mrs. Mala Relan	6,635	0.02%	26,04,130	8.76%	-8.74%
Mr. Aashim Relan	14,65,211	5.10%	15,22,200	5.12%	-0.02%
Mrs. Indira Chowdhry	2,65,185	0.92%	2,65,185	0.89%	0.03%

Promotor's Name	As at March 31, 2024		As at March 31, 2023		'% Change during the year
	No. of Shares*	Holding %	No. of Shares*	Holding %	
Mr. Ajay Relan	1,73,71,380	58.43%	1,73,71,380	58.43%	0.00%
Mrs. Mala Relan	26,04,130	8.76%	26,04,130	8.76%	0.00%
Mr. Aashim Relan	15,22,200	5.12%	15,22,200	5.12%	0.00%
Mrs. Indira Chowdhry	2,65,185	0.89%	2,65,185	0.89%	0.00%

*Number of Shares are given in absolute numbers

f) There are no shares reserved for issued under options.

Note 17 : Other Equity

	As At March 31, 2025	As At March 31, 2024
Capital Reserve	0.20	0.20
General Reserve	2,320.40	21,025.68
Capital Redemption Reserve (CRR)	20.56	-
Retained Earnings	1,03,270.35	78,968.36
	1,05,611.51	**99,994.24**

Notes:

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

II. Nature and purpose of reserves

a) Capital Reserve

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	0.20	0.20

The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.

b) General Reserve

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	2,320.40	21,025.68

The company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained Earnings

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	1,03,270.35	78,968.36

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

Retained earnings are the profits that has been earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the company are transferred to retained earnings from statement of profit and loss.

d) Capital Redemtion Reserves (CRR)

Particulars	As At March 31, 2025	As At March 31, 2024
Balance as at beginning/ end of the year	20.56	-

In accordance with section 69 of the Companies Act 2013, the Company has created the Capital Redemption Reserves equal to the nominal value of shares brought back, as an appropriation from the Reserves of the Company.

Note 18 : Lease Liabilities

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Lease liabilities*	4,915.34	2,247.08	247.71	119.46
	4,915.34	**2,247.08**	**247.71**	**119.46**

* for movement during the year, refer note 39B

Note 19 : Other Financial Liabilities

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Security deposit	12.79	12.79	-	-
Unclaimed dividends (refer note (a) below)	-	-	105.82	80.22
Creditors for capital goods-micro and small enterprises	-	-	165.26	50.38
Capital Creditors - others	-	-	1,321.10	1,267.23
	12.79	**12.79**	**1,592.18**	**1,397.83**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2025 (March 31, 2024 : Nil)

Note 20 : Provisions

	Non- Current		Current	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Provision for Employee Benefits				
- Compensated Absences (refer note 37)	392.79	389.36	244.95	208.86
- Gratuity (refer note 37)	-	-	372.50	176.01
Others				
Provision for Warranty (refer note below)	670.50	659.11	659.01	613.99
	1,063.29	**1,048.47**	**1,276.46**	**998.86**

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

Note: Movement for Provision for Warranty

	AsAt March 31, 2025	AsAt March 31, 2024
Opening Balance	1,273.10	1,134.97
Add : Provision made during the year	671.40	665.38
Less : Reversed during the year	547.23	457.17
Less : Utilisation during the year	67.76	70.08
Balance at the end of the year	**1,329.51**	**1,273.10**

Note 21 : Other Current Liabilities

	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
Advance from customers	-	-	1,446.59	2,529.60
Statutory dues	-	-	3,645.12	3,175.38
Provision for Unspent on CSR activities	-	-	73.80	796.73
Advance against Assets held for Sale (Refer note 53)	-	-	700.00	-
Discount on Purchase of Bond - Unamortise	-	85.67	85.67	226.28
Other Liabilities*	-	-	29.43	23.72
	-	**85.67**	**5,980.61**	**6,751.71**

* Other Liabilities primarily include amounts payable on account of employee reimbursements

Note 22 : Trade Payables

	As At March 31, 2025	As At March 31, 2024
- Total outstanding dues of micro and small enterprises	1,119.65	454.55
- Outstanding dues of creditors other than micro and small enterprises	53,144.45	49,034.72
	54,264.10	**49,489.27**

a) Trade Payables ageing schedule

As at March 31, 2025:

Particulars	Not due	Unbilled dues	Less than 1 year	1-2 years	2-3 year	>3 year	Total
(i) MSME	1,119.65	-	-	-	-	-	1,119.65
(ii) Others	29,515.18	7,107.00	15,077.68	824.70	91.31	528.59	53,144.45
(iii) Disputed dues MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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

As at March 31, 2024:

Trade Payables ageing schedule as at March 31, 2024:

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

b) Trade payables are non-interest bearing and are normally settled on 60-day terms (except for MSME). The exposure to currency and liquidity risk related to trade payables is disclosed in note no 41 & note no 45.

c) Payable to related parties amount to ₹ 327.15 lakh (March 31, 2024: ₹ 318.34 lakh)

d) Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006 .

	Capital Creditors		Trade Payables		Total Payables	
	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024	As At March 31, 2025	As At March 31, 2024
- Principal amount due	165.26	50.38	1,119.65	454.55	1,284.91	504.93
- Interest accrued and due on above	2.75	2.46	10.46	10.42	13.21	12.88
	168.01	**52.84**	**1,130.11**	**464.97**	**1,298.12**	**517.81**

(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	13.21	12.88
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

Note: Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprise Development Act, 2006 is based on the information available with the company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated year are Rs. 988.85 Lacs (March 31, 2024 : Rs. 347.56 Lacs)

Note 23 : Current Tax Liabilities (Net)

	As At March 31, 2025	As At March 31, 2024
Provision for Income Tax	135.88	44.58
[Net of advance income tax of ₹ 10,040.45 lakh (March 31, 2024 : ₹ 9,818.21 lakh)]		
	135.88	**44.58**

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

Note 24 : Revenue from Operations

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Product		
- Finished goods	2,74,741.91	2,71,039.77
- Traded goods	6,011.25	6,617.60
	2,80,753.16	2,77,657.37
Sale of services	212.32	580.14
Other Operating Revenues		
- Sale of scrap	2,691.61	2,688.73
	2,83,657.09	**2,80,926.24**

Notes:

a) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread, timing of recognition & customer type of the operations of the company. The company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2025	For the year ended March 31, 2024
India	2,81,280.54	2,78,901.97
Outside India	2,376.55	2,024.27
Revenue from operations	**2,83,657.09**	**2,80,926.24**

Revenue by time	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue recognised at point in time	2,83,657.09	2,80,926.24
Revenue recognised over time	-	-
Revenue from operations	**2,83,657.09**	**2,80,926.24**

Revenue based on Customer-wise	For the year ended March 31, 2025	For the year ended March 31, 2024
Related Party	-	3.06
Non- Related Party	2,83,657.09	2,80,923.18
Revenue from operations	**2,83,657.09**	**2,80,926.24**

c) Trade Receivables, Contract Balances

For Trade Receivables, Refer note no. 13.

Further, there are no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;

- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2025.

Further, there are no contract liabilities as at March 31, 2025 and March 31, 2024

d) Unsatisfied performance obligations:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

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

Note 25 : Other Income

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Interest Income		
- Fixed deposits with banks	46.74	2,428.55
- Income tax refund	-	21.63
- Interest on tax free bond & other bonds	2,202.64	655.83
Profit on sale of current investments designated at FVTPL	940.75	1,564.35
Fair value gain/(loss) on current investments designated at FVTPL	2,681.77	509.92
Amortisation of Discount/ (Premium) on Bond	222.26	8.08
Net gain on disposal of property, plant and equipments	1,770.34	2,686.80
Liabilities no longer required written back	210.45	764.67
Provision for advances written back	3.67	-
Miscellaneous income	249.47	145.58
	8,328.09	**8,785.41**

Note 26 : Cost of Raw Material Consumed

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Raw Material		
Balance at the beginning of the year	13,406.17	15,717.06
Add:- Purchases during the year	2,05,231.42	2,07,388.11
Less:- Balance of raw material at the end of the year	14,690.16	13,406.17
Total Raw Material Consumption	**2,03,947.43**	**2,09,699.00**

Note 27 : Purchase of Stock in Trade

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Purchase of stock in trade	5,496.09	6,070.93
	5,496.09	**6,070.93**

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

		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Inventories at the beginning of the year			
Finished goods		3,161.75	704.06
Work- in- progress		2,011.80	2,984.24
	(A)	**5,173.55**	**3,688.30**
Inventories at the end of the year			
Finished goods		2,567.62	3,161.75
Work- in- progress		2,424.15	2,011.80
	(B)	**4,991.77**	**5,173.55**
(Increase) / Decrease			
Finished goods		594.14	(2,457.70)
Work- in- progress		(412.36)	972.45
(Increase) / Decrease in Inventories (A-B)		**181.78**	**(1,485.25)**

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

a) The closing stock of finished goods is net off write down of inventories for slow moving inventory of ₹ 14.55 lakh (March 31, 2024- Nil)

Note 29 : Employee Benefits Expense

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Salaries, wages & other benefits	12,909.18	11,461.33
Contribution to provident and other funds (refer note below & note 37)	649.00	574.88
Gratuity (refer note 37)	160.01	107.17
Leave encashment (refer note 37)	66.03	191.66
Staff welfare expenses	958.12	892.12
	14,742.34	**13,227.16**

a) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 30 : Finance Cost

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Interest on :		
- lease liabilities	248.06	198.54
- delayed payments of MSME creditors	13.21	12.88
- delayed payments of advance tax	1.35	-
- others	130.71	9.34
	393.33	**220.76**

Note 31 : Depreciation and Amortization Expenses

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Depreciation on property, plant and equipment	5,303.20	4,800.97
Amortization of intangible assets	232.14	240.99
Amortisation on right-of-use assets	287.28	213.70
	5,822.62	**5,255.66**

Note 32 : Other Expenses

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Consumable tools	198.05	173.85
Power & fuel	1,414.44	1,272.28
Hire labour charges	9,193.22	7,702.37
Manufacturing expenses	192.21	555.67
Rent	58.54	75.68
Rates & taxes	63.57	88.08
Repair & maintenance		
- Building	263.18	140.80

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

		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
- Plant & Equipments		803.79	758.29
- Others		706.98	592.82
Net loss on foreign exchange fluctuation		252.49	110.12
Royalty fees		127.80	133.58
Research & development expenses (refer note 36)		480.39	443.84
Travelling & conveyance		1,268.33	997.80
Insurance		218.42	206.23
Communication cost		68.97	58.61
Director's sitting fee		26.50	25.00
Legal & professional expenses		1,133.71	729.36
Auditor's remuneration (refer details 'a' below)		42.35	34.12
Corporate Social Responsibility expenses (refer note 35)		592.80	404.26
Provision for Warranty	671.40		
Less: Warranty Provision written back	(547.23)	124.17	208.21
Packing material		410.98	368.95
Freight outward		1,049.97	1,025.10
Provision for doubtful advances		-	30.41
Provision for doubtful balance with Govt. Authorities		-	45.86
Allowance for Expected Credit Loss	289.41		
Less :Allowance for Expected Credit Loss written Back	(186.82)	102.59	230.88
Miscellaneous expenses		859.18	858.79
Total		**19,652.63**	**17,270.96**

a) Payment to Auditors*	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
As Auditor:		
- Statutory audit fee (including limited review)	32.91	26.50
- Tax audit fee	6.00	5.50
- Certification Fees	2.75	1.63
In Other Capacity:		
- Reimbursement of expenses	0.69	0.49
	42.35	**34.12**

* The payment to auditors above does not includes amount of ` 2.50 lakh (March 31, 2024- Nil) persuant to transactions of buy back, which is accounted as equity adjustment in Statement of changes in equity.

Note 33: Components of Other Comprehensive Income

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(48.14)	(33.51)
Income tax expense on items that will not be reclassified to profit or loss	12.12	8.43
Share of other comprehensive income of joint venture accounted for using the equity method	-	4.00
	(36.02)	**(21.08)**

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

Note 34: Earnings per share (EPS)

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Profit attributable to the equity shareholders **(A)**	31,491.61	29,959.09
Number/Weighted average number of equity shares outstanding at the end of the year **(B)**	**2,89,43,198**	**2,97,31,630**
Nominal value of Equity shares	₹ 2	₹ 2
Basic/Diluted Earning per share (A/B) (in ₹)	108.80	100.77

Note: 35 Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) The company's CSR programmes/projects focusses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the company as per the Act.

ii) Details of amount of expenditure incurred, earmarked & spent during the year

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
a) Amount required to be spent by the company	592.80	404.26
b) Amount of expenditure incurred	592.80	404.26
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Purpose for which expenditure incurred		
(i) Construction/acquisitions of any asset	-	-
(ii) On purpose other than (i) above *	519.00	38.93
* Nature of CSR activities includes		
(i) Promoting Health Care including preventive healthcare, Promoting Education, Skill and Livelihood		
(ii) Promoting Education		
f) Amount of CSR provision made during the year	73.80	365.33
Total	**592.80**	**404.26**

Note: The amount in (i) above is paid to Sharda CSR Foundation trust, an entity which is being controlled by the company.

Movement in the provision for corporate social responsibility		
Balance at the beginning of the year	796.73	551.58
Add: provision made during the year	73.80	365.33
Less: amounts adjusted/utilised during the year	796.73	120.18
Balance at the end of the year (Refer note-21)	**73.80**	**796.73**
Amount yet to be transferred to separate bank account	73.80	365.33
Movement of amount in the separate bank account		
Balance at the beginning of the year	431.40	337.52
Add: amount transferred during the year	365.33	214.06
Less: amount of donation made during the year	796.73	120.18
Balance at the end of the year	**-**	**431.40**

* The company has created a provision for unspent amount of ₹ 73.80 lakh in FY 2024-25 (March 31, 2024: ₹ 365.33 lakh) and transferred the same in separate bank account on April 28, 2025 and April 29, 2024 respectively as per notification no. G.S.R. 40(E) and January 22, 2021 issued by the ministry of corporate affairs (MCA).

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

Note: 36 Research & Development Expenses is as follows:

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Research & development expenses include:		
- Travelling expenses	53.48	44.93
- Design, development and other expenses	426.91	398.91
	480.39	**443.84**

Note 37 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Labour Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The company during the year recognised the following amount in the Consolidated Statement of profit and loss account under company's contribution to defined contribution plan:

	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Employer's Contribution to Provident Fund/ Pension Fund	636.60	554.52
Employer's Contribution to Employee State Insurance	11.81	19.92
Employer's Contribution to Employee Welfare Fund	0.59	0.44
Total	**649.00**	**574.88**

The contribution payable to these schemes by the company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the company is able to determine the present value of obligations. "Projected Unit Credit Method” recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

c) Compensated absences

The company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 10 accumulations every year with total accumulation of 45 leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the Consolidated statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

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

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

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

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d) The following tables summarize the components of net benefit expense (Gratuity) recognised in the Statement of profit and loss and the funded status and amounts recognised in the Consolidated balance sheet

Particulars	As At March 31, 2025	As At March 31, 2024
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation as at the beginning of the year	1,907.77	1,685.02
Add: Interest cost	120.22	110.92
Add: Current service cost	162.40	116.02
Add: Past service cost	-	-
Less: Benefits paid	(51.76)	(39.60)
Add: Actuarial (gain) / loss	53.03	35.41
Present value of obligation as at the end of the year	**2,191.66**	**1,907.77**

1) Components of expenses recognised in the Consolidated statement of profit or loss in respect of:

Particulars	As At March 31, 2025	As At March 31, 2024
	Gratuity (Funded)	Gratuity (Funded)
Current service cost	162.40	116.01
Past service cost	-	-
Interest cost	(2.39)	(8.85)
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in profit/loss	**160.01**	**107.16**

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

2) Components of expenses recognised in the other comprehensive income in respect of:

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Actuarial (gains) / losses	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	37.36	9.20
- experience variance	15.67	26.21
Return on plan assets, excluding amount recognised in net interest expense	(4.89)	(1.90)
Component of defined benefit costs recognised in other comprehensive income	**48.14**	**33.51**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

3) Changes in the fair value of the plan assets are as follows:

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Fair value of plan assets at the beginning	1,731.76	1,649.69
Add: Investment income	122.61	119.77
Add: Employer's contribution	11.66	-
Less: Benefits paid	(51.76)	(39.60)
Add: Actuarial gains / (losses) on the plan assets	4.89	1.90
Fair value of plan assets at the end	**1,819.16**	**1,731.76**

4) The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars			As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Economic assumptions				
	a.	Discount rate	6.44%	7.08%
	b.	Rate of increase in compensation levels	10.00%	10.00%
Demographic assumptions				
	a.	Expected average remaining working lives of employees (years)	19.00	19.56
	b.	Retirement Age (years)	58	58
	c.	Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate				
	a.	Ages up to 30 Years	29.00%	29.00%
	b.	Ages from 30-44	29.00%	29.00%
	c.	Above 44 years	29.00%	29.00%

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

5) Net (assets) / liabilities recognized in the Consolidated Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
Present value of obligation	2,191.66	1,907.77
Fair value of plan assets	1,819.16	1,731.76
Net (assets) / liability	**372.50**	**176.01**
Classification into long term and short term:		
- Classified as long term	-	-
- Classified as short term	372.50	176.01
Total	**372.50**	**176.01**

6) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(57.76)	(49.90)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	61.36	52.99
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	60.06	53.35
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(59.29)	(52.13)

C. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Further, there are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

7) Maturity profile of defined benefit obligation is as follows:

Particulars	As At March 31, 2025 Gratuity (Funded)	As At March 31, 2024 Gratuity (Funded)
1 year	253.88	253.88
2 to 5 years	1,366.81	1,008.79
More than 5 years	657.05	473.57

e) Enterprise best estimate of contribution during next year is ₹ 540.46 lakh (March 31, 2024: ₹ 291.32 lakh.

f) There is no change in the method used in the preparing the sensitive analysis from prior years.

g) Leave Encashment

Amount recognised in the statement of profit & loss is ₹ 66.03 lakhs (March 31, 2024: ₹ 191.66 lakhs)

Closing Liability	As At March 31, 2025	As At March 31, 2024
Compensated absences		
-Current	244.95	208.86
-Non-current	392.79	389.36
	637.74	**598.22**

Note 38 : Related Party Transactions

The company's principal related parties consists of its key managerial personnel, the Company's related party transactions and outstanding balances with related parties with whom the company routinely enters into the transactions in the ordinary course of business.

(a) List of Related Parties

Nature of Relationship	Name of the Related Party
Associate Company	Relan Industrial Finance Limited
Subsidiary Company	Uddipt Mobility India Private Limited
Joint Venture	Exhaust Technology Private Limited
Key Managerial Personnel	a) Mr. Kishan N Parikh (Chairman)/ Non executive Independent Director
	b) Mrs. Sharda Relan (Co-Chairperson up to 26/09/2024)
	c) Mr. Ajay Relan (Managing Director)
	d) Mr. Aashim Relan (Chief Executive Officer)
	e) Mr. Ashok Kumar Bhattacharya (Director up to 02/09/2024)
	f) Mr. Navin Paul (Director) w.e.f 02/08/2024
	g) Mr. Udayan Banerjee (Director)
	h) Mr. Nitin Vishnoi (Whole time Director & Company Secretary)
	i) Mrs.Sarita Dhuper (Director)
	j) Mr. Puru Aggarwal (President & Group CFO up to 31/03/2025)
	k) Mr. G D Takkar (CFO w.e.f 01/04/2025)
Relatives of Key Managerial Personnel	a) Mrs. Mala Relan (Spouse of Managing Director)
	b) Mrs. Aashita Relan (Daughter of Managing Director)
	c) Mrs. Indira Chowdhry (Mother in law of Managing Director)
Entities where Directors/Close family members of Directors having control	a) A.N.I Hospitality LLP
	b) Sharda CSR Foundation Trust

(b) Disclosures of Related Parties

(i) Joint Venture

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Finished Goods	-	3.06
Purchase of Goods	(0.54)	11.60

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

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Trade Receivable	37.01	37.01
Other Receivable	14.30	18.47
Trade Payable	47.66	48.19

(ii) Subsidiary

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Expenses incurred on their behalf	0.90	2.01

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Other Receivable	5.07	4.17

(iii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
CSR Expenditure paid	1,315.73	159.11
Expenses incurred on their behalf	0.09	-

(iv) Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Remuneration Paid	1,668.82	1,557.54
Reimbursement of Expenses	41.54	24.36
Sitting Fee Paid	26.50	25.00
Dividend Paid	1,804.07	3,262.92
Buy Back of shares	12,732.34	-

Closing Balances

Particulars	As At March 31, 2025	As At March 31, 2024
Payable to KMP	279.33	270.98

(v) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Salary Paid	15.36	15.36
Dividend Paid	35.93	511.74
Buy back of shares	1,818.16	-

Closing Balances

Particulars	As At March 31, 2025	For the Year Ended March 31, 2024
Payable to KMP	0.17	0.17

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

(c) Disclosures of Material Transactions

(i) Joint Ventures

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Sale of Finished Goods		
Exhaust Technology Private Limited	-	3.06
Purchase of Goods		
Exhaust Technology Private Limited*	(0.54)	11.60
Balance Payable		
Exhaust Technology Private Limited	47.66	48.19
Balance Receivable		
Exhaust Technology Private Limited	51.31	51.31

*Figure in bracket represents return

(ii) Subsidiary

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Expenses incurred on their behalf		
Uddipt Mobility India Private Limited	0.09	2.01

(iii) Entities over which KMP has significant influence

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
CSR Expenditure Paid		
Sharda CSR Foundation Trust	1,315.73	159.11

(iv) Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Remuneration Paid		
Ajay Relan	1,109.71	1,033.42
Nitin Vishnoi	154.02	131.89
Aashim Relan	144.61	144.61
Puru Aggarwal	260.49	247.61
Reimbursement of Expenses		
Puru Aggarwal	41.54	24.36
Sitting Fee Paid		
Kishan N Parikh	7.95	7.20
Ashok Kumar Bhattacharya	3.60	7.20
Udayan Banerjee	7.95	6.85
Sarita Dhuper	3.00	3.00
Sharda Relan	-	0.75
Navin Paul	4.00	-
Dividend Paid		
Ajay Relan	1,658.72	3,000.04
Aashim Relan	145.35	262.88
Buy Back of shares		
Ajay Relan	11,706.53	-
Aashim Relan	1,025.80	-
Balance Payable		
Ajay Relan	314.57	170.07
Nitin Vishnoi	22.85	20.72
Aashim Relan	0.17	0.17
Puru Aggarwal	-	80.02

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

(v) Relative of Key Management Personnel

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Dividend Paid		
Mala Relan	0.66	449.73
Aashita Relan	8.96	-
Indira Chowdhry	26.31	-
Buy Back of shares		
Mala Relan	1,754.91	-
Aashita Relan	63.25	-

d) **Terms and conditions of transactions with related parties**

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free.

e) The remuneration of Key managerial Personnel does not include amount in repect of gratuity and leave encashment payable as the same are not determinable as individual basis for the KMP. The liabilities of gratuity and leave encashment are provided for company as whole on the basis of acturial valuation.

Note 39 : Lease Liabilities

Lease contracts entered by the company majorly pertains for land & Building taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract.

Note 39A : Right-of-Use Assets

Particulars	Land	Land & Building	Vehicle	Total
Gross Carrying Amount				
As at April 01, 2023	**1,049.84**	1,449.10	**53.80**	**2,552.74**
Add: Additions made during the year	-	-	-	**-**
Less: Disposals / adjustments during the year	-	-	19.78	**19.78**
As at March 31, 2024	**1,049.84**	**1,449.10**	**34.02**	**2,532.96**
Add: Additions made during the year	-	3,035.36	-	**3,035.36**
Less: Disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**1,049.84**	**4,484.46**	**34.02**	**5,568.32**
Accumulated depreciation and impairment				
As at April 01, 2023	**222.91**	**93.37**	**30.42**	**346.70**
Add: Depreciation charge for the year	55.52	149.48	8.70	**213.70**
Less: On disposals / adjustments during the year	-	-	13.20	**13.20**
As at March 31, 2024	**278.43**	**242.85**	**25.92**	**547.20**
Add: Depreciation charge for the year	55.36	226.52	5.40	**287.28**
Less: On disposals / adjustments during the year	-	-	-	**-**
As at March 31, 2025	**333.79**	**469.37**	**31.32**	**834.48**
Net carrying amount				
As at March 31, 2025	**716.05**	**4,015.09**	**2.70**	**4,733.84**
As at March 31, 2024	**771.41**	**1,206.25**	**8.10**	**1,985.76**

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

Notes:

a) Leasehold Land represents the properties taken on lease for plants at Chakan and Sanand location having lease terms between 20 to 35 years.

b) Leasehold Land & Building represents the properties taken on lease for plant at Chakan having lease terms of 10 years.

c) Leasehold vehicle represents the vehicles taken on lease for offices having lease terms of 5 years.

d) The company also has certain leases with lease terms of 12 months or less. The company has applied the 'short-term lease' recognition exemptions for these leases.

e) The company has not booked any impairement charges for Right of Use of Assets for the year ended As at March 31, 2025 and also As at March 31, 2024.

Note 39B : Lease Liabilities

Movements in carrying value of recognised liabilities	
As at April 01, 2023	**2,464.23**
Add: Additions during the year	-
Add: Interest expense on lease liabilities	198.54
Less: (Disposals) / adjustments during the year	7.52
Less: Repayment of lease liabilities	288.71
As at March 31, 2024	**2,366.54**
Add: Additions during the year	2,931.40
Add: Interest expense on lease liabilities	248.06
Less: (Disposals) / adjustments during the year	-
Less: Repayment of lease liabilities	382.95
As at March 31, 2025	**5,163.05**

	As At March 31, 2025	As At March 31, 2024
Non-current lease liabilities	4,915.34	2,247.08
Current lease liabilities	247.71	119.46
Total lease liabilities	**5,163.05**	**2,366.54**

a) The maturity analysis of lease liabilities is given in Note 45 in the 'Liquidity risk' section.

b) Cash flows from operating activities includes cash flow from short term lease & leases of low value. Cash flows from financing activities includes the payment of interest and the principal portion of lease liabilities on net basis.

c) There are no leases commited which have not yet commenced as on reporting date.

Note 40: Contingent Liabilities and Commitments

(a) Contingent Liabilities (to the extent not provided for)

The company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/ decisions pending with various forums/authorities, the company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the company. Also, the company does not expect any reimbursements in respect of the below contingent liabilities.

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

Particulars		As At March 31, 2025	As At March 31, 2024
I	**Income Tax**		
(i)	Tax demand under section 156 of the Income Tax Act, 1961 raised during the FY 2024-25, appeal pending before CIT (A) with respect to the following assessment years:-		
	AY 2014-15	878.82	-
	AY 2015-16	223.60	-
	AY 2016-17	2,137.80	-
	AY 2017-18	2,852.14	-
	AY 2018-19	1,499.00	-
	AY 2019-20	1,965.93	-
	AY 2020-21	493.92	-
	AY 2021-22	351.98	-
	AY 2022-23	430.14	-
	AY 2023-24	4,169.99	-
	AY 2024-25	8.45	-
(ii)	Tax demand under section 154 of the Income Tax Act, 1961		
	AY 2022-23	-	90.46
(iii)	Tax demand under section 143(3) of the Income Tax Act, 1961 with respect to the following assessment years -Appeal pending before CIT(A)		
	AY 2017-18	280.90	280.90
	AY 2018-19	11.56	11.56
	AY 2020-21	40.39	40.39
	AY 2021-22	0.98	0.98
II	**Other than Income Tax Matters**		
	Disputed State Tax Matters (VAT)	67.80	630.10
	Disputed Service Tax Matters	16.96	16.96
	Disputed GST Matters	375.76	215.62
	Disputed Central Excise Matters	440.00	440.00
	Disputed EPFA demand	-	0.62
	Dispute wih vendor	90.44	90.44
III	**Irrevocable letter of credit outstanding with banks**		
	i) Foreign LC	8,909.14	9,250.53
	ii) Inland LC	2,340.15	1,982.25

(b) Commitments

Particulars	As At March 31, 2025	As At March 31, 2024
Capital Commitment Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of March 31, 2025: ₹ 1897.76 lakh (March 31, 2024 : ₹ 1069.50 lakh))	1,198.45	565.23

The company does not have any other long term Commitments or material non cancellable contractual commitments, which may have a material impact on the Consolidated financial statement.

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

Note 41: Particulars of Unhedged Foreign Currency Exposure

	As At March 31, 2025		As At March 31, 2024	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivable	US$ 5.76 lakh	492.01	US$ 15.25 lakh	1,270.71
Trade Payables	US$ 89.53 lakh	7,650.84	US$ 106.17 lakh	8,847.94
Trade Payables	EURO 1.03 lakh	95.21	EURO 2.73 lakh	245.73
Trade Payables	JPY 0.25 lakh	0.140	JPY 0.25 lakh	0.14

Note 42 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

2. Major Customer: Revenue from 2 Customers (March 31, 2024: 2 Customers) of the company's manufacturing & trading business are ₹ 210,929.21 lakh (March 31, 2024: ₹ 198,188.61 lakh) which is more than 10% of the company's total revenue. No other single customer contributed 10% or more to the company's revenue for both March 31, 2025 and March 31, 2024.

Note 43 : Fair value measurements

I **Financial instruments**

a) **Financial instruments by category**

Except Investment in bonds and investment in mutual funds which are measured at fair value through profit or loss, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and advances, are measured at amortised cost.

b) **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the financial instruments are classified into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

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

As at March 31, 2025

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in mutual funds	-	40,412.24	-	-	40,412.24	40,412.24	-	-	40,412.24
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	3,123.88	-	3,123.88	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	536.40	-	-	536.40
Investment in Bonds (Quoted)	-	-	30,000.00	-	30,000.00	30,618.78	-	-	30,618.78
Security deposits	-	-	411.62	-	411.62	-	-	-	-
Interest accrued but not due on term deposits	-	-	1,007.61	-	1,007.61	-	-	-	-
Interest accrued others	-	-	2.07	-	2.07	-	-	-	-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties	-	-	19.37	-	19.37	-	-	-	-
Trade receivables	-	-	28,465.87	-	28,465.87	-	-	-	-
Cash and cash equivalents	-	-	19,886.69	-	19,886.69	-	-	-	-
Other bank balances	-	-	252.98	-	252.98	-	-	-	-
	-	**40,412.24**	**83,785.09**	**-**	**1,24,197.33**	**71,567.42**	**-**	**-**	**71,567.42**
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	5,163.05	5,163.05	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	105.82	105.82	-	-	-	-
Trade payables	-	-	-	54,264.10	54,264.10	-	-	-	-
Creditors for capital goods	-	-	-	1,486.36	1,486.36	-	-	-	-
	-	**-**	**-**	**61,032.12**	**61,032.12**	**-**	**-**	**-**	**-**

As at March 31, 2024

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment In tax free bond (Quoted)	-	-	-	-	-	-	-	-	-
Investment in mutual funds	-	33,414.48		-	33,414.48	33,414.48	-	-	33,414.48
Financial assets not measured at fair value									
Investment in equity shares (Unquoted)	-	-	2,875.75	-	2,875.75	-	-	-	-
Investment In tax free bond (Quoted)	-	-	500.00	-	500.00	574.95			574.95
Investment in Bonds (Quoted)	-	-	30,000.00	-	30,000.00	29,634.08			29,634.08
Staff advance	-	-	-	-	-	-	-	-	-
Security Deposits	-	-	282.85	-	282.85	-	-	-	-
Interest accrued but not due on term deposits	-	-	1,001.28	-	1,001.28	-	-	-	-
Interest accrued others			3.10		3.10				-
Deposits with original maturity of more than 12 months	-	-	115.00	-	115.00	-	-	-	-
Receivable from related parties			18.47		18.47				-
Trade receivables	-	-	22,715.69	-	22,715.69	-	-	-	-
Cash and cash equivalents	-	-	25,836.15	-	25,836.15	-	-	-	-
Other bank balances	-	-	627.85	-	627.85	-	-	-	-
	-	**33,414.48**	**83,976.14**	**-**	**1,17,390.63**	**63,623.51**	**-**	**-**	**63,623.51**

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

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial Assets - amortised cost	Financial Liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Lease Liabilities	-	-	-	2,366.54	2,366.54	-	-	-	-
Security Deposits	-	-	-	12.79	12.79	-	-	-	-
Unpaid dividends	-	-	-	80.22	80.22	-	-	-	-
Trade payables	-	-	-	49,489.27	49,489.27	-	-	-	-
Creditors for capital goods	-	-	-	1,267.23	1,267.23	-	-	-	-
	-	**-**	**-**	**53,216.05**	**53,216.05**	**-**	**-**	**-**	**-**

c) The company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the board of directors.

d) Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended March 31, 2025 and March 31, 2024.

e) **Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of non-current investment in Bonds has been valued at amortised cost. Fair values have not been considered for valuation as it is long term in nature and held to maturity.

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

f) Specific Valuation techniques used to value financial instruments include:

Type	Valuation technique	Significant unobservable data	Inter-relationship between fair valuation and significant unobservable data
Investments in mutual fund measured at FVTPL (quoted)	Net asset value ('NAV') technique, as stated by the issuers of these mutual fund units as at Balance Sheet date	Not Applicable	Not Applicable
Fair Value of security deposits paid & received (Other than perpetual security deposits) *	Based on the discounting factor as at reporting date.	Not Applicable	Not Applicable

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

***Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Holding company and in case of financial asset is the average market rate of similar credit rated instrument. The Holding company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Note 44 : Capital Management

Equity share capital and other equity are considered for the purpose of capital management.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders and benefits for other stakeholders. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. During the year, company had paid ₹ 9.92 per equity share as final dividend pertaining to year ended March 31, 2024. In addition to this, subsequent to year end the Directors have recommended the payment of a final dividend of ₹ 32.50 per equity share (March 31, 2024: ₹ 9.92) per equity share. The propose dividend is subject to the approval of share holders in the ensuing annual general meeting.

The company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of total lease laibility less cash and cash equivalents.Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of reporting periods were as follows:

	As At March 31, 2025	As At March 31, 2024
Lease Liability (Refer to note 18)	5,163.05	2,366.54
Less: Cash and cash equivalents (Refer to note 14)	19,886.69	25,836.15
Net debt (A)	(14,723.64)	(23,469.61)
Equity share capital (Refer to note 16)	574.08	594.63
Other equity (Refer to note 17)	1,05,611.51	99,994.24
Total Capital (B)	1,06,185.59	1,00,588.87
Capital and net debt (C=A+B)	**91,461.95**	**77,119.26**
Gearing ratio (A/C)	**-16.10%**	**-30.43%**

Note 45 : Financial Risk Management objectives and policies

The principal financial liabilities in the consolidated financial statements other than derivatives comprise trade and other payables, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the business operations and to provide guarantees to support its operations.

The principal financial assets includes investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

The senior level management of the Holding Company and the respective management of the components assess these risks and is supported by their Treasury department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

(i) **Trade Receivables**

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company based on credit approvals, establishing credit limits and continuosly monitoring the credit worthiness of the customers, to whom the company grants credit period in the normal course of business inlcuding taking credit insurance against export receivables. The company uses expected credit loss model to assess the impairement loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

(ii) Other Financial Assets: The company maintains exposure in cash & cash equivalents, term deposits with banks, investments, advances and security deposits etc. Credit risk from balances with banks and investment in mutual funds is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's finance committee. The company's maximum exposure to the credit risk as at March 31, 2025 and March 31, 2024 is the carrying value of each class of financial assets.

B. Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system.

(a) Financing agreements-The Company had access to the following undrawn borrowing facilities at the end of the year

	As At March 31, 2025	As At March 31, 2024
Floating Rate- Cash credit and other facilities	19,500.00	19,500.00
	19,500.00	**19,500.00**

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments.

As At March 31, 2025

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,321.10	-	-	-	1,321.10
Trade payables	54,264.10	-	-	-	54,264.10
Lease Liabilities	105.96	141.75	2,140.97	2,774.37	5,163.05
Unclaimed dividends	105.82	-	-	-	105.82
Security deposit		-	-	12.79	12.79
	55,796.98	**141.75**	**2,140.97**	**2,787.16**	**60,866.86**

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

As At March 31, 2024

Particulars	Less than 3 Months	3 to 12 Months	1-5 years	More than 5 years	Total
Non derivative financial liabilities					
Creditors for capital goods	1,267.23	-	-	-	1,267.23
Trade payables	49,489.27	-	-	-	49,489.27
Lease Liabilities	71.32	139.36	869.49	1,286.36	2,366.53
Unclaimed dividends	80.22	-	-	-	80.22
Security deposit	-	-	-	12.79	12.79
	50,908.05	**139.36**	**869.49**	**1,299.15**	**53,216.05**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Holding company's income. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The objective of market risk management is to manage and control market risk exposures withing acceptables parameters, while optimising the return. The Board of Directors is responsible for setting up the policies and procedures to manage risks of the Holding company.

i) **Foreign Currency risk**

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's funactional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Changes in exchange rate	Decrease / (Increase) in profit before tax
March 31, 2025	+5%	387.31
	-5%	(387.31)
March 31, 2024	+5%	454.69
	-5%	(454.69)

ii) **Exposure to Currency Risk:**

As At March 31, 2025	US$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)*	5.76	-	-	-
Foreign currency exposure not hedged (Buy)	89.53	1.03	0.25	-
Derivative contract outstanding	-	-	-	-
As At March 31, 2024	**US$**	**EURO**	**JPY**	**GBP**
Foreign currency exposure not hedged (Sell)	15.25	-	-	-
Foreign currency exposure not hedged (Buy)	106.17	2.73	0.25	-
Derivative contract outstanding	-	-	-	-

Note 46: Sanctioned Working Capital Limits

The Holding company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the company. The quarterly returns/ statements filed by the company with such banks are generally in agreement with the books of accounts of the company and the details are as follows:

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2024	19,480.87	19,480.87	-	No Variance
September 30, 2024	20,622.51	20,622.51	-	
December 31, 2024	23,463.79	23,463.79	-	
March 31, 2025	20,736.85	20,736.85	-	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2024	25,405.26	25,405.26	-	No Variance
September 30, 2024	24,444.31	24,444.31	-	
December 31, 2024	19,295.18	19,295.18	-	
March 31, 2025	28,465.87	28,465.87	-	

Quarter ended	Value per books of account	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as debit and credit note etc.
June 30, 2024	50,316.56	50,237.06	-79.50	
September 30, 2024	50,261.07	50,261.07	-	
December 31, 2024	51,682.53	51,681.08	-1.45	
March 31, 2025	54,263.30	54,263.30	-	

Note 47: Subsequent Event

a) **Dividend Paid and proposed:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Declare and Paid During the Year:		
i) Final Dividend for FY 2023-24: ₹ 9.92 per share (FY 2022-23: ₹ 17.27 per share)	2,847.42	5,134.65
	2,847.42	**5134.65**
Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
ii) Final Dividend for FY 2024-25: ₹32.50 per share (FY 2023-24: ₹ 9.92 per share)	9,328.75	2,949.38
	9,328.75	**2,949.38**

b) No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the Consolidated financial statements.

Note 48 : Disclosures pursuant to regulation 34 of Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 and section 186 of the Companies Act, 2013.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Investments made are given under the respective heads (Refer Note No. 7)	3,123.88	2,876.25
	3,123.88	**2,876.25**

Note 49 A : Investments In Associate, Joint Venture & Subsidiary

S. No.	Name of Company and Principal Activities	Relationship	Ownership Interest*	Country of Residence
1	Relan Industrial Finance Limited	Associate	47.12% (47.12%)	India
2	Exhaust Technology Private Limited	Joint Venture	50.00% (50.00%)	India
3	Uddipt Mobility India Private Limited	Subsidiary	74.00% (74.00%)	India

**Ownership Interest in bracket represents for the year ended March 31, 2024.*

Note 49B : Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2025

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Compre-hensive Income	Amount	As a % of Consolidated Total Compre-hensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	97.06%	1,03,062.21	99.23%	31,249.05	100.00%	(36.02)	99.23%	31,213.03
Indian Associates (Investment accounted for as per Equity Method)								
Relan Industrial Finance Limited	0.40%	426.16	0.22%	68.09	-	-	0.22%	68.09
Indian Joint Ventures (Investment accounted for as per Equity Method)								
Exhaust Technology Private Limited	2.54%	2,697.22	0.57%	179.53	-	-	0.57%	179.53
Indian Subsidiary (Investment accounted for as per line by line basis)								
Uddipt Mobility India Private Limited	-	-	-0.02%	(5.07)	-	-	-0.02%	(5.07)
Intercompany Elimination & Consolidation Adjustments	-	-	-	-	-	-	-	-
Non Controlling Interest in subsidiaries	-	(1.73)	-	-	-	-	-	-
Total	**100.00%**	**1,06,183.86**	**100.00%**	**31,491.61**	**100.00%**	**(36.02)**	**100.00%**	**31,455.58**

b) As at and for the year ended March 31, 2024

Particulars	Net Assets (i.e. Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Compre-hensive Income	Amount	As a % of Consolidated Total Compre-hensive Income	Amount
Parent Company								
Sharda Motor Industries Limited	97.14%	97,713.12	98.43%	29,489.72	118.98%	(25.08)	98.42%	29,464.64
Indian Associates (Investment accounted for as per Equity Method)								
Relan Industrial Finance Limited	0.36%	358.06	0.11%	33.58	0.00%	-	0.11%	33.58
Indian Joint Ventures (Investment accounted for as per Equity Method)								
Exhaust Technology Private Limited	2.50%	2,517.68	1.45%	435.78	-18.98%	4.00	1.47%	439.78
Uddipt Mobility India Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**1,00,588.87**	**99.00%**	**29,959.09**	**100.00%**	**(21.08)**	**99.00%**	**29,938.01**

Note 50:

Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Holding company and components are required to use specified methods for computing arm’s length price in relation to specified international transactions with its associated enterprises (as applicable). Further, the respective company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The respective company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 51:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company, it's associate, joint venture and subsidiary to or in any other person or entity, including foreign entity (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the parent company, it's associate, joint venture and subsidiary (Ultimate Beneficiaries).

The Holding Company, it's associate, joint venture and subsidiary has not received any fund from any party (Funding Party) with the understanding that the holding company, it's associate, joint venture and subsidiary shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the holding company, it's associate, joint venture and subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52: Disclosure of transactions with struck off companies

The Holding company, it's associate, joint venture and subsidiary did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years.

Note 53: Assets classified as held for sale (in the books of Holding company)

(a) The company has entered into an agreement dated February 22, 2025 for sale / transfer of lease hold rights along with building pertaining to its Haridwar unit. The transaction is expected to be completed by end of FY 2025-26. The company has also received non-refundable advance of Rs. 700 lakhs during the year pursuant to the transaction. (Refer note-21)

	As At March 31, 2025	As At March 31, 2024
Assets classified as held for sale (Net value)*		
Lease Hold	71.04	-
Building	49.95	-
Total	**120.99**	**-**

* Assets classified as held for sale during the reporting period have been measured at the lower of its carrying amount and fair value less costs to sell.

(b) The other identified assets and liabilities (other than mentioned in (a) above) pertaining to Haridwar unit as at March 31, 2025, classified as held for sale and which are not covered through the aforesaid agreement are as under:

	As At March 31, 2025	As At March 31, 2024
Assets classified as held for sale		
-Tangible Assets (Net Value)		
Plant & Machinery	37.24	-
Office Equipment	1.85	-
Computer	0.50	-
Furniture & Fixture	0.22	-
Electric Fitting	4.56	-
Total (A)	**44.37**	-
Liabilities classified as held for sale		
Trade Payable	12.82	-
Other payables	0.48	-
Total (B)	**13.30**	**-**

Note 54:

A) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i) Wilful defaulter

ii) Utilisation of borrowed funds & share premium

iii) Borrowings obtained on the basis of security of current assets

iv) Discrepancy in utilisation of borrowings

Note 55: Audit Trail

The Holding company, their respective associate company and subsidiary company are maintaining its books of account in electronic mode and the back-up of books of account has been kept on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, as amended i.e. August 05, 2022 onwards. The respective company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there is no known instance of audit trail feature being tempered with in respect of the accounting software used and the audit trail has been preserved as per the statutory requirements for record retention.

Note 56: Figures have been rounded of to the nearest Lakhs upto two decimal places except otherwise stated

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

(Kishan N Parikh)
Chairperson
DIN 00453209

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Date : May 24, 2025
Place : New Delhi

(Ghan Shyam Dass)
Chief Financial Officer

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

REGISTERED OFFICE
D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020, INDIA
Tel.: +91 11 4733 4100
Website: www.shardamotor.com
E-mail: investorrelations@shardamotor.com
CIN: L74899DL1986PLC023202