
MUNJAL SHOWA LIMITED

Registered Office & Works : 9-11, Maruti Industrial Area, Sector - 18, Gurugram - 122 015 (Haryana) INDIA
E-mail : msladmin@munjalshowa.net Website : www.munjalshowa.net
Corporate Identity Number : L34101HR1985PLC020934, PAN : AAACM0070D
Phone : 0124-4783000

July 26, 2024

The D.G.M. (Listing)
Corporate Relation Department
BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001
Security Code: 520043

The Asst. Vice President
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block, Bandra-
Kurla Complex
Bandra (E), Mumbai – 400 051
Security Code: MUNJALSHOW

Sub: Submission of Annual Report for the FY 2023-24 and Notice of Annual General Meeting under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

With reference to the captioned subject, please find attached herewith the Annual Report for the financial year 2023-24 along with the Notice of 39th Annual General Meeting as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and sent to the shareholders of the Company.

This is for your information and records.

Thanking You,

For MUNJAL SHOWA LIMITED

(Neha Bansal)
Company Secretary & Compliance Officer
Encl.: As above

**MUNJAL
SHOWA**

ANNUAL
REPORT

2023-24



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yogesh Chander Munjal (Chairman & Managing Director)
Mr. Yasuhiro Ashiki (Joint Managing Director) (up to March 31,2024)
Mr. Hitoshi Fukagawa (Joint Managing Director) (Appointed w.e.f May 29,2024)
Mr. Ashok Kumar Munjal
Mrs. Charu Munjal (upto May 29,2024)
Mr. Devi Singh (up to March 31,2024)
Mrs. Kavita Venugopal
Mr. Kazuhiro Nishioka
Mr. Nand Lal Dhameja (up to March 31,2024)
Mr. Vinod Kumar Agrawal (up to March 31,2024)
Ms. Neetika Batra (Appointed w.e.f April 01,2024)

AUDIT COMMITTEE

Mr. Vinod Kumar Agrawal-Chairman (up to March 31,2024)
Mr. Ashok Kumar Munjal- Chairman (w.e.f April 01, 2024)
Mr. Devi Singh- Member (up to March 31,2024)
Mr. Nand Lal Dhameja- Member (up to March 31,2024)
Mrs. Kavita Venugopal –Member (Appointed w.e.f April 01,2024)
Ms. Neetika Batra –Member (Appointed w.e.f April 01, 2024)

SHARE TRANSFER/ STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Nand Lal Dhameja-Chairman (up to March 31,2024)
Mr. Ashok Kumar Munjal-Member (up to March 31,2024)
Mr. Ashok Kumar Munjal-Chairman (Appointed w.e.f April 01,2024)
Mr. Yasuhiro Ashiki- Member (up to March 31,2024)
Mr. Yogesh Chander Munjal-Member
Ms. Neetika Batra –Member (Appointed w.e.f April 01, 2024)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Nand Lal Dhameja-Chairman (up to March 31,2024)
Mr. Devi Singh-Member (up to March 31,2024)
Mr. Vinod Kumar Agrawal-Member (up to March 31,2024)
Mr. Yogesh Chander Munjal-Member
Mr. Ashok Kumar Munjal –Chairman (Appointed w.e.f April 01,2024)
Ms. Neetika Batra –Member (Appointed w.e.f April 01, 2024)
Ms. Kavita Venugopal –Member (Appointed w.e.f April 01, 2024)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Yogesh Chander Munjal- Chairman
Mr. Vinod Kumar Agrawal- Member (up to March 31,2024)
Mr. Yasuhiro Ashiki- Member (up to March 31,2024)
Mr. Ashok Kumar Munjal –Member (Appointed w.e.f April 01, 2024)
Mrs. Charu Munjal-Member (Appointed w.e.f April 01, 2024 upto May 29,2024)
Mr. Hitoshi Fukagawa –Member (Appointed w.e.f May 29, 2024)

RISK MANAGEMENT COMMITTEE

Mr. Yogesh Chander Munjal- Chairman
Mr. Vinod Kumar Agrawal-Member (up to March 31,2024)
Mr. Yasuhiro Ashiki- Member (up to March 31,2024)
Mr. Ashok Kumar Munjal –Member (Appointed w.e.f April 01, 2024)
Mrs. Charu Munjal-Member (Appointed w.e.f April 01, 2024 upto May 29,2024)
Mr. Hitoshi Fukagawa –Member (Appointed w.e.f May 29, 2024)

CHIEF FINANCIAL OFFICER

Mr. Pankaj Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Neha Bansal

STATUTORY & TAX AUDITORS

M/s Deloitte Haskins & Sells LLP, Gurugram

INTERNAL AUDITOR

M/s Vaish & Associates, Chartered Accountants, New Delhi

SECRETARIAL AUDITOR

M/s Satyender Kumar & Associates, Gurugram

BANKERS

State Bank of India
Citi Bank N.A.
Kotak Mahindra Bank Limited

SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase I,
New Delhi- 110 020
Tel: 011-41406149-52; Fax; 41709881
Email: helpdeskdelhi@mcsregistrars.com

TECHNICAL & FINANCIAL COLLABORATOR

Hitachi Astemo Ltd. Japan
(erstwhile Showa Corporation) 1-14-1,
Fujiwara –Cho Gyoda- shi Saitama-361-8506, Japan

REGISTERED OFFICE & WORKS

Gurugram Plant & Registered Office
9-11, Maruti Industrial Area,
Sector-18 Gurugram-122015 Haryana

Manesar Plant

Plot No. 26 E & F, Sector 3, IMT Manesar, Gurugram- 122050
Haryana

Haridwar Plant

Plot No. 1, Industrial Park-2, Phase-1,
SalempurMehdood, Haridwar- 249403 Uttarakhand

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Yearly Financial Results at a Glance

(₹ In lakhs)

	March'24	March'23	March'22	March'21	March'20	March'19	March'18
Share Capital	799.93	799.93	799.93	799.93	799.93	799.93	799.93
Reserve & Surplus	65,625.10	64,323.90	62,938.77	63,339.56	62,455.22	60,262.86	56,162.32
Total Shareholder's Funds	66,425.03	65,123.83	63,938.77	64,139.49	63,255.15	61,062.79	56,962.25
Liabilities & Provisions	14,630.50	15,936.99	14,847.05	16,002.29	12,856.76	18,085.08	22,367.92
Total Assets / Liabilities	81,055.53	81,060.82	78,585.75	80,141.78	76,111.91	79,147.87	79,330.17
Total Income (Net GST)	1,20,711.03	1,26,082.70	1,07,810.61	1,10,935.48	1,31,277.29	1,69,269.32	1,60,210.77
(% Change year on year)	(4.45)	14.49	(2.90)	(15.50)	(22.44)	5.65	8.45
Profit Before Interest Depreciation & Tax (PBDIT)	4,859.27	5,401.97	2,639.27	4,785.77	7,925.32	11,158.80	13,379.62
Profit Before Interest Depreciation & Tax (PBDIT) in %	4.03	4.28	2.44	4.31	6.04	6.59	8.35
Interest	1.25	4.87	5.99	14.77	42.53	10.32	14.93
Depreciation	1,228.99	1,178.36	1,245.67	1,626.74	2,037.66	2,594.18	2,824.46
Profit Before Tax (PBT)	3,629.03	4,218.74	1,387.61	3,144.26	5,845.13	8,554.30	10,540.23
Profit After Tax (PAT)	3,076.61	3,190.32	1,215.02	2,614.02	4,253.70	6,259.50	7,751.42
Earnings per Share (EPS) (₹)	7.69	7.98	3.04	6.54	10.64	15.65	19.38
Book Value per Share (₹)	7.69	162.82	159.86	160.36	158.15	152.68	142.42
Dividend payout %	225*	225.00	225.00	225.00	225	225	225
Dividend per share	4.50*	4.50	4.50	4.50	4.50	4.50	4.50

*Recommended by the Board of Directors in their meeting held on May 29, 2024

Notice

NOTICE IS HEREBY GIVEN THAT THE 39TH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF MUNJAL SHOWA LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY THE 21ST DAY OF AUGUST 2024 AT 11:00 A.M. (IST) THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS ("VC/OAVM") AT THE REGISTERED OFFICE OF THE COMPANY AT 9-11, MARUTI INDUSTRIAL AREA, SECTOR-18, GURUGRAM-122015 (DEEMED VENUE) TO TRANSACT THE FOLLOWING BUSINESS(ES):

ORDINARY BUSINESS(ES):

1. **To receive, consider and adopt the Audited Financial Statements of the Company including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of change in equity and Cash Flow Statement and notes thereon for the Financial Year ended March 31, 2024 together with the reports of the Board of Directors and Auditors thereon:**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement and notes thereon for the Financial year ended March 31, 2024 together with the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

2. **To consider, approve and declare final dividend on equity shares for the Financial Year 2023-24.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT final dividend of ₹ 4.50/- per equity share of ₹ 2.00 each fully paid up for the Financial Year 2023-24 be and is hereby approved and declared."

3. **To appoint a Director in place of Mr. Kazuhiro Nishioka (DIN: 00602255), who retires by rotation and, being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any,

of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Kazuhiro Nishioka (DIN: 00602255), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. **To appoint a Director in place of Mr. Yogesh Chander Munjal (DIN: 00003491), who retires by rotation and, being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Yogesh Chander Munjal (DIN: 00003491) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. **Change in remuneration payable to Mr. Yogesh Chander Munjal (00003491), Managing Director of the Company.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution.

"RESOLVED THAT in partial modification to the resolution passed by the shareholders in their Annual General Meeting held on August 25, 2021 and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies

Act, 2013 and read with schedule V to the Act and rules made thereunder and Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s) or re-enactment thereof for time being enforced, and based on the recommendation of the Audit Committee and Nomination and Remuneration Committee and in accordance with the Nomination and Remuneration Policy of the Company, the consent of the members of the Company be and is hereby accorded to revise the remuneration payable to Mr. Yogesh Chander Munjal as per the details and other benefits mentioned in explanatory statement with effect from September 01, 2024 till his remaining term of his appointment i.e. upto August 31, 2026.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Act read with Rules framed thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment thereof to the Act and SEBI Listing Regulations), consent of the Members of the company be and is hereby accorded that if in any financial year during the tenure of Mr. Yogesh Chander Munjal, the Company has no profits, or its profits are inadequate the Company shall pay the remuneration to Mr. Yogesh Chander Munjal, as set out in the Explanatory Statement, annexed to the notice convening this meeting as the minimum remuneration for a period of two years effective from September 01, 2024 till August 31, 2026.

RESOLVED FURTHER THAT the other terms and conditions as earlier approved by the shareholders in their Annual General Meeting held on August 25, 2021 shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required including to increase or alter the above mentioned remuneration payable

to Mr. Yogesh Chander Munjal, from time to time, in accordance with the Company's policy on performance measurement and appraisal and such other policies, if any and subject to the same not exceeding the limits as specified in section 197 read with Schedule V to the Companies Act, 2013 or other statutory modification(s) or re-enactment thereof and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution."

6. Appointment of Mr. Hitoshi Fukagawa (DIN: 10611378) as Director of the Company.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee, Audit Committee, the Board of Directors of the Company and in accordance with the Nomination and Remuneration Policy of the Company, Mr. Hitoshi Fukagawa (DIN: 10611378) who was appointed as an Additional Director of the Company w.e.f. May 29, 2024 by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, and being eligible, offer himself for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution."

7. Appointment of Mr. Hitoshi Fukagawa (DIN: 10611378) as Joint Managing Director of the Company.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 188, 190, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee, Audit Committee, the Board of Directors of the Company and in accordance with the Nomination and Remuneration Policy of the Company, consent of the Members of the company be and is hereby accorded for the appointment of Mr. Hitoshi Fukagawa as the Joint Managing Director categorized as “Key managerial Person” of the Company, **w.e.f. May 29, 2024 to hold office for a term of five consecutive years, i.e. up to May 28, 2029**, liable to retire by rotation on such terms of employment as agreed between the Company and Mr. Hitoshi Fukagawa and set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT Mr. Hitoshi Fukagawa shall be liable to retire by rotation in pursuance of Section 152 and any other provisions of the Act.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Act read with Rules framed thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment thereof to the Act and SEBI Listing Regulations), consent of the Members of the company be and is hereby accorded that if in any financial year during the tenure of Mr. Hitoshi Fukagawa, the Company has no profits, or its profits are inadequate the Company shall pay the remuneration to Mr. Hitoshi Fukagawa, as set out in the Explanatory

Statement, annexed to the notice convening this meeting as the minimum remuneration for a period of three years effective from **May 29, 2024 till May 28, 2027**.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required including, to alter and vary the terms and conditions of appointment and / or remuneration including designation, subject to the same not exceeding the limits as specified in section 197 read with Schedule V to the Companies Act, 2013 or other statutory modification(s) or re-enactment thereof and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution”.

**By Order of the Board of Directors,
For MUNJAL SHOWA LIMITED**

(Neha Bansal)

Company Secretary

Membership No. A38848

Email: cs@munjalshowa.net

Phone: +91 124 4783000

Place: Gurugram

Date: May 29, 2024

Registered Office:

9-11, Maruti Industrial Area

Sector- 18, Gurugram, Haryana – 122 015

Email: madmin@munjalshowa.net

Website: www.munjalshowa.net

CIN: L34101HR1985PLC020934

IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item No. 5, 6, 7 of the accompanying Notice, is annexed hereto.
2. **General instructions for accessing and participating in the 39th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.munjalshowa.net. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. In continuation to this Ministry's **General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Sunday, 18th day of August at 09:00 A.M IST** and ends on **Tuesday, 20th day of August 2024 at 5:00 P.M IST**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on **Wednesday 14th day of August 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to

all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/ Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.

<ol style="list-style-type: none"> 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 & New System Myeasi 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. 	<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p> <ol style="list-style-type: none"> 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
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	<p>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</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>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.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000</p>

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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)	<p>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.</p> <ul style="list-style-type: none"> • 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.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat

form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Munjal Showa Limited to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csarunkumar10@gmail.com, cs@munjalshowa.net, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **Seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **Nine days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

3. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 39th AGM and the Annual Report for the financial year 2023-24 including therein the Audited

Financial Statements for the financial year 2023-24, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 39th AGM and the Annual Report for the financial year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address cs@munjalshowa.net or at RTA email address at helpdeskdelhi@mcsregistrars.com.
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
4. The Notice of the 39th AGM and the Annual Report for the financial year 2023-24 including therein the Audited Financial Statements for the financial year 2023-24, will be available on the website of the Company at www.munjalshowa.net and on the website of National Stock Exchange of India Limited at www.nseindia.com, on the website of BSE Limited at www.bseindia.com and also on the website of CDSL at www.evotingindia.com.
 5. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, August 03, 2024 to Wednesday, August 21, 2024, both days inclusive, for closing and determining the entitlement of the Members to the Dividend for the financial year 2023-24.
 6. The Board of Directors has recommended Dividend of ₹ 4.50 per Equity Share of ₹ 2.00 each for the year financial ended March 31, 2024 that is proposed to be paid subject to the approval of the shareholders at the 39th AGM.
 7. The Company has fixed the 'cut-off date' on Friday 2nd day of August 2024 for determining entitlement of

members to dividend for the financial year 2023-2024, if approved at the AGM.

8. Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the shareholders from April 01, 2021 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at cs@munjalshowa.net.
9. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Friday, August 02, 2024;
 - b. To all Members whose names stand in the Register of Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, August 02, 2024.
10. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address cs@munjalshowa.net by Saturday, August 03, 2024.
 - a. signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iii) 11-digit IFSC Code;
 - b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - c. self-attested scanned copy of the PAN Card; and
 - d. self-attested scanned 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.
11. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.
12. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, as soon as possible.

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly transferred ₹ 8,98,248 being the unpaid and unclaimed dividend amounts pertaining to Dividend for the financial year 2015-16, on April 28, 2023.

13. The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at www.munjalshowa.net. Members who have not encashed dividend for the final year 2017-18 or any subsequent dividends declared by the Company, are advised to write to the Company immediately.
14. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 17,137 Equity Shares for financial year 2015-16 of ₹ 2.00 each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the financial year 2023-24, to the IEPF Account, after following the prescribed procedure.
15. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
16. Further, Members who have not claimed/encashed their dividends in the last seven consecutive years from Financial Year 2017-2018 are advised to claim the same at earliest. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
19. In terms of Regulation 40 of Listing Regulations, securities of listed Companies can only be transferred in dematerialized form with effect from April 01, 2019 except in case of request received for transmission or transposition of securities. In view of the above, Members are advised to dematerialize shares held by them in physical form.
20. All documents referred in the Notice and explanatory statement and Statutory Registers i.e. 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 Directors are interested maintained under Section 189 of the Act, will be available for inspection in electronic mode from the date of circulation of this Notice upto the date of AGM and will also be available for inspection during the AGM. Members may request the same by sending an email at cs@munjalshowa.net from their registered email addresses.
21. Details, as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Director seeking appointment/re-appointment at the 39th AGM, forms integral part of the Notice of the 39th AGM. Requisite declarations have been received from the Director for seeking appointment/re-appointment.

**By Order of the Board of Directors,
For MUNJAL SHOWA LIMITED**

(Neha Bansal)

Company Secretary

Membership No. A38848

Email: cs@munjalshowa.net

Phone: +91 124 4783000

Place: Gurugram

Date: May 29, 2024

Registered Office:

9-11, Maruti Industrial Area

Sector- 18, Gurugram, Haryana – 122 015

Email: madmin@munjalshowa.net

Website: www.munjalshowa.net

CIN: L34101HR1985PLC020934

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

As per the requirement of Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 5, 6, 7 of the accompanying Notice:

Item No. 5

The members of the Company in their Annual General Meeting held on August 25, 2021 approved Re-appointment of Mr. Yogesh Chander Munjal (DIN 00003491) as Chairman & Managing Director of, the Company for a period of 5 years w.e.f. September 01, 2021 to August 31, 2026 and remuneration being payable to him. The shareholders also approved continuation of office of Mr. Yogesh Munjal who has attained the age of 70 years on February 13, 2010 shall continue as Chairman & Managing Director till the expiry of his tenure upto August 31, 2026.

Mr. Yogesh Chander Munjal, aged 84 years, is an eminent personality in the corporate world. He graduated in the field of Architecture from the IIT, Roorkee. Ever since he finished his formal education, he was associated with many of the Hero Group companies in the capacity of CEO and contributed for making the companies as world leaders.

He was Chairman of CII, TPM Club of India, Founder Chairman of QCFI- Delhi Chapter, President of Gurgaon Industrial Association, Chairman of Confederation of Indian Industry (Haryana Committee), Regional Council Member of Confederation of Indian Industry, an Executive Committee Member of Automotive Component Association of India, President of the Rotary Club of Delhi Southend during the year 1991-92 & Vice Chairman of Rotary Education Foundation R.I. District-3010 and was on the Board of PANIIT Alumni Association.

Currently, he is Emeritus Chairman of Quality Circle Forum of India (Delhi Chapter), Chairman of Indian National Suggestion Schemes' Association (INSSAN), Northern India Chapter, Chairman of CII- Cluster of Competitiveness Committee, Executive Committee Member of Alumni Association of Roorkee, Patron of Arya Samaj, Greater Kailash-I, New Delhi, Patron of Alumni Association of National Institute of Technology, Life Member of Indian Institute of Public Administration, Member of National

Safety Council, India Habitat Center, All India Management Association, Senior Active Member of Rotary Club of Delhi Southend and Vice Chairman of DAV School and Lala Diwan Chand Trust, Trustee in Vedic Sadhan Ashram, Dehradun and also working President of Shri Maharish Dayanand Saraswati Samarak Trust, Tankara and Vice Chairman of D.A.V College Managing Committee.

Throughout his career, he has received numerous awards including TPM Excellence Consistency Award from JIPM, Japan for Gurugram and Manesar plant and Life Time Achievement Award from Rotary Club (Delhi Chapter) and from Alumni Association of Roorkee, he has also received the Best Client Award from Leadership Management Institute, USA.

He strongly believes in promoting education and is actively involved in corporate social activities of Educational institute, Hospitals, Spiritual & Religious institutions. His motto is to spread happiness and peace in the universe.

Based on the contribution made by Mr. Yogesh Chander Munjal towards the business performance of the Company, The Board of Directors in their meeting held on May 29, 2024, on the Recommendation of Nomination Remuneration Committee and Audit Committee, has recommended the revision in the remuneration of Mr. Yogesh Chander Munjal as per the following details which is in line with industry standards for a similar role:

1. **Basic Salary:** Basic salary is revised from ₹ 23,50,000 (₹ Twenty-Three Lakhs Fifty Thousand only) to ₹ 26,50,000/- (₹ Twenty-Six Lakhs Fifty Thousand only) per month.
2. **Special Pay:** ₹ 3,00,000/- (₹ Three Lakhs only) per month.
3. **Commission:** He shall also be allowed to a commission in addition to Basic Salary & Special Pay, perquisites and any other allowances, benefits, or amenities subject to the condition that the amount of commission shall not exceed 1% of the net profits of the Company in a particular financial year as computed in the manner referred to in Section 198 and any other applicable provisions of the Act.
4. **Perquisites and Allowances:** In addition to the above Basic Salary, Special Pay and Commission, he shall be entitled to the following perquisites and allowances:

- a) **Residential Accommodation:** He shall be entitled to 60% of the basic salary relevant for the concerned period as and by way of House Rent Allowance with free use of all the facilities and amenities including deploy of security guards which shall be provided by the Company;
- b) **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family;
- c) **Leave Travel Concession:** Once in a year incurred in accordance with the Rules specified by the Company;
- d) **Club Fees:** Actual fees of clubs will be reimbursed;
- e) **Gas, Electricity & Water:** Actual Expenses on Gas, Electricity and Water will be paid by the Company;
- f) **Personal Accident Insurance:** Actual premium to be paid by the Company;
- g) **Insurance of Household goods:** Actual premium to be paid by the Company;
- h) **Car:** Facility of car(s) with driver;
- i) **Telephone:** Free telephone facility at Residence including mobile phone facility;
- j) **Leave:** One month's leave with full salary for every 11 months of service subject to the condition that the leave accumulated but not availed will not be encashed;
- k) **Provision for servants at residence:** The Company shall provide the service of servants not exceeding two at the residence of appointee.
- l) **Reimbursement of other expenses:** Reimbursement of entertainment, traveling, hotel and other expenses actually and properly incurred for the business of the Company;
- m) **Contribution to Provident and Superannuation Funds:** Company's contribution to Provident and Superannuation funds will be as per the Rules of the Company; and
- n) **Gratuity:** Not exceeding half month's salary for each completed year of service, as per the Rules of the Company.

The other terms and conditions as duly approved by the shareholders in their Annual General Meeting held on August 25, 2021 shall remained unchanged.

5. Minimum Remuneration

In terms of the applicable provisions of Section 196, 197 and Schedule V of the Act, where in any financial year during the tenure of Mr. Yogesh Chander Munjal, the Company has no profits, or its profits are inadequate, the Company shall pay Mr. Yogesh Chander Munjal, the remuneration as specified in this explanatory statement, as the minimum remuneration for a period of two years effective from September 01, 2024 till August 31, 2026.

However, he shall not be entitled to any sitting fee for attending meetings of the Board or Committee thereof.

Explanation: For the aforesaid purposes "Family" means the spouse and the dependent children.

Memorandum of Interest/Concern:

The terms as detailed in the resolution read with Explanatory Statement may be regarded as an abstract of the terms of Appointment and Memorandum of Interest under section 190 of the Act.

In compliance with the provisions of Secretarial Standard 2 and SEBI Listing Regulations, the details of the director are attached with the notice as Annexure A.

Except Mr. Yogesh Chander Munjal, none of the Director, Key Managerial Personnel (KMPs) and their relatives are interested /concerned either financially or otherwise, except to the extent of their shareholding in the Company, in the Resolution under Item No. 5 of the notice.

As at date of this notice, Mr. Munjal does not hold any shares in the Company.

The Board recommends the resolution as set out in Item No. 5, to the members for their approval as Special Resolution.

Item No. 6 & 7

The Board of Directors pursuant to the recommendation of Audit Committee and Nomination and Remuneration

Committee appointed Mr. Hitoshi Fukagawa (DIN: 10611378) as the Additional Director (Executive, Joint Managing Director) of the Company for five years with effect from May 29, 2024, subject to approval of Members. Mr. Hitoshi Fukagawa succeeded Mr. Ashiki the erstwhile Joint Managing Director of the Company.

In accordance with Section 161(1) of the Companies Act, 2013, Mr. Hitoshi Fukagawa holds office as an Additional Director up to the date of this Annual General Meeting of the Company. The Company has received requisite disclosures/declaration from Mr. Hitoshi Fukagawa for being appointed as Director of the Company. As per the circular of BSE Limited and National Stock Exchange of India Limited relating to the 'Enforcement of SEBI Orders regarding appointment of Directors by the listed companies dated June 20, 2018, Mr. Hitoshi Fukagawa is not debarred from holding the office of Director pursuant to any SEBI order or any other such statutory authority.

Profile of Mr. Hitoshi Fukagawa

Mr. Hitoshi Fukagawa, aged 55 years, having 37 years of vast experience in the field of Engineering, Production, Planning and new development, completed his Graduation from Chubu University Haruhigaoka High School, Japan. He started his career with Hitachi Astemo, Ltd (Formerly Known as Showa Corporation) in 1987. He managed Production Control Section of various plants, Automotive Components operation department. Before Coming to India he has been handling the responsibilities of Production Control section, Hitachi Astemo, Ltd.

The Board has recommended the following remuneration to Mr. Hitoshi Fukagawa, which is in line with industry standards for a similar role:

1. **Total Salary:** Upto ₹ 20,00,000/- (Rupees Twenty Lakhs only) per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
2. **Perquisites and Allowances:** In addition to the above total Salary, he shall be entitled to the following perquisites and allowances:
 - a) **Residential Accommodation:** Rent free furnished residential accommodation with free use of all the facilities and amenities including deploy of security guards shall be provided by the Company;
 - b) **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family;
 - c) **Leave Travel Concession:** Once in a year incurred in accordance with the Rules specified by the Company;
 - d) **Club Fees:** Actual fees of clubs will be reimbursed;
 - e) **Gas, Electricity & Water:** Actual Expenses on Gas, Electricity and Water will be paid by the Company;
 - f) **Personal Accident Insurance:** Actual premium to be paid by the Company;
 - g) **Car:** Facility of car(s) with driver;
 - h) **Telephone:** Free telephone facility at Residence including mobile phone facility
 - i) **Provision for servants at residence:** Company shall provide the service of servants not exceeding two at the residence of appointee;
 - j) **Leave:** One month's leave with full salary for every 11 months of service subject to the condition that the leave accumulated but not availed will not be encashed;
 - k) **Reimbursement of shifting expenses:** Reimbursement of expenses incurred for joining duty and returning to home country after completion of tenure: Actual expenses incurred on travel and packing, forwarding, loading/unloading as well as freight, insurance, custom duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India. On completion of the tenure, all the expenses referred to herein above for travel and forwarding the personal effects to Japan shall also be allowable to the appointee on his finally leaving the employment of Company. If, however, they join another branch of the same/ related multinational Company, the branch to which they are transferred shall bear these expenses;
 - l) **Reimbursement of other expenses:** Reimbursement of entertainment, traveling, hotel and other expenses actually and properly incurred for the business of the Company.

Attendance at Company's Board Meetings

The Company had not conducted any Board Meetings post Mr. Hitoshi Fukagawa appointment. Only one meeting has been conducted on the date of his appointment and he has attended that meeting.

Recommendation of the Board

As Joint Managing Director of the Company, Mr. Hitoshi Fukagawa will head the entire operations of Company. The Board strongly believes that Mr. Hitoshi Fukagawa wide experience and leadership stature in managing the large global automobile company will multiply the Company's commitment to creating lasting value for all its stakeholders

Minimum Remuneration

In terms of the applicable provisions of Section 196, 197 and Schedule V of the Act, where in any financial year during the tenure of Mr. Hitoshi Fukagawa, the Company has no profits, or its profits are inadequate, the Company shall pay Mr. Hitoshi Fukagawa, the remuneration as specified in this explanatory statement, as the minimum remuneration for a period of three years effective from May 29, 2024 till May 28, 2027.

However, he shall not be entitled to any sitting fee for attending meetings of the Board or Committee thereof.

Explanation: For the aforesaid purposes "Family" means the spouse and the dependent children.

Memorandum of Interest/Concern

Total Salary means basic salary paid in India, salary reimbursed to the technical collaborator in lieu of secondment agreement between the Company and Hitachi Astemo Ltd. and the taxes to be borne by the Company.

Mr. Hitoshi Fukagawa has consented to act as Director in terms of Section 152 of the Companies Act, 2013 and has provided a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Hitoshi Fukagawa shall be liable to retire by rotation in pursuance of Section 152 and any other provisions of the Act.

Further, the Company has received the requisite notice under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Mr. Hitoshi Fukagawa as the Joint Managing Director of the Company.

The terms of appointment and remuneration including minimum remuneration as detailed in the resolution read with Explanatory Statement may be regarded as an abstract of the terms of Appointment and Memorandum of Interest under section 190 of the Act.

In compliance with the provisions of Secretarial Standard 2 and SEBI Listing Regulations, the details of the director are attached with the notice as Annexure A.

Further, the Company had made application under Section 197 and other applicable provisions of the Companies Act, 2013 to the Central Government seeking approval for the payment of remuneration to Mr. Hitoshi Fukagawa on the terms and conditions approved by the Board.

The disclosure under Regulation 36(3) of the SEBI Listing Regulations is provided at Annexure A of this Notice.

Except Mr. Hitoshi Fukagawa and his relatives, none of the Director, Key Managerial Personnel (KMPs) and their relatives are interested /concerned either financially or otherwise, except to the extent of their shareholding in the Company, in the Resolution under Item No. 6 and 7 of the notice.

As at date of this notice Mr. Hitoshi Fukagawa does not hold any shares in the Company. Information as required under Schedule V of the Companies Act, 2013 is enclosed as Annexure B.

The Board recommends the resolution as set out in Item No. 6, to the members for their approval as Ordinary Resolution and resolution as set out in Item No. 7, to the members for their approval as Special Resolution

**By Order of the Board of Directors,
For MUNJAL SHOWA LIMITED**

(Neha Bansal)
Company Secretary
Membership No. A38848
Email: cs@munjalshowa.net
Phone: +91 124 4783000

Place: Gurugram
Date: May 29, 2024

Registered Office:
9-11, Maruti Industrial Area
Sector- 18, Gurugram, Haryana – 122 015
Email: madmin@munjalshowa.net
Website: www.munjalshowa.net
CIN: L34101HR1985PLC020934

Annexure A

Details of the Directors seeking appointment/re-appointment in the 39th Annual General Meeting/ variation of the terms of remuneration, in pursuance of Regulation 36(2) SEBI Listing Regulations and Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India:

Name of the Director	Mr. Kazuhiro Nishioka	Mr. Yogesh Chander Munjal	Mr. Hitoshi Fukagawa
DIN	00602255	00003491	10611378
Date of Birth & age	08/01/1964 60 Years	13/02/1940 84 Years	21/06/1968 55 Years
Qualification	Bachelors of Engineering	B. Arch.	Graduation in Mechanical Course
Experience and Expertise/ Brief resume	36 years of experience in the field of Engineering, Production, Planning, operations and new development in Automobile Industry.	59 years of experience in the field of engineering industry, investment, finance and auto component	37 years of vast experience in the field of Engineering, Production, Planning and new development.
Remuneration proposed to be paid	NIL	Provided in Explanatory Statement of the Notice	Provided in Explanatory Statement of the Notice
Date of first appointment on the Board	23/06/2021	16/05/1985	29/05/2024
Number of Meetings of Board attended during the year	Details mentioned in the Corporate Governance report	4	Details mentioned in the Corporate Governance report
Directorships held in other companies	1. Hitachi Astemo Haryana Private Limited	1. Dayanand Munjal Investments Private Limited 2. Shivam Autotech Limited	NIL
Listed entities in which director has resigned in past 3 years	NIL	Nil	NIL
Board Membership of Listed Companies as on March 31, 2024	Munjal Showa Limited	1. Munjal Showa Limited 2. Shivam Autotech Limited.	NIL
Chairman/ Member of the Committee of the Board of directors as on March 31, 2024	NIL	Munjal Showa Limited – Member of Stakeholders Relationship Committee & Chairman of CSR Committee Member of Nomination and Remuneration Committee Member of Risk Management Committee Shivam Autotech Limited- Member of Audit Committee Member of Nomination and Remuneration Committee Member of Stakeholder Relationship Committee.	NIL

Number of Shares held in the Company as on March 31, 2024	NIL	NIL	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the company	NIL	NIL	NIL
Terms and Conditions of appointment or re-appointment along with details of remuneration last drawn by such person	NIL	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website www.munjalshowa.net Details of the remuneration drawn is mentioned in the Corporate Governance Report.	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website www.munjalshowa.net Details of the remuneration drawn is mentioned in the Corporate Governance Report.

Annexure B

Information as required under Schedule V of the Companies Act, 2013 is provided below

I. GENERAL INFORMATION

S. No	Particulars/Subject	Information
1.	Nature of industry	Manufacturer of Auto Components
2.	Date or expected date of commencement of commercial Production	March 11, 1987
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4.	Financial performance based on given indicators	In the Financial Year 2023-24, the Company made a turnover of ₹ 1,17,272.84 lakhs (Gross) and Profit of ₹ 3076.61 lakhs after tax.
5.	Export performance and net foreign exchange collections	₹ 166.67 Lakhs

II. INFORMATION ABOUT THE APPOINTEE

S. No.	Particulars /Subject	Mr. Yogesh Chander Munjal	Mr. Hitoshi Fukagawa
1.	Background Details		
2.	Past remuneration	As mentioned in explanatory under Item No. 5.	As mentioned in explanatory statement under Item No. 6 & 7.
3.	Recognition or awards		
4.	Job profile and his suitability		
5.	Remuneration proposed		
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person		
7.	Pecuniary relationship directly or indirectly with the Company personnel, if any	<p>Mr. Yogesh Chander Munjal does not have any pecuniary relationship with the Company</p> <p>other than the remuneration he received as Executive Director of the Company and he is not related to any director/ managerial personnel except Mrs. Charu Munjal, Non-Executive Director (up to May 29, 2024) of the Company.</p>	<p>Mr. Hitoshi Fukagawa does not have any pecuniary relationship with the Company other than the remuneration he received as Executive Director of the Company and he is not related to any director/ managerial personnel of the Company.</p>

III. OTHER INFORMATION

S. No.	Particular/Subject	Information
1.	Reason of loss or inadequate profits	<p>The Company is currently profitable and we expect the trend to continue in coming years.</p> <p>These Special Resolution is proposed pursuant to the sub-section (1) of Section 197 of the Companies Act, 2013 as a matter of abundant precaution as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Yogesh Chander Munjal and Mr. Hitoshi Fukagawa.</p>
2.	Steps taken or proposed to be taken for improvement	<p>Reducing the expenditure to the extent possible.</p> <p>Searching for new customers and doing active discussion with proposed customers.</p> <p>Company has been aggressively pursuing and implementing its strategies to improve financial performance.</p>
3.	Expected increase in the productivity and profits in measurable terms	<p>The Company has taken various initiatives to maintain its leadership, improve market share and financial performance.</p> <p>It has been aggressively pursuing and implementing its strategies to improve financial performance. But it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.</p>

Board's Report

Dear Members,

The Board of Directors of your Company are pleased to present the **Thirty Ninth (39th)** Board Report on the business and operations of Munjal Showa Limited ("**the Company**") together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended **March 31, 2024** ("**year under review**").

FINANCIAL SUMMARY AND HIGHLIGHTS

The salient features of the Company's financial performance for the year ended March 31, 2024 are as follows:

	(₹ in Lakhs)	
	Year Ended 31.03.24	Year Ended 31.03.23
Sales and other Income (Net of GST)	1,20,711.03	1,26,082.70
Profit before Interest, Depreciation & Tax	4,859.27	5,401.97
Financial Cost	1.25	4.87
Depreciation	1,228.99	1,178.36
Profit before Tax	3,629.03	4,218.74
Tax Expenses		
- Current tax	299.74	943.36
- Tax Adjustment for earlier Year	7.95	62.88
- Deferred tax	244.73	22.18
Total Tax Expense	552.42	1,028.42
Profit after Tax	3,076.61	3,190.32
Other comprehensive income net of taxes	24.37	-5.41
Total Comprehensive Income	3,100.98	3,184.91
Surplus brought forward including items of other comprehensive income	28,416.05	27,030.92
Profit available for appropriation	31,517.03	30,215.83
Dividend payment	1,799.78	1,799.78
Transfer to General Reserve	-	-
Surplus available including items of other comprehensive income	29,717.25	28,416.05

OPERATIONS & STATE OF THE COMPANY'S AFFAIRS

The Company has achieved a sales turnover (Net of GST) including other income of ₹ 1,20,711.03 lakhs as compared to ₹ 1,26,082.71 lakhs in the previous year. The profit before tax in the current year was ₹ 3,629.03 lakhs as compared to ₹ 4,218.74 lakhs in the previous year.

The State of affairs of the Company is detailed in the "Management Discussion & Analysis Report" annexed as **Annexure-A** and forms part of this report.

CREDIT RATING

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by CRISIL rating agency as given below:

Long-Term Rating	CRISIL A+/Stable (reaffirmed)
Short-Term Rating	CRISIL A1+ (reaffirmed)
₹ (in crores)	
₹ 80.75 Long-Term Loans	CRISIL A+/Stable
₹ 10 Cash Credit	CRISIL A+/Stable
₹ 53.50 Letter of Credit	CRISIL A+/Stable
₹ 6 Commercial Paper	CRISIL A1+ (reaffirmed)

TRANSFER TO GENERAL RESERVE

The Company has not transferred any amount to General Reserve during the financial year 2023-2024. The balance amount of ₹ 29,717.25 lakhs (Previous year ₹ 28,416.05 lakhs) will be retained as surplus in the statement of Profit and Loss.

DIVIDEND

Your Board of Directors are pleased to recommend a final dividend of 225% (i.e., ₹ 4.50 per equity share of ₹ 2.00/- each fully paid up) on the paid-up Equity Share Capital of the Company for the financial year ended March 31, 2024 amounting to ₹ 1799.78 lakhs.

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing

Regulations”) read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 05, 2021, the Company has formulated the Dividend Distribution Policy of the Company and the Dividend recommendation is in accordance with the Dividend Distribution Policy of the Company, and such policy is available at the Company’s website at <https://www.munjalshowa.net/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf>

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, Dividend Distribution Tax (DDT) which used to be payable by the Company has been abolished and the dividend paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Dividend after deduction of tax at source. The final dividend, if approved by the shareholders, at the 39th Annual General Meeting shall be payable to the eligible shareholders registered in the books of the Company and the beneficial owners whose names are furnished by the depositories, as on the cutoff date for determining the name of shareholder for paying dividend i.e. Saturday, August 03, 2024.

SHARE CAPITAL

The authorized share capital of the Company is ₹ 15,00,00,000 (INR Fifteen Crores only) divided into 7,50,00,000 (Seven Crores Fifty Lakh) equity shares of face value of ₹ 2 (Rupees Two) each. The paid-up Share Capital of the Company as on March 31, 2024 was ₹ 7,99,90,000 (Rupees Seven Crore Ninety-Nine Lakhs Ninety Thousand only) divided into 3,99,95,000 (Three Crore Ninety-Nine Lac Ninety-Five thousand only) equity shares of face value of ₹ 2 (Rupees Two) each.

During the year under review, there was no change in the authorised, subscribed and paid-up share capital of the Company from the last financial year.

During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity shares. The Company has not issued or repaid any Debentures, Preference Shares, Bonds and Security during the financial year. None of the Directors of the Company hold any shares or security of the Company. The Company does not have any Debentures or Preferential Shares as on March 31, 2024.

FINANCE

Cash and cash equivalent as at March 31, 2024 was ₹ 1,738.22 Lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any guarantee nor provided any security covered under the provision of Section 186 of the Companies Act, 2013 (“the Act”).

The Company has made investments in Mutual funds, Alternative Investments Funds, Commercial paper & Market linked debentures and has given loans/advances to its vendors in the ordinary course of business. The details of investments made, and loans given are provided in Note No. 5A & 5B of the financial statements for the year ended March 31, 2024.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years. The Company has complied with the Corporate Governance requirements as stipulated under the Listing Regulations. In terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with a Certificate from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of your Company confirming the compliance of Corporate Governance is annexed as **Annexure-B** and forms an integral part of the Annual Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) and subsequent amendment thereof, the amount of dividends, which remained unpaid or unclaimed for a period of seven consecutive years from the date of transfer to Unpaid Dividend Account of the Company, and

underlying equity shares on which dividend has not been paid or claimed by the members for seven consecutive years are required to be transferred to the Investor Education and Protection Fund (IEPF) Authority established by the Central Government.

The amount of unclaimed dividend of ₹ 8,98,248 was transferred into IEPF account in respect of financial year 2015-16 on April 28, 2023.

The Company has transferred 17,137 Equity Shares of ₹ 2.00 each on which the dividend remained unpaid or unclaimed for seven consecutive years, on May 12, 2023 to the IEPF Account, after following the prescribed procedure.

STATUTORY AUDITORS

Pursuant to Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 37th Annual General Meeting ("AGM") approved the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company for the period of 5 years, whose term of office will come to end after conclusion of 42nd Annual General Meeting (AGM) of the Company. The shareholder of the Company in its meeting held on 12th August, 2022, approved the re-appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditor of the Company for a second term of 5 consecutive years and who shall hold office up to the conclusion of the 42nd AGM of the Company to be held in financial year 2027-2028.

There are no qualifications, reservation, adverse remark, observations, comments or disclaimer given by the Auditors in their Report except mentioned IN auditor report.:

The Report given by the Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants on the financial statements of the Company for the financial year 2023-24, is part of the Annual Report and self-explanatory and do not call for any further comments except mentioned below:

Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024, wherein the accounting software has an audit trail (edit logs) feature of capturing logs for transactions processed

through transaction codes (user interface) and the same has operated throughout the year for all relevant transactions recorded in the software, however, the audit trail feature was not enabled for direct changes for relevant tables at application level and audit trail has not been enabled at the database level to log any direct data changes. (refer note 45 of the financial statements).

Further, as audit trail has not been enabled for the relevant tables at transaction level and database level, we are unable to validate whether there were any instances of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

Management reply:

Audit Trail as pointed out by the auditor's audit trail feature was available throughout the year except for direct changes in the relevant tables at application level. Internal controls for the year 2023-24 were running effectively throughout the year.

Further, no fraud has been reported by the Statutory Auditors to the Audit Committee in terms of Section 143(12) of the Act during the financial year.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Satyender Kumar & Associates (COP No. 5189), a proprietorship firm of Company Secretary, as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2023-24. The Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Secretarial Audit Report is self-explanatory and do not call for any further comments. There are no qualifications, reservations, adverse remark, observations, comments or disclaimer given by the Auditors in their Report except

mentioned below:

1. *The Company has delayed submission of outcome of Board meeting held on 10.8.2023 with National Stock Exchange as required under Regulation 30 of Listing Regulations by about 15 minutes.*
2. *The Company has delayed submission of outcome of Board meeting held on 8.11.2023 with National Stock Exchange as required under Regulation 30 of Listing Regulations by about 9 minutes.*
3. *The Company has delayed submission of Quarterly results for the quarter ended 30.9.2023 approved in Board meeting held on 8.11.2023 with Stock Exchanges i.e. BSE Ltd and National Stock Exchange as required under Regulation 33 of Listing Regulations by about 4 minutes and 9 minutes respectively.*
4. *The Company has delayed disclosure of Related party transactions for the quarter ended 30.9.2023 with Stock Exchanges as required under Regulation 23(9) of Listing Regulations by one day. The Company has received notices from BSE Limited and National Stock Exchange regarding non-compliance of Regulation 23(9) and a fine of ₹ 5000/- each was imposed by both the stock exchanges. The Company has replied to said notices of stock exchanges and requested for waiver of fine.*
5. *The Company has delayed submission of Quarterly results for the quarter ended 31.12.2023 approved in Board meeting held on 8.2.2024 with National Stock Exchange as required under Regulation 33 of Listing Regulations by about 3 hours 11 minutes.*
6. *Regarding related party transaction-Grant of trade advances to Shivam Autotech Limited amounting to ₹ 10 Crore, it was observed that the said item was not part of audit committee agenda/board agenda circulated to members of the Audit Committee/Board and also draft minutes shared with audit committee/board members. In absence of any clarification on the above by the company and on the basis of documents produced before us during the course of audit we are not in a position to form an opinion about compliance of Regulation 23 of listing regulations, Section 177 and Section 188 of the Companies Act, 2013.*

7. *The Company has delayed submission of voting result under Regulation 44(3) relating to passing of resolution through postal ballot on 16.3.2024 with BSE Ltd (XBRL Mode) and National Stock Exchange (Physical and XBRL Mode) by one day.*

Management Reply to observations made by the Secretarial Auditor:

For point no. 1 to 3:

With respect to point 1 to 3 we submit that due to technical glitches while uploading the intimation at the BSE Limited and the National Stock Exchange of India Limited portal, there is inadvertent slight delay in submitting the said intimations. The Company had always follows good corporate practices and will ensure timely compliance going forward.

For point no. 4

The Company had replied to notice received imposing fine by the BSE Limited and the National Stock Exchange of India Limited.

For point no. 5

The Company had timely submitted the results with the BSE Limited however due to login issue at the National Stock Exchange of India Limited portal, there is negligible inadvertent slight delay in submission of results. Further the Company had also sent an email attaching the results to the stock exchange for taking the results on record within the timeline.

For point no. 6

The Company had taken up the agenda item as any other agenda with unanimous approval of the Audit Committee and Board. The same was captured in the minutes duly signed by the Chairman of the Audit Committee and Board respectively. The Company is in compliance of Regulation 23 of SEBI (LODR) Regulations, 2015 and section 177 and 188 of the Companies Act, 2013 and Rules made thereunder.

For point no. 7

The delay in submission of voting result under Regulations 44(3) relating to passing of resolution through postal ballot on 16.03.2024 was due to technical reason only.

The company is a law abiding company and always ensure the compliances well within the time frame and governance.

The Report given by the Secretarial Auditor for the financial year ended on March 31, 2024 is annexed as **Annexure-D** and forms an integral part of Annual report.

Further, no fraud has been reported by the Secretarial Auditors in terms of Section 143(12) of the Act during the financial year.

INTERNAL AUDITORS

M/s Vaish & Associates, Chartered Accountant perform the duties of internal auditors of the Company and their performance and reports are reviewed by the Audit Committee.

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

The details pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is annexed as **Annexure-E** and forms an integral part of this report.

ANNUAL RETURN

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of annual return of the Company for the Financial Year ended March 31, 2024 has been placed on the website of the company and the same can be accessed by the any person through below given web-link www.munjalshowa.net.

PARTICULARS OF EMPLOYEES

The statement of particulars of employees as per Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2024 is annexed as **Annexure-F** and forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In terms of provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility (hereinafter

referred as 'CSR') Committee has formulated a CSR Policy indicating the activities to be undertaken by the Company. The constitution of CSR Committee is disclosed in Corporate Governance Report which forms an integral part of Annual Report.

The CSR policy may be accessed on the Company's website i.e. <https://munjalshowa.net/wp-content/uploads/2024/04/CSR-POLICY.pdf>

As part of its initiatives under CSR, the Company has undertaken projects in the areas of Education, Health, Water and Sanitation. These projects are largely in accordance with Schedule VII of the Act and CSR Policy of the Company. The annual report on CSR activities as required under the Companies (CSR Policy) Rules, 2014 is set out as **Annexure-G** and forms an integral part of this report.

Munjal Showa Limited considers Corporate Social Responsibility as an integral part of its business activities and endeavors to utilize the allocated CSR budget for the benefit of the society.

The Company has incurred the CSR expenditure as follows:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	43,70,250
(ii)	Total amount spent for the financial year	40,53,363
(iii)	Excess/(Short) amount spent for the financial year [(ii)-(i)]	(3,16,887)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	4,55,336
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] *	1,38,449

*The Company has spent excess of ₹ 4,55,336 for CSR Expenses in the previous years. In the Year 2023-24 the Company Adjusted ₹ 4,55,336 against CSR Expenses liability of said year. Therefore, ₹ 138,449 will be available for set off in succeeding financial years.

For the subsequent years, the Company endeavors to spend the budgeted CSR expenditure in accordance with the statutory requirements.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year and the date of the report.

ENVIRONMENT COMPLIANCE

We believe that “waste is a precious resource kept in a wrong place”. We further believe that “there is no waste as per the law of the nature”. Hence from the solid waste like Iron & Steel from old scrap machines, we are collecting the raw material and we are manufacturing “Lean and Low cost” machines with a philosophy of Easy to run, Easy to maintain, Easy to clean and Zero accident by meeting all the quality and productivity standard. Everything is done in-house starting from design up to finishing the machine. This concept of reuse of metallic waste is highly appreciated by CII, ACMA and international experts of our Japanese Collaborator. By Regular training for workers and staff to prevent accident related to mechanical, electrical, chemical, physiological, and psychological safety the Company has made “Zero incidents” as acceptable standard. Hazard Identification and Risk Assessment (HIRA) is our primary focus to mitigate and prevent the abnormalities. Because of our dedicated and committed efforts in continual improvement of Safety, Health, and Environment area, we had received two National Awards from Ministry of Labour and Employment, Government of India for safety. The Company is a regular member of Haryana Environment Management Society.

The Company has started Green Vendor Development Programme (GVDP) since 2009-10. The aim of the project is to conserve water and energy, minimize generation of waste, terminate hazardous chemicals with non-hazardous chemicals, minimize carbon footprint and generate pollution prevention awareness throughout the plant and to achieve 100 percent legal compliance. The Company is rigorously improving to create a better place for our next generation.

TOTAL PRODUCTIVE MAINTENANCE

The Company has taken up the journey of Total Productive Maintenance (TPM) with the help of JIPM (Japan Institute

of Plant Maintenance) Japan and CII, TPM Club India. Major objectives of TPM are to increase (PQCDsME) Productivity, to improve Quality, to reduce Costs, to ensure in time Delivery, to increase Safety, to increase profitability, to build Morale and to protect environment by formation of small cross functional work groups and to improve overall Plant efficiency. The other objectives are to procure and install maintenance free plant and machinery; and to achieve zero defects, zero breakdown, zero losses and zero accidents. In nutshell, TPM is to identify 21 types of Losses & converts them into Profit. We are able to reduce Repair & Maintenance Cost and working very aggressively towards reduction in Inventory Loss.

We have achieved TPM Excellency Award “Category A” for Gurugram and Manesar Plants in the years 2008 and 2010 respectively from Japan Institute of Plant Maintenance. We have been awarded by JIPM TPM Excellence Consistency Award for both Gurugram & Manesar Plants in the year 2013. Now we have started TPM Journey in our Haridwar Plant also & we had TPM Kick-Off Ceremony in November 2015.

LEAN TPM ACTIVITIES

We have clubbed TPM with lean manufacturing system. Through Lean we are able to focus & control 8 types of wastes. Now we are giving more focus on 3 M’s – Muda, Mura & Muri. Our Company has conducted Lean Manufacturing System (Value Stream Mapping) Workshop through JMAC Japan. We have converted huge & complicated machines by using TPM & Lean Concepts. These machines consume very less Electricity, occupy less space, take very less inputs like consumables, manpower, tools, oils, compressed air, less set-up time, less cycle time, etc. These machines are 10S Machines (Safe, Simple, Small, Slim, Speed, Smart, Sturdy, Superb, Sushil & Sunder) and help us in reducing Cost of manufacturing. As on date we have built & rebuild 1019 machines.

Low-Cost Automation is the need of hour. In this area we have achieved great success in a very short span of time by manufacturing 16 numbers 2W Rod CNC machines from manual to Automatic mode. Besides this Automation has been achieved in most of Damper case & Bottom tube Welding process in all the 3 Plants. Many other machines in different lines. Resulting into Quality & Productivity improvements in many folds. Another 7 major Projects are

there in pipeline & very soon we will achieve them. We are also working towards Introduction & implementation of Material Flow Cost Accounting.

ISO/TS 16949/LATF16949 ACCREDITATION

Your Company's manufacturing facilities are located at Gurugram, Haridwar and Manesar and we continue to maintain and uphold the prestigious ISO/TS 16949:2009, ISO 14001:2015 and OHSAS 18001: 2007 (Occupational Health & Safety Assessment Series) certifications from reputed leading Indian and International Certification Institutions.

Further your Company is now an "ISO-45001" certified Company. This Certificate for Safety Management System is approved by the International Standard Organization. This is an International Standard that specifies requirements for an occupational health and safety (OH&S) management system.

These certifications help in continuous improvements, besides emphasis being laid on prevention of defects, reduction of waste, prevention of near misses and to ensure maximized customer delight.

LISTING

The shares of your Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), and pursuant to Clause C (9)(d) of Schedule V of SEBI Listing Regulations, the annual Listing fees for the year 2024-25 has been paid to them well before the due date i.e. April 30, 2024. Annual Custody/Issuer fee for the year 2024-25 has been paid by the Company to the depositories viz. NSDL and CDSL.

HUMAN RESOURCES

Promoting Human Resources management is the strength of our Company and over a period of time, we have changed our vision of employees from "Human Resources Management" to "Human Capital Management".

Your Company believes that employees form the fulcrum of growth and differentiation for the organization. The Company recognizes that people are its principal assets and that its continued growth is dependent upon the Company's ability to attract and retain quality people. The total headcounts were 2179 at the end of the year as compared to 2412 of the previous year. The Company encourages long-

term commitment to the Company by rewarding its people for the opportunities they create, and the value generated for customers and shareholders. The Company conducts several employee engagement and training Programmes to upgrade the skills of the workforce and generate specialist in quality, maintenance and manufacturing. As desired by the Government of India we have started NEEM Scheme and NAPS Scheme in order to enhance the technical skill level of our unemployed youths.

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement Programmes which have helped the organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

BUSINESS RISK MANAGEMENT

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the competitive advantage of the company. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Company regularly conducts a study to develop a comprehensive 360° view on the opportunities, risks and threats to the business. These include areas such as market trends, new competition, changing customer preferences, disruptions in supplies, product development, talent management etc.

The Board has identified following risks: -

Intensifying Competition, Declining margins, Imposition of strict environmental / safety / regulatory regulations, Increase in raw material/component prices, Dependence on Collaborators, Over dependence on limited user segment base, Economic downturn, Risk of natural or manmade disasters, Product liability / recall, Single vendor dependence for critical components, Investment risks in expansion projects, Sales Catering only to Domestic Market, Over Dependence on few customers base, Retention & development of personnel and Inappropriate addressing of customer grievances. We through qualitative products and

brand image, import only in case of cost advantage, regular improvement in productivity, controls over overhead and Labour cost through a robust control of approvals, internal audit of environmental safety and regulatory compliance, localization of components, insurance, TS 16949 certification, TPM certification, regular development of alternate vendors where only single source, capturing customer complaints and response to them, have effective risk mitigating plans.

The website link is given below:

<https://www.munjalshowa.net/wp-content/uploads/2021/06/Risk-Management-Policy.pdf>

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for the Directors and Employees of the Company by adopting the Whistle Blower Policy to report about the genuine concerns, unethical behaviour, fraud or violation of Company's Code of Conduct. Your Company hereby affirms that no Director/ Employee of the Company have been denied access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy is explained in the Corporate Governance Report which form an integral part of this Report and is also posted on the website of the Company.

The website link is given below:

<https://munjalshowa.net/wp-content/uploads/2024/05/WBP.pdf>

RECOMMENDATION OF THE AUDIT COMMITTEE

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

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2023-24.

DIRECTORS AND KEY MANAGERIAL PERSONNEL'S

During the financial year 2023-24, following changes took place in the composition of Board of Directors and Key Managerial Personnel of the company:

1. Mr. Yasuhiro Ashiki (DIN: 09132637) resigned as Joint Managing Director (Executive) of the Company effective as of the close of business hours on March 31, 2024.

2. Mr. Vinod Kumar Agrawal (DIN: 00004463) concluded his tenure as Non-Executive (Independent) Director of the Company upon the completion of his second term as Independent Director, effective as of the close of business hours on March 31, 2024.
3. Mr. Devi Singh (DIN: 00015681) concluded his tenure as Non-Executive (Independent) Director of the Company upon the completion of his second term as Independent Director, effective as of the close of business hours on March 31, 2024.
4. Mr. Nand Lal Dhameja (DIN: 02351762) concluded his tenure as Non-Executive (Independent) Director of the Company upon the completion of his second term as Independent Director, effective as of the close of business hours on March 31, 2024.

** The Board of Director, on recommendation of the Nomination and Remuneration Committee and approval by members of the Company through postal ballot (Remote E-voting) dated March 16, 2024 (being the last date of Remote E-voting), approved the appointment of Ms. Neetika Batra as a Non-Executive Independent Women Director of the Company w.e.f. April 01, 2024 to hold office for a term of five consecutive years, i.e. up to March 31, 2029, not liable to retire by rotation.*

** Mrs. Charu Munjal (DIN: 03094545) resigned as Director (Non -Executive) of the Company effective as of the close of business hours on May 29, 2024.*

**The Board of Director, on recommendation of the Nomination and Remuneration Committee and subject to approval by members of the Company in ensuing Annual General Meeting ("AGM") and Central Government, approved the appointment of Mr. Hitoshi Fukagawa (DIN: 10611378) who was appointed by the Board as Additional Director (Executive Director) on May 29, 2024 and as the Joint Managing Director of the Company, w.e.f. May 29, 2024 to hold office for a term of five consecutive years, i.e. up to May 28, 2029, liable to retire by rotation on such terms of employment as agreed between the Company.*

In accordance with the provisions of the Companies Act, 2013 not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read

with the Articles of Association of the Company, Mr. Yogesh Chander Munjal, Executive Director and Mr. Kazuhiro Nishioka, Non-Executive Director are liable to retire by rotation at the ensuing 39th AGM and being eligible they have offered themselves for re-appointment.

During the year under review, apart from the above-stated facts, there is no change in the composition of Board of Directors. Further, there was no change in the office of the Key Managerial Personnel of the company.

Pursuant to the provisions of the SEBI Listing Regulations and the Act, the profiles of all the Directors, seeking appointment/re-appointment at the ensuing AGM, have been provided in the Notice of 39th AGM of the Company.

All Independent Directors have given individual declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations. All the Independent Directors have registered themselves under data bank of Independent Directors created and maintained by Indian Institute of Corporate Affairs.

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors, the Board of Directors is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

All Directors of the Company have also given declarations that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such statutory authority as required under the Circular dated 20th June, 2018 issued by BSE Limited and National Stock Exchange of India Limited.

The Company appreciates the dedicated and valuable guidance given by all the Directors of the Company.

COMMITTEES OF THE BOARD

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on March 31, 2024, the Board has five committees: The Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer/Stakeholders Relationship Committee and

Risk Management Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report, which forms an integral part of the Board Report.

SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, the Company is not having any subsidiary, joint venture, Associate Company. Further, no Company became or ceased to be a Subsidiary/Joint Venture/Associate of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board in consultation with Nomination and Remuneration Committee has carried out an annual performance evaluation of its own, the Directors individually as well as its various committees and the Chairman on the criteria as recommended by the Nomination and Remuneration Committee of the Company. The manner in which the formal annual evaluation has been carried out has been explained in the Corporate Governance Report, which forms an integral part of this report. The performance evaluation was found satisfactory.

NOMINATION AND REMUNERATION POLICY AND REMUNERATION TO THE DIRECTORS

The Board on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management Personnel including Key Management Personnel and affixing their remuneration. The salient features of the Nomination and Remuneration Policy are mentioned below:

- The Nomination and Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower by creating a congenial work environment, encouraging initiatives, personal growth, team work and inculcating a sense of belongingness and involvement, besides offering appropriate remuneration packages and superannuation benefits.
- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least two-third shall be Independent.

- The Nomination and Remuneration Committee shall meet at least once in a year.
- Quorum of the meeting shall be either two members or one-third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- The Role of the Committee includes: Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, relating to the remuneration for the Director, key managerial personnel and other employees.
- Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- The Board as per the criteria approved by the Nomination and Remuneration Committee shall carry out evaluation of performance of its own, its committees, and individual Directors and the Chairman.

The Nomination and Remuneration Policy is available on the website of the Company at:

<https://munjalshowa.net/wp-content/uploads/2024/05/NRC.pdf>

The details of remuneration under Section 197 of the Act paid to Directors are given in point No. IV of Corporate Governance Report which forms an integral part of this Report.

BOARD DIVERSITY POLICY

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse board will leverage differences in thought, perspective,

knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

The Board Diversity Policy is available on our website at:

<https://www.munjalshowa.net/wp-content/uploads/2016/02/Boards-Diversity-Policy.pdf>

MEETINGS OF BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the financial year, four (4) Board Meetings were convened and held on May 30, 2023, August 10, 2023, November 08, 2023, and February 08, 2024. The details of Board and Committee Meetings and Board members and Committee members who have attended the meetings are given in the Corporate Governance Report forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 134(3)(c) & (5) of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- In the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards had been followed and no material departures were made from the same;
- Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end financial year ended March 31, 2024 and of the profits of your Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis;

- e. They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions entered by the Company with Related Parties as defined under the Act and Listing Regulations were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. Hence, the requirement of Form AOC-2 as required under Section 188(1) of the Act is not applicable to the Company.

The Company has not entered into any material related party transactions, i.e., transactions exceeding 10% of the annual consolidated turnover or ₹ 1000 Crore, whichever is lower, as per the last audited financial statements.

All transactions with related parties were periodically placed before Audit Committee and committee has also given omnibus approval for repetitive and foreseen transactions. The Board and Audit Committee also noted these related party transactions on a quarterly basis. The details of related party transactions are given in Note No. 33 of Audited Financial Statements.

The Related Party Transactions Policy is available on the website of the Company at:

<https://www.munjalshowa.net/wp-content/uploads/2022/03/RELATED-PARTY-TRANSACTION-POLICY.pdf>

MAINTAINANCE OF COST RECORDS

The provisions of Section 148 of the Act is not applicable to the Company so the Company is not required to maintain cost records under the aforesaid section.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against any loss from unauthorized use and ensure proper authorization of financial transactions.

The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances. The Company takes abundant care in designing, reviewing and monitoring regularly the working of internal control systems and their compliances for all important financial internal control processes. The Audit findings are reported on a quarterly basis to the Audit Committee of the Board headed by a Non-Executive Independent Director.

The Company has robust ERP systems based on SAP platform. This ensures high degree of systems-based checks and controls.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations.

The Act has introduced under Section 143(3)(i) stating that the statutory auditors of the Company shall include in his audit report whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls in addition to the reporting by Board of Directors in director's responsibility statement. The concept of reporting on internal financial controls is still new in India. This new reporting requirement has thrown up many challenges. The Company has developed the internal financial control processes and that was vetted by the internal auditors during the year. The same has also been verified by the statutory auditors and who have reported that all the material Internal financial controls exist during the financial year 2023-24.

The Company has developed a compliance tool for the purpose of legal compliance of all the applicable Acts to the Company.

COMPLIANCE OF THE SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards on Board and General meetings issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The board has complied all the secretarial standard applicable on the Company.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis Report for the year under review as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of this Annual Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act – **The Company did not invite/accept any deposit within the meaning of Chapter V of the Act, and the rules made thereunder.**
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Company has in place a Policy on prevention of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors further state that during the year under review, no complaints were received or pending pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Various workshops and awareness Programmes w.r.t., prevention of sexual harassment has been carried out during the F.Y. 2023-24.

PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("IBC Code") during the year. Further, at the end of the year, Company does not have any proceedings related to IBC Code.

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

During the year under review, the Company has not made one-time settlement therefore, the same is not applicable.

POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI Listing Regulations mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on website of the company i.e. www.munjalshowa.net

Policy	Web-link
Policy for Determination of Materiality of Information or Events	https://munjalshowa.net/wp-content/uploads/2024/05/DMIE.pdf
Boards Diversity Policy	https://www.munjalshowa.net/wp-content/uploads/2016/02/Boards-Diversity-Policy.pdf
Corporate Social Responsibility Policy	https://munjalshowa.net/wp-content/uploads/2024/04/CSR-POLICY.pdf

Policy	Web-link
Vigil Mechanism / Whistle Blower Policy	https://munjalshowa.net/wp-content/uploads/2024/05/WBP.pdf
Nomination and Remuneration Policy	https://munjalshowa.net/wp-content/uploads/2024/05/NRC.pdf
Records and Archives Management Policy	https://www.munjalshowa.net/wp-content/uploads/2016/02/Records-and-Archives-Management-Policy.pdf
Related Party Transaction Policy	https://www.munjalshowa.net/wp-content/uploads/2022/03/RELATED-PARTY-TRANSACTION-POLICY.pdf
Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons	https://munjalshowa.net/wp-content/uploads/2024/04/CODE-OF-CONDUCT.pdf
Code of Conduct for Directors and Senior Management Personnel	https://www.munjalshowa.net/wp-content/uploads/2016/02/Code-of-conduct.pdf
Policy on prevention of Sexual Harassment at workplace	https://www.munjalshowa.net/wp-content/uploads/2023/02/POSH-POLICY.pdf
Quality Policy	https://www.munjalshowa.net/wp-content/uploads/2021/02/Quality-Policy.pdf
Occupational Health and Safety Policy	https://www.munjalshowa.net/wp-content/uploads/2021/02/Occupational-Health-and-Safety-Policy.pdf
Environment Policy	https://www.munjalshowa.net/wp-content/uploads/2021/02/Environment-Policy.pdf
Risk Management Policy	https://www.munjalshowa.net/wp-content/uploads/2021/06/Risk-Management-Policy.pdf
Dividend Distribution Policy	https://www.munjalshowa.net/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the co-operation and support extended to the Company by Government of India, State Governments of Haryana and Uttarakhand, other local authorities, bankers, suppliers, customers and other stakeholders whose continued support has been a source of strength to the Company. The continued dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

The Directors also place on record their appreciation for the valuable assistance and guidance extended to the Company by Hitachi Astemo Ltd., Japan and for the encouragement and assurance, which our collaborator has provided from time to time for the growth and development of the Company.

The Directors also take this opportunity to express their deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

Ashok Kumar Munjal
(Director)
(DIN 00003843)

ANNEXURE-A TO THE BOARD'S REPORT

Management Discussion and Analysis Report

Industry Structure and Development

The **automotive industry in India** is the world's fourth-largest by production and valuation as per 2022 statistics. As of 2023, India is the *3rd largest automobile market* in the world in terms of sales. The Indian auto industry is recognised as a 'sunrise industry' as it has emerged as one of the fastest growing sector over last few years.

As of April 2022, India's auto industry is worth more than US\$100 billion and accounts for 8% of the country's total exports and 7.1% of India's GDP. India is the second largest manufacturer of 2W, the largest manufacturer of 3W and 3rd largest manufacturers of passenger cars in the world. The manufacturing of automobiles including truck, buses, cars, three wheeler/ two wheelers etc. in India has risen at a very high pace.

Domestic automobiles production: The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022.

Domestic Sales:

Total Passenger Vehicle Sales increased from 30,69,523 to 38,90,114 units. Sales of Passenger Cars also increased from 14,67,039 to 17,47,376, Utility Vehicles from 14,89,219 to 20,03,718 and Vans 1,13,265 to 1,39,020 units, in FY-2022-23, compared to the previous year.

The overall Commercial Vehicles sales increased from 7,16,566 to 9,62,468 units. Sales of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY-2022-23, compared to the previous year.

Sales of Three Wheelers increased from 2,61,385 to 4,88,768 units, in FY-2022-23, compared to the previous year.

Two Wheelers sales increased from 1,35,70,008 to 1,58,62,087 units, in FY-2022-23, compared to the previous year.

Exports:

In April 2022 to March 2023, Passenger Vehicle Exports increased from 5,77,875 to 6,62,891 units while Commercial Vehicle Exports decreased from 92,297 to 78,645, Three-Wheeler Exports decreased from 4,99,730 to 3,65,549 and Two Wheelers Exports decreased from 44,43,131 to 36,52,122 units over the same period last year.

While the whole nation is focusing on becoming '*Atmanirbhar Bharat*', it is an opportunity for many sectors and contratemps for a few. The government has urged the Indian auto components manufacturers to increase localization to 100 percent and provide a push to local manufacturers to bolster the domestic supply chain and strengthen the automotive industry from its core.

Given the current scenario, most of the auto manufacturing companies have shown their interest in adopting the government's 100 percent localization movement but seeks government support in terms of infrastructure deficit, talent crunch, industry scale-up policies, access to world-class technology and practices, remaining cost-competitive and availability of cost-effective capital. The industry is facing challenges from rapid change in technology in this segment which calls for more funds for investments in research and development. As regards the trade policy, the challenges mainly faced by Indian manufacturers are slowing down of investment in the OEM auto sector, duty on imported auto parts, and the sharp rise in imports mainly from ASEAN countries.

Market Size

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the un-organised sector comprises low-valued products and caters mostly to the aftermarket category.

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments

of the industry during the last few months. The industry attracted Foreign Direct Investment equity inflow (FDI) worth US\$ 35.65 billion between April 2000-December 2023, accounting for 5.35% of the total equity FDI during the period.

Opportunities and Threats

- India is emerging as global hub for auto component sourcing
- Relative to competitors, India is geographically closer to key automotive markets like the Middle East & Europe
- In September 2015, Automotive Mission Plan 2016-26 was unveiled which targets a fourfold growth for the sector.
- Strong support for R&D & product development by establishing NATRiP centers
- 100 per cent FDI allowed under automatic route for auto component sector
- In January 2019, The Government of India lowered the custom duty on import of parts and components of electric vehicles to 10- 15 per cent.

Auto component manufacturers are afraid of the government's aggressive plans for electric vehicles, and it seems this transition is not in harmony with the future goals of the industry. Usually, an internal combustion engine (ICE) of most of the cars works on more than 2,000 moving parts, but the engine of an electric vehicle doesn't require more than 20 similar parts/components.

Familiar with the imminent shift, many SMEs in the auto components industry are reluctant to invest in the electric vehicle expansion plans.

No doubt, an environment of fear is eclipsing the industry. But it is equally true that the industry is all set to become the third-largest in the world by 2025, and globalization is considered auspicious rather than a menace.

Despite this, a few of the industry players believe that the newer technology is apartheid to an age-old industry, which is still enjoying a growth momentum. They assume that once electric vehicles start replacing petrol/diesel based automobiles; there will be a sudden fall in the

demand of auto components such as cylinder blocks, filters, transmitters, plugs, etc.

Government Initiatives

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion.

The government has planned US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles. Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will be a net positive for the sector.

Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways:

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles.

Government of India has notified **Electric Mobility Promotion Scheme 2024 (EMPS 2024)** with an outlay of ₹ 500 crore for a period 4 months, w.e.f. 1st April 2024 till 31st July 2024. The scheme is introduced for faster adoption of electric two-wheeler (e-2W) and electric three-wheeler (e-3W - including registered e-rickshaws & e-carts and L5) to provide further impetus to the green mobility and development of electric vehicle (EV) manufacturing ecosystem in the country.

Achievements

Following are the achievements of the government in the past four years:

- Production of two wheelers, passenger vehicles, commercial vehicles and three wheelers reached 194.10,Lacs, 45.78 Lacs, 10.35 Lacs, and 8.55 Lacs, respectively, in FY23.
- Under National Automotive Testing and research and development (R&D) Infrastructure Project

(NATRIP), various facilities including passive safety labs comprising of crash core facility and crash instrumentations including dummies were established at ICAT-Manesar and ARAI-Pune.

- To give a fresh thrust to E-mobility in public transport, Department of Heavy Industry announced the launch of public and shared mobility based on electric powertrain.

Road Ahead

The role of industry bodies and the government could be a critical differentiator in the recovery of the automotive sector. For instance, the government could enhance cost effectiveness in automotive manufacturing by reducing logistics and energy costs. Meanwhile, industry bodies could build on scale by working with Export Promotion Councils to expand India's share in global exports. Sustaining the momentum on the ongoing policy shifts and investing in innovation could assure growth for the entire sector. While these have been testing times, the auto component industry could rebuild by catering to shifting mobility needs and consumer sentiment. Focusing on local manufacturing, investing in innovation and collaboration with the government and automotive industry bodies could ensure that the segment emerges stronger and more resilient, ready to flourish in the next normal.

The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 80 billion by 2026.

Product Wise Performance

All products of the Company come under single primary business segment i.e. Shock Absorber. Its variants are Front Forks, Rear Cushions, Struts and Gas Spring/Rear Door Lifters etc. Therefore, requirement for analyzing segment-wise or product wise performance does not arise.

Outlook

The auto component manufacturing industry in India is pegged at 3.5 lakh crore in FY 2018 and the industry is poised to grow 4 times by 2026. However, in the absence of a well-defined road map for the automobile industry, the future of the auto component segment looks bleak with disastrous consequences for many of the players. The industry will not witness growth if it continues to follow a business as usual scenario.

The possible transition of the automobile industry towards hybrids and electric vehicles will lead to disruption in the overall automotive market landscape which will also influence the product portfolios of auto component manufacturers. The alignment and the pace of this alignment to the anticipated new automotive landscape will be key for auto component manufacturers to stay relevant, survive disruption and grow over the next multiple years.

This alignment will see the rationalization of the product portfolio and even consolidation in different product segments in the auto component manufacturing space. Recent move of Bosch to hive off its starter and generator division to SEG indicates that the company anticipates pressure on the legacy components in the realm of adoption of new technology and also regulatory push to embrace stringent emission norms in the mobility sector.

Thousands of auto component makers and aftermarket, players risk shutting down in the next 8-10 years as they are ill-prepared for a future where new and disruptive technologies like electric vehicles and autonomous or self-driving cars take over the roads. As new ideas and technologies in the automobile sector come to the fore every day, the \$51 billion Indian auto component industry is waiting for the government or one of its agencies to draw up a detailed road map on the future of mobility. Unless there is some clarity on the automakers' technology play in India and the development of the ecosystem that goes along with it through some well-defined policies and notifications, both the auto and component makers will continue to live in a state of uncertainty.

Nearly 50% of the domestic auto component players are either making engine parts or the transmission drive, which will have no place in an electric car, which runs on batteries. There is also a question mark on the kind of batteries that will ultimately survive; whether

it will be lithium-ion or something else will depend mostly on the cost of the battery and its safety features.

The CAF norms and BSVI implementation will further push automobile companies to embrace technology that restricts emission and this will pave way for newer technology like ISG and BSG that are likely to replace alternator and generator in the automobile. The mandatory requirement to enhance safety features and premiumization of mass selling cars will also lead to the migration of electrical architecture from 12V to 48V.

Risks and Concerns

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

The India automotive industry has already seen difficult past few quarters and this pandemic led lockdown couldn't have been more ill-timed. However, a planned and concerted response, both immediate and medium to long term will ensure a V shape recovery.

Imports share a significant share of our key inputs. This pandemic has led to disruption in supply chain management that may impact business goals of the Company. We have been engaged in exploring alternative vendors for key inputs and also focusing on exploring new opportunities in sales.

The Industry would need to focus on the following areas to be future-ready:

- Focus on R&D and Technology through M&As, JVs, and technical collaborations, both within component industry as well as software developers;
- Focus on addressing skill gap development through increased industry and academia interaction as well as investment in training and certifications;
- Inability to timely ramp-up production to meet market demand and planned growth;
- Loss of Customer Satisfaction and brand image due to quality issues;

- Supply Chain Disruptions;
- Rising fuel prices;
- Higher interest rates;
- Monsoon dependency.

The Company is taking all necessary measures in terms of mitigating the impact of challenges being resilient in order to sail through the current situation. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facility operate smoothly.

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

Internal Control System and its Adequacy

Your Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. The Company has implemented a SAP ERP (Enterprise Resource Planning) system. The financial authority at various management levels is clearly defined in the delegation of powers. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. In the highly networked IT environment of the Company, validation of IT Security receives focused attention from IT specialists and Statutory Auditors. Your Company has appointed reputed firm of Chartered Accountants for internal audit functions consisting of experienced and professionally qualified team. The Internal Auditor reports directly to the Board through Audit Committee. The internal auditor has covered the area of internal financial Controls, reconciliation of GST inputs, Checking of TDS compliances and GST compliances. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

Discussion on financial performance with respect to operational performance

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

The Company has achieved turnover (net of GST) of ₹ 1,17,272.84 as against ₹ 124,053.90 lakhs during the previous year. The profit before tax was ₹ 3629.03 lakhs as against ₹ 4,218.74 lakhs of previous year. The decrease in profit before tax was 13.98 percent and profit after tax was decrease by 3.56 percent at ₹ 3076.61 as against ₹ 3190.32 lakhs in the previous year.

Key financial Ratios:

Ratio	2023-24	2022-23	Change %
Net capital turnover Ratio (in times)	2.80	3.13	-10
Net profit Ratio (in times)	0.03	0.03	2
Return on capital employed (in percentage)	5.73	6.02	-5
Debtor Turnover Ratio (in times)	6.22	6.82	-9
Inventory Turnover Ratio (in times)	16.04	16.97	-6
Interest Coverage Ratio	0.00	0.00	0
Current Ratio (in times)	4.15	3.76	10
Debt to Equity Ratio	0.00	0.00	0
Return on Equity Ratio (in times)	0.05	0.05	-6
Operating Profit Margin (%)	3.20	3.11	2
Net Profit Margin (%)	2.62	2.57	2
Return on Net Worth *	4.68	4.95	-5
Trade payables turnover Ratio (in times)	7.44	7.99	-7

*Return on net worth is measure of profitability of a company express in percentage. it is calculated by dividing total income by average shareholders' equity.

**Since the Company does not have any outstanding debt/ borrowing as on March 31, 2024 and March 31, 2023, debt equity ratio and debt service coverage ratio are not applicable.

***There are no significant changes (i.e. change of 25% or more as compared to the F.Y 2022-23) in the other key financial ratio.

Material Development in Human Resources/Industrial Relations, including number of people employed

The strategic purpose of Human Resources is to be a catalyst and change agent for creating the Human Capital transformation required to ensure sustained business outperformance, while simultaneously addressing the needs of its multiple stakeholders (starting with customers and employees) and strengthening the core values of the Company. In the long run, the ultimate metric for success is continuous improvement in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis has been on aligning all the HR levers towards achieving these goals.

Focus continued to be on the Talent Management and Leadership Development processes which included Development Centers, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and Action-Learning Projects etc.

The Company's strength of employees stood at 2179 as on March 31, 2024.

Cautionary Statement

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

FOR AND ON BEHALF OF THE BOARD

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

Ashok Kumar Munjal
(Director)
(DIN 00003843)

MUNJAL SHOWA LIMITED

ANNEXURE-B TO THE BOARD'S REPORT

Corporate Governance Report

I. Report on Corporate Governance

The Directors have pleasure in presenting the Corporate Governance Report of Munjal Showa Limited ("the Company") for the year ended March 31, 2024.

Company's Philosophy on Corporate Governance

Corporate Governance is about commitment to values and ethical business conduct. We look upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is committed to adopt best practices in Corporate Governance and disclosures thereunder. This includes its corporate structures, its culture, policies and the manner in which it deals with its various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company are an important part of Corporate Governance.

The Company believes that sound Corporate Governance is critical to enhance and retain investors' trust. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from high quality products delivered at the most competitive prices. The basic ingredients of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

Governance Structure

Munjal Showa Limited's governance structure broadly comprises the Board of Directors, Key Managerial Personnel and the Committees of the Board at the apex

level and the Management structure at the operational level. The layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth. This attitude of Munjal Showa Limited has strengthened the bond of trust with its stakeholders including the society at large.

II. BOARD OF DIRECTORS

A. Composition of Board

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company, ensuring fairness in the decision-making process, integrity and transparency in the Company's dealing with its members and other stakeholders.

As on March 31, 2024, the Board of Directors of the Company consists of nine (9) Directors including 2 (Two) Executive Directors; 2 (two) Non-Executive Non-Independent Directors and 5 (five) Non-Executive Independent Directors. As per Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), since the Chairman of the Board is an Executive Director, half of the total strength of the Board should comprise of Independent Directors. As on March 31, 2024 the Company is having 5 (five) Independent Directors on its

Board. However, the Composition of Board of Directors underwent change consequent to the resignation of Mr. Yasuhiro Ashiki, Joint Managing Director (Executive Director) of the Company w.e.f. closing business hours of March 31, 2024 and the completion of the second term of Mr. Vinod Kumar Agrawal, Mr. Nand Lal Dhameja, and Mr. Devi Singh w.e.f. closing business hours of March 31, 2024, who served as Non-Executive Independent Directors of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and approval by members of the Company through postal ballot (Remote E-voting) dated March 16, 2024 (being the last date of Remote E-voting), approved the appointment of Ms. Neetika Batra as a Non-Executive Independent Women Director of the Company w.e.f. April 01, 2024 to hold office for a term of five consecutive years, i.e. upto March 31, 2029, not liable to retire by rotation.

The Board has a pool of collective knowledge from various disciplines like Engineering, Finance,

Taxation, Treasury, Business Management, Corporate Planning, etc. The Board has been constituted in a manner resulting in an appropriate composition of Executive, Non-Executive and Independent Directors. The Non-Executive Directors play an active role in the meetings of the Board and are associated with the various Board Committees. They also bring independent judgment in the Board's deliberations and decisions. The Board meets regularly and is responsible for the proper management of the Company. The Chairman of the Board is a Promoter & Executive Director.

The Board and its Committees formulate policy decisions, so as to lead and control the affairs of the Company. The Composition of the Board (after considering filling of casual vacancy of directors subsequent to year end within the time limit prescribed under the Companies Act, 2013 read with rules framed therein) is in conformity with the provisions of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations

The details of the composition and category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson as on March 31, 2024 are as follows:

Name of Director, Category, Designation and DIN	Board Meetings held during his/her tenure and attended		Attendance at the last AGM on August 22, 2023	Memberships*	Chairperson*	No. of Directorships held in other Companies^^	Date of joining the Board
	Held	Attended					
Executive & Promoter Directors							
Mr. Yogesh Chander Munjal (Chairman & Managing Director) (DIN: 00003491)	4	4	Yes	3	None##	2	16/05/1985
Mr. Yasuhiro Ashiki (Joint Managing Director)# (DIN: 09132637)	4	4	Yes	1	None	1	23/06/2021
Non-Executive Non-Independent Directors							
Mrs. Charu Munjal** (Woman Director) (DIN: 03094545)	4	4	Yes	1	None	2	23/05/2014

Name of Director, Category, Designation and DIN	Board Meetings held during his/her tenure and attended		Attendance at the last AGM on August 22, 2023	Memberships*	Chairperson*	No. of Directorships held in other Companies^^	Date of joining the Board
	Held	Attended					
Mr. Kazuhiro Nishioka (DIN: 00602255)	4	4	No	None	None	1	23/06/2021
Non-Executive Independent Directors							
Mr. Ashok Kumar Munjal (DIN: 00003843)	4	3	Yes	2	None	1	02/01/1989
Mr. Devi Singh# (DIN: 00015681)	4	4	Yes	3	None	3	23/09/2008
Mr. Nand Lal Dhameja# (DIN: 02351762)	4	4	Yes	2	1	1	23/09/2008
Mrs. Kavita Venugopal (DIN: 07551521)	4	4	No	4	3	5	17/05/2022
Mr. Vinod Kumar Agrawal # (DIN: 00004463)	4	4	Yes	1	1	1	29/07/2005

* Includes only Audit committee and Stakeholders' Relationship committee of Indian Public Companies including Munjal Showa Limited.

** Mrs Charu Munjal and Mr. Yogesh Chander Munjal Holds the directorship in one Listed entity i.e. Shivam Autotech Limited as Whole Time Director (Executive Director) and as a Chariman respectively other than Munjal Showa Limited.

** Mrs. Kavita Venugopal hold the directorship in Au Small Finance Bank Limited and Pipeline Infrastructure Limited other than Munjal Showa Limited.

Mr. Yogesh Chander Munjal was the Chairman of the Audit Committee in Hero Cycles Limited upto August 21, 2023.

^^ Excluding Private Companies, Section 8 Companies and Foreign Companies as per Companies Act, 2013 but including Directorship in Munjal Showa Limited.

Ceased to be director of the Company w.e.f. closing of business hours on March 31, 2024.

Key Board skills, expertise and competencies

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make an effective contribution to the Board and its Committees. In the context of Company's business and the industry in which the Company operates, the skills/ expertise/ competencies as identified by the Board and possessed by each director is also provided below:

S. No.	Skills/Area of Expertise/ Competencies	Names of Board members
1.	Automotive/Mobility/Technology/ R&D/ Product Development	Mr. Yogesh Chander Munjal Mr. Yasuhiro Ashiki - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Ashok Kumar Munjal Mr. Kazuhiro Nishioka
2.	Strategic planning, Business Development, Business Operations	Mr. Yogesh Chander Munjal Mr. Yasuhiro Ashiki - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Ashok Kumar Munjal Mr. Kazuhiro Nishioka
3.	Human Resources/People Management	Mr. Yogesh Chander Munjal Mrs. Charu Munjal
4.	General Management Corporate Governance, Regulatory & Public Policy/ESG	Mr. Yogesh Chander Munjal Mrs. Charu Munjal Mr. Devi Singh - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Ms. Neetika Batra <i>(Appointed w.e.f April 01, 2024)</i>
5.	Accounting & financial expertise	Mr. Vinod Kumar Agrawal - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Nand Lal Dhameja- <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Devi Singh- <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Ashok Kumar Munjal Mrs. Kavita Venugopal Ms. Neetika Batra <i>(Appointed w.e.f April 01, 2024)</i>
6.	Global Perspective	Mr. Yogesh Chander Munjal Mr. Yasuhiro Ashiki - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Kazuhiro Nishioka Mrs. Kavita Venugopal
7.	Sales and Customer Management	Mr. Yogesh Chander Munjal Mr. Yasuhiro Ashiki - <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Ashok Kumar Munjal
8.	Communication, Innovative Management	Mr. Yogesh Chander Munjal Mr. Devi Singh- <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Mr. Nand Lal Dhameja- <i>(Ceased w.e.f closing of business hours on March 31, 2024)</i> Ms. Neetika Batra <i>(Appointed w.e.f April 01, 2024)</i>

All the Independent Directors fulfill the conditions of Independence as given under Act, and SEBI Listing Regulations and are independent of the management of the Company and have confirmed that they are not 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.

None of the Directors hold any shares or any other security of the Company as on March 31, 2024.

None of the Directors are inter-se related to any other Director on the Board or are related to any Key Managerial Personnel of the Company except Mrs. Charu Munjal, who is daughter-in-law of Mr. Yogesh Chander Munjal.

None of the Independent Directors of the Company is serving as an Independent Director in more than 7 Listed Companies. Further, no Independent Director of the Company who is a Whole-Time Director in another Listed Company is serving as an Independent Director in more than 3 Listed Companies.

None of the independent directors had resigned before the expiry of their tenure.

None of the Directors on the Board is a Director in more than 10 Public companies or not more than 7 Listed Companies nor are they members

in Committees of the Board in more than 10 Committees in public companies or Chairperson of more than 5 Committees in listed companies in which they are Directors.

At the 33rd Annual General Meeting held on September 26, 2018, the members vide special resolutions approved the re-appointment of Mr. Vinod Kumar Agrawal, Mr. Surinder Kumar Mehta, Mr. Nand Lal Dhameja and Mr. Devi Singh, as Non-Executive Independent Directors to hold office for another term of five consecutive years with effect from April 01, 2019 upto March 31, 2024.

B. Board Meetings held in financial year 2023-24

The Company held one (01) Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed one hundred & twenty (120) days. Thus, Board held four (4) meetings during the financial year 2023-24 i.e. on May 30, 2023, August 10, 2023, November 08, 2023 and February 08, 2024 respectively.

Details of board meeting attended by directors:

Name of director	Board Meeting dates			
	May 30, 2023	August 10, 2023	Nov. 08, 2023	Feb. 08, 2024
Mr. Yogesh Chander Munjal (DIN: 00003491)	Yes	Yes	Yes	Yes
Mr. Yasuhiro Ashiki* (DIN: 09132637)	Yes	Yes	Yes	Yes
Mr. Ashok Kumar Munjal (DIN: 00003843)	No	Yes	Yes	Yes
Mrs. Charu Munjal) (DIN: 03094545)	Yes	Yes	Yes	Yes
Mr. Kazuhiro Nishioka (DIN: 00602255)	Yes	Yes	Yes	Yes
Mr. Devi Singh* (DIN: 00015681)	Yes	Yes	Yes	Yes
Ms. Kavita Venugoapl (DIN: 07551521)	Yes	Yes	Yes	Yes
Mr. Nand Lal Dhameja* (DIN: 02351762)	Yes	Yes	Yes	Yes
Mr. Vinod Kumar Agrawal* (DIN: 00004463)	Yes	Yes	Yes	Yes

*(Ceased w.e.f closing of business hours on March 31, 2024)

The notice of each Board Meeting is given in writing to each Director of the Company. The agenda along with the relevant notes and other material information were sent/e-mailed to each Director in advance. In exceptional circumstances, additional or supplementary item(s) are taken up with permission of Chairman of the respective meeting and with the consent of the majority of Board/Committee members present at the meeting.

Also, the Board Meetings of the Company have been held with proper compliance of the provisions of the Act, SEBI Listing Regulations and Secretarial Standards issued by Institute of Company Secretaries of India, as applicable thereon.

C. Code of Conduct for Directors and Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel ('the Code') of the Company, as adopted by the Board, is a comprehensive Code applicable to all the Directors and Senior Management Personnel.

The Company's Board of Directors and Senior Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code is adhered to in letter and in spirit.

A copy of the Code has been uploaded on the Company's website i.e. www.munjalshowa.net. The Code has been circulated to all the Directors and Senior Management Personnel and the compliance of the same is affirmed by them annually.

All the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2023-24. The declaration to this effect signed by the Managing Director of the Company is attached as 'Annexure B1' forming integral part of this Report.

List of Senior Management

Sl. No	Name	Designation
1	Mr. Amit Aggarwal*	Plant Head
2	Mr Prahlad Kumar Godara	Vice President (P & A)
3	Mr. Avi Munjal	Senior Vice President
4	Mr. Pankaj Gupta	Chief Financial Officer
5	Mrs. Neha Bansal	Company Secretary

Mr. Amit Aggarwal joined on January 23, 2024 in place of Mr. Sanjiv Rahi who resigned on June 30, 2023 as Plant Head of the Company.

The web-link of the Code of Conduct is given below:

<https://www.munjalshowa.net/wp-content/uploads/2016/02/Code-of-conduct.pdf>

D. Familiarization Programs for Independent Directors

At the time of appointment and re-appointment of an Independent Directors in the Company, a formal letter of appointment is given, which inter alia explains the role, functions, duties and responsibilities expected from him/her as an Independent Director of the Company.

The web-link of terms and conditions for the appointment of Independent Director is as under:

<https://www.munjalshowa.net/wp-content/uploads/2016/02/Code-of-conduct.pdf>

The Company Conducts Familiarization Program for its Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, nature of industry, Company's strategy, Organization Structure, business model, performance updates of the Company, risks management, code of conduct and policies of the Company etc. The Director is also familiarized with the compliances required under the Act, SEBI Listing Regulations and other relevant regulations including amendments, recent pronouncements, economic scenario, market outlook etc.

Familiarization programme for Independent Directors:

Objective	The Company follows a structured orientation and training programme for the Independent Directors to understand and get them updated on the business and operations of the Company on a continuous basis.
Familiarization Program for Independent Directors	Discussion on Related Party Transactions
	Introduction to product profile
	<ul style="list-style-type: none"> • Economic Outlook • Marketing Review
	<ul style="list-style-type: none"> • Presentation on Investor Education Protection Funds (Unclaimed Dividend Payment)
	<ul style="list-style-type: none"> • Industry Outlook & Organizational Overview • R & D

Note: The above programme was conducted for Independent Directors of the Company during the financial year 2023-24.

The details on familiarization programs imparted to Independent Directors of the Company are

available on the website of the Company. The web-link of Familiarization program for Independent Directors is as under:

<https://munjalshowa.net/wp-content/uploads/2024/04/FAMILIARISATION-PROGRAMMES-OF-ID.pdf>

COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Share Transfer/ Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to the respective members of the Committees and tabled at the next consecutive Board Meeting for the noting of Board Members. All recommendations of the Committees are placed before the Board for approval or information, if required. During the financial year ended March 31, 2024, all the recommendations of/submissions by the Committees which were mandatorily required, were accepted by the Board.

III. AUDIT COMMITTEE

During the financial year 2023-24, the Audit Committee was composed of four members: Mr. Vinod Kumar Agrawal, Mr. Ashok Kumar Munjal, Mr. Nand Lal Dhameja, and Mr. Devi Singh, all serving as Non-Executive Independent Directors. It's noteworthy that all members of the Committee were Independent Directors of the Company. Mr. Vinod Kumar Agrawal, a Non-Executive Independent Director, served as the

Chairman of the Committee throughout the financial year 2023-24. Mr. Vinod Kumar Agrawal, Chairman of the Committee attended the AGM held on August 22, 2023.

The Audit Committee underwent a reconstitution effective from April 01, 2024, consequent to the completion of the second term of Mr. Vinod Kumar Agrawal, Mr. Nand Lal Dhameja, and Mr. Devi Singh w.e.f closing business hours on March 31, 2024, who served as Non-Executive Independent Directors of the Company. The reconstituted Audit Committee, as of April 01, 2024, comprises three members: Mr. Ashok Kumar Munjal (Chairman of the Audit Committee), Mrs. Kavita Venugopal, and Ms. Neetika Batra, all of whom are Non-Executive Independent Directors. It is noteworthy that all members of the Committee continue to be Independent Directors of the Company. All the members are having expertise in financial matters. All these members of the Committee have good knowledge of Corporate & Project Finance, Accounts and Corporate Laws, Accounting and related financial management expertise.

The powers, role and terms of reference of the Audit

Committee cover the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

The Audit Committee assures to the Board the adherence of adequate internal controls and financial disclosures and other acts conforming to the requirements of SEBI Listing Regulations. The quarterly/half yearly/annual financial results/statements of the Company are reviewed by the Audit Committee before submission to the Board for approval.

The Company Secretary of the Company acts as the Secretary of the Committee. The Statutory Auditors and Chief Financial Officer generally attend the meetings on invitation by the Chairman. During the financial year 2023-24, the Audit Committee met four (4) times, on May 30, 2023, August 10, 2023, November 08, 2023 and February 08, 2024. The time gap between any two consecutive meetings was less than 120 days. All the meetings of Audit Committee were attended by the Statutory Auditors and Chief Financial Officer of the Company.

The details of Composition, Meetings and attendance

of Members at the meetings of the Audit Committee held during 2022-23 were as under:

Name of the Member	Attendance at the Audit Committee Meetings held on			
	May 30, 2023	August 10, 2023	November 08, 2023	February 08, 2024
Non-Executive Independent Directors				
Mr. Vinod Kumar Agrawal (Chairman)*	Yes	Yes	Yes	Yes
Mr. Ashok Kumar Munjal (Member)	No	Yes	Yes	Yes
Mr. Devi Singh (Member)*	Yes	Yes	Yes	Yes
Mr. Nand Lal Dhameja (Member)*	Yes	Yes	Yes	Yes

*Ceased to be director of the Company w.e.f. closing of business hours on March 31, 2024

Extract of terms of reference of Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the board's report, Disclosure under Management Discussion and Analysis of Financial Condition and results of operations, major accounting entries, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements, disclosure of related party transactions, audit report, inter corporate loans and investments, appointment of CFO etc.;
- reviewing and examining with management the quarterly financial results before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services rendered by them;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of vigil mechanism/ whistle blower policy;
- scrutiny of inter-corporate loan and investment if any;
- reviewing the internal controls to ensure compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and verifying that the system for internal control under PIT Regulations are adequate and are operating effectively;
- carry out any other function as directed by the Board of Directors to the committee from time to time or as may be required under the law.

The Audit Committee shall listen to the Auditors and key managerial personnel of the Company when it considers the audit report, but the auditors and key managerial personnel shall not have the right to vote.

The Audit Committee will have roles, duties, functions and powers etc. as mentioned in the Companies Act, 2013 read with Rules made thereunder and the SEBI Listing Regulations.

IV. NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Nomination and Remuneration Committee ("NRC") is in compliance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR), 2015. During the financial year 2023-24, the Nomination & Remuneration Committee comprised of Mr. Nand Lal Dhamija, Mr. Yogesh Chander Munjal, Mr. Vinod Kumar Agarwal and Mr. Devi Singh. Mr. Nand Lal Dhameja, Chairman of the Committee attended the AGM held on August 22, 2023.

The Company Secretary of the Company acts as the Secretary of the Committee. During the Financial Year 2023-24, the Nomination and Remuneration Committee met twice on May 22, 2023 and February 08, 2024.

The NRC underwent a reconstitution effective from April 01, 2024, consequent to the completion of the second term of Mr. Vinod Kumar Agrawal, Mr. Nand Lal Dhameja, and Mr. Devi Singh w.e.f closing business hours on March 31, 2024, who served as Non-Executive Independent Directors of the Company. The reconstituted NRC, as of April 01, 2024, comprises four members namely Mr. Ashok Kumar Munjal (Chairman of the NRC), Ms. Neetika Batra, Mrs. Kavita Venugopal and Mr. Yogesh Chander Munjal.

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, besides other terms as referred by the Board of Directors.

The brief terms of reference of the Committee inter alia, include the following:

- Determine/recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/recommend the criteria for qualifications, positive attributes and independence of Director;
- For every appointment of 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. For the purpose of identifying suitable candidates, the Committee may

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates
- To formulate and recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Devising a policy on diversity of board of directors;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole and Board Committees;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.
- Carry out any other function as directed by the Board of Directors to the committee from time to time or as may be required under the law.

The details of Composition, meetings and the attendance of members at the meetings of the Nomination and Remuneration Committee (NRC) held during 2023-24 are as under:

Name of the Chairman and Member	Attendance at the Nomination and Remuneration Committee Meeting held on May 22, 2023	Attendance at the Nomination and Remuneration Committee Meeting held on February 08, 2024
Mr. Nand Lal Dhamija* (Chairman) (<i>Non-Executive Independent Director</i>)	Yes	Yes
Mr. Yogesh Chander Munjal (Member) (<i>Executive Director</i>)	Yes	Yes
Mr. Vinod Kumar Agrawal* (Member) (<i>Non-Executive Independent Director</i>)	Yes	Yes
Mr. Devi Singh* (Member) (<i>Non-Executive Independent Director</i>)	Yes	Yes

*Ceased to be director of the Company w.e.f. closing of business hours on March 31, 2024.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has Stakeholders' Relationship Committee pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee oversees, inter-alia, Redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, and exchange of new design share certificates, recording dematerialization of shares and other related matters. The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The brief terms and conditions of committee inter-alia include:

- Resolving the grievances of the security holders of the listed entity 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.
- Reviewing the measures taken for effective exercise of voting rights by shareholders.
- Reviewing the adherence to the service standards adopted by the Company in respect of various

services being rendered by the Registrar & Share Transfer Agent.

- Reviewing the 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.
- Carry out any other function as directed by the Board of Directors to the committee from time to time or as may be required under the law.

During the financial year 2023-24 the Stakeholders Relationship Committee comprised of Mr. Nand Lal Dhameja, Mr. Yogesh Chander Munjal, Mr. Yasuhiro Ashiki and Mr. Ashok Kumar Munjal. Mr. Nand Lal Dhameja, Non-Executive Independent Director was the Chairman of the Committee during the financial year 2023-24.

The Stakeholders Relationship Committee underwent a reconstitution effective from April 01, 2024, consequent to the resignation of Mr. Yasuhiro Ashiki, Joint Managing Director (Executive Director) of the Company and completion of the second term of Mr. Nand Lal Dhameja w.e.f closing business hours on March 31, 2024 who served as Non-Executive Independent Director of the Company. The

reconstituted Stakeholders Relationship Committee, as of April 01, 2024, comprises three members namely Mr. Ashok Kumar Munjal (Chairman of the Stakeholders Relationship Committee), Ms. Neetika Batra and Mr. Yogesh Chander Munjal.

During FY 2023-24, one (1) Stakeholders Relationship Committee meeting was held on May 22, 2023. Attendance of Members at the meetings of the Stakeholders Relationship Committee held during 2023-24 was as under:

Name of the Chairman and Member	Attendance at the Stakeholders Relationship Committee Meetings held on May 22, 2023
Executive Directors	
Mr. Yogesh Chander Munjal (Member)	Yes
Mr. Yasuhiro Ashiki (Member)	Yes
Non-Executive Independent Director	
Mr. Nand Lal Dhameja* (Chairman)	Yes
Mr. Ashok Kumar Munjal* (Member)	Yes

*Ceased to be director of the Company w.e.f. closing of business hours on March 31, 2024.

Company Secretary & Compliance Officer

Ms. Neha Bansal, Company Secretary is the Compliance Officer of the Company and acts as the Secretary of the Committee and any request / complaint can be forwarded to the Company at e-mail Id cs@munjalshowa.net.

During the financial year 2023-24, the Company has not received any complaint from the shareholder and no investor complaint was pending at the beginning or at the end of the year.

A. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

Share transfer and transmission and issue of duplicate share request in physical form were processed and the share certificates were generally issued to the transferees within due time period from the date of receipt of request.

The Board of Directors had delegated the authority to approve the share transfers/ transmission to the Company Secretary and/or Chief Financial Officer who attend to the same within thirty days and in case of any dispute / difference, they forward the same to the Stakeholders Relationship Committee for their approval.

The Company has obtained, from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and also filed a copy of the same with the Stock Exchanges within the prescribed timeline.

B. RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same was submitted to BSE Limited and the National Stock Exchange of India Limited and was also placed before Share Transfer/ Stakeholders' Relationship Committee and the Board of Directors every quarter.

VI. RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the Organization.

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the SEBI Listing Regulations and includes monitoring and reviewing of risk management plan on a quarterly basis and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The brief terms of reference of the Risk Management Committee inter-alia include:

- Formulate, monitor and review risk management policy and plan, inter alia covering, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks.
- Approve addition / deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit.
- Powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. To coordinate activities with other committees, in case of any overlap—majorly with the Audit Committee.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- Carry out any other function as directed by the Board of Directors to the committee from time to time or as may be required under the law.

During the financial year 2023-24, the Risk Management Committee comprised of Mr. Yogesh Chander Munjal (Chairman & Managing Director), Mr. Yasuhiro Ashiki (Joint Managing Director) and Mr. Vinod Kumar Agrawal (Non-executive Independent Director). Mr. Yogesh Chander Munjal acts as the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

The Risk Management Committee underwent a reconstitution effective from April 01, 2024, consequent to the resignation of Mr. Yasuhiro Ashiki, Joint Managing Director (Executive Director) of the Company and completion of the second term of Mr. Vinod Kumar Agrawal w.e.f closing business hours on March 31, 2024, who served as Non-Executive Independent Director of the Company. The reconstituted Stakeholders Relationship Committee, as of April 01, 2024, comprises three members namely Mr. Yogesh Chander Munjal (Chairman of the Risk Management Committee), Mr. Ashok Kumar Munjal and Mrs. Charu Munjal.

Details of members' participation at the meetings of the Committee are as under:

Name of the Chairman and Member	May 19, 2023	November 11, 2023
Mr. Yogesh Chandra Munjal (Chairman)	Yes	Yes
Mr. Yasuhiro Ashiki (Member)*	Yes	Yes
Mr. Vinod Kumar Agrawal* (Member)	Yes	Yes

*Ceased to be director of the Company w.e.f. closing of business hours on March 31, 2024.

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee was constituted on May 23, 2014 under the provision of Section 135 of the Companies Act, 2013. The Company has framed a CSR Policy which is uploaded on the website of the Company i.e.

<https://munjalshowa.net/wp-content/uploads/2024/04/CSR-POLICY.pdf>

The brief of the terms of reference of the CSR Committee broadly comprises as:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy of the Company from time to time.
- Carry out any other function as directed by the Board of Directors to the committee from time to time or as may be required under the law.

The Company Secretary of the Company acts as the secretary of the Committee. During the Financial Year 2023-24, the CSR Committee met 1 (one) time i.e. on May 22, 2023. The composition of the CSR Committee as on March 31, 2024 and the details of members' participation at the meeting of the Committee are as under:

Name of the Chairman and Member	Attendance at the Corporate Social Responsibility Meeting held on May 22, 2023
Executive Directors	
Mr. Yogesh Chander Munjal (Chairman)	Yes
Mr. Yasuhiro Ashiki (Member)	Yes
Non-Executive Independent Director	
Mr. Vinod Kumar Agrawal (Member)	Yes

During the financial year 2023-24 the Composition of CSR Committee is outlined below:

1. Mr. Yogesh Chander Munjal (Chairman) – Executive Director
2. Mr. Vinod Kumar Agrawal (Member) – Non-Executive Independent Director
3. Mr. Yasuhiro Ashiki (Member) – Executive Director

The CSR Committee underwent a reconstitution effective from April 01, 2024, consequent to the resignation of Mr. Yasuhiro Ashiki, Joint Managing Director (Executive Director) of the Company and completion of the second term of Mr. Vinod Kumar Agrawal w.e.f closing business hours on March 31, 2024, who served as Non-Executive Independent Director of the Company. The reconstituted CSR Committee, as of April 01, 2024, comprises three members namely the details of which are outlined below.

1. Mr. Yogesh Chander Munjal (Chairman) – Executive Director
2. Mr. Ashok Kumar Munjal (Member) – Non-Executive Independent Director
3. Ms. Charu Munjal (Member)- Non Executive Director

VIII. REMUNERATION OF DIRECTORS

The remuneration structure of Executive Directors comprises of basic salary, commission, perquisites and other allowances. Non-executive Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of Board of Directors and Committees thereof as may be determined by the

Board of Directors from time to time. There are no other pecuniary relationships or transactions with the Non-Executive Directors except payment of sitting fees. Payments of sitting fees to non-executive directors are made within the limits prescribed under the Companies Act, 2013. The details of the remuneration paid to Directors for the financial year 2023-24 are as under:

(Amount in ₹)

Name	Salary	Perquisites	Cont. to PF & Allowances	Commission	Sitting Fee	Total
Mr. Yogesh Chander Musnjal	3,03,00,000	19,139,162	60,24,744	19,82,000	NIL	5,74,45,906
Mr. Yasuhiro Ashiki	1,18,64,449	33,83,375	NIL	NIL	NIL	1,52,47,824
Mr. Ashok Kumar Munjal	NIL	NIL	NIL	NIL	4,80,000	4,80,000
Mrs. Charu Munjal	NIL	NIL	NIL	NIL	2,40,000	2,40,000
Mr. Devi Singh	NIL	NIL	NIL	NIL	6,60,000	6,60,000
Ms. Kavita Venugopal	NIL	NIL	NIL	NIL	3,00,000	3,00,000
Mr. Nand Lal Dhameja	NIL	NIL	NIL	NIL	7,20,000	7,20,000
Mr. Vinod Kumar Agrawal	NIL	NIL	NIL	NIL	8,40,000	8,40,000
Mr. Kazuhiro Nishioka*	NIL	NIL	NIL	NIL	NIL	NIL

Note: Sitting fee indicated above also includes payment for Board-level committee meetings.

*Director has agreed not to receive sitting fee for the meetings.

The above figures do not include provisions for encashable leave and gratuity accounted as per actuarial valuation for the Company as a whole.

There is no performance linked incentives other than commission.

The Company entered into a service contracts with all executive Directors for a period of five years or such other period as may be decided by the Board at the time of appointment.

Services of the Managing Director and Executive Director may be terminated by either party, with mutual consent by serving the Notice as per the term of appointment.

There is no separate provision for payment of severance pay.

None of the Directors neither hold nor are entitled to any Stock options in the Company. Other than sitting fees as indicated above for attending the meetings of the Company, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year.

The criteria of making payment to Non-Executive Directors, is disclosed in the Nomination and Remuneration Policy of the Company, which is uploaded on the website of the Company i.e.

<https://munjalshowa.net/wp-content/uploads/2024/05/NRC.pdf>

IX. INDEPENDENT DIRECTORS MEETING

Pursuant to Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, a separate

meeting of the Independent Directors is required to be held without the attendance of non-independent directors and members of the management:

- a. To review the performance of non-independent Directors and the Board as a whole;
- b. To review the performance of the Chairperson of the Company;
- c. To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

A separate meeting of the Independent Directors was held on February 08, 2024 without the attendance of non-independent Directors and members of the management. All the Independent Directors attended the said meeting.

Name of the Chairman and Member	Attendance at the separate meeting of Independent Directors held on February 08, 2024
Mr. Vinod Kumar Agrawal (Chairman)	Yes
Mr. Nand Lal Dhameja	Yes
Mr. Devi Singh	Yes
Mr. Ashok Kumar Munjal	Yes
Mrs. Kavita Venugopal	Yes

All the Independent Directors have given their view on the above-mentioned points to the Company in their performance evaluation report.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management of the Company.

X. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a

policy for selection and appointment of Directors, Senior Management personnel and their components of remuneration. The Nomination and Remuneration Policy is displayed on the website of the Company:

<https://munjalshowa.net/wp-content/uploads/2024/05/NRC.pdf>

XI. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of its Committees. A structured parameter has been prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors has been done in 181st Board meeting i.e. on May 30, 2023 by the entire Board of Directors, excluding the Director being evaluated and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

The Board has carried out an exercise to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Directors was carried out by the entire Board except the director being evaluated.

The Nomination and Remuneration Committee has formulated the criteria for evaluation of Independent Directors based on the following specifications:

- a) Participation at Board/ Committee Meetings;
- b) Managing Relationship;
- c) Knowledge and Skill;
- d) Personal Attributes;
- e) Initiative and Resourcefulness;
- f) Judgment;
- g) Adaptability
- h) Decisiveness;
- i) Innovation and Creativity;
- j) Leadership;
- k) Interpersonal Relationship;
- l) Oral Communication;
- m)

Written Communication; n) Job knowledge and skills; o) Learning Ability; p) Evaluating subordinates; q) Self-Management; r) Attendance and Grooming.

XII. DISCLOSURES

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year 2023-24 were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All transactions with related parties were placed before Audit Committee and Audit committee has given omnibus approval for repetitive and foreseen transactions. The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in note No. 33 of Financial Statements.

The Company has developed a policy on Related Party Transactions. The policy on related party transactions as approved by the Board is uploaded on the Company's website. The link of such policy is given below:

<https://www.munjalshowa.net/wp-content/uploads/2022/03/RELATED-PARTY-TRANSACTION-POLICY.pdf>

None of the Directors has any pecuniary relationships with the Company.

During the year, there were no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

A statement in summary form of transactions with related parties in the ordinary course of business and at Arm's Length Basis were placed periodically before the Audit Committee and also noted in the Board Meeting on quarterly basis.

Strictures and Penalties

There is neither any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authority, on any matters related to capital market during the previous three years except:

1. BSE and NSE have imposed ₹ 5,000/-(one day delay) for the non-compliance with the requirements prescribed under Regulation 23 (9) of the SEBI (LODR) Regulations, 2015 for disclosures of related party transactions for the half year ended September 30, 2023.
2. BSE have imposed fines of ₹ 10,000 (one day delay) for the non-compliance with the requirements prescribed under Regulation 44(3) of the SEBI (LODR) Regulations, 2015 for Non-submission of the voting results within the prescribed period.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed all the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes are on SAP-ERP and SAP-HR platforms and have a strong monitoring and reporting process resulting in financial discipline and accountability.

CEO & MD / CFO Certification

The MD and the CFO have issued certificate pursuant to Regulation 17(8) of the SEBI Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent

a true and fair view of the Company's affairs for the financial year ended March 31, 2024. The said certificate is annexed as **Annexure C** and forms integral part of the Annual Report.

MATERIAL SUBSIDIARIES

The Company has no subsidiaries as at March 31, 2024, therefore, the requirement for formulation the policy on Material Subsidiary of the Company is not applicable on the Company.

XIII. FOREIGN EXCHANGE RISK, COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company is consulting foreign exchange experts on day-to-day basis for hedging /booking the import bill to manage the foreign exchange risks.

XIV. PUBLIC ISSUES, RIGHT ISSUES OR PREFERENTIAL ISSUES

The Company has not raised any money/funds from public issues, right issues, preferential allotment or qualified institutional placements as specified under Regulation 32(7A) of the SEBI Listing Regulations during the financial year 2023-24.

XV. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil mechanism / Whistle Blower Policy provides a channel to the employees and Directors of the Company to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors of the Company to avail the mechanism and also provide for direct access to the Chairman and Managing Director/ Chairman of the Audit Committee in exceptional

cases. This neither relieves employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

None of the personnel of the Company has been denied access to the Audit Committee.

The contact details of Vigilance and Ethics Officer is as under:

Name and Address – Mr. Prahlad Kumar Godara, Vice President, P & A
Munjhal Showa Limited
9-11, Maruti Industrial Area, Sector-18,
Gurugram-122015
Email- pk.godara@munjalshowa.net

The contact details of the Chairman & Managing Director are as under:

Name and Address of Chairman & Managing Director
– Mr. Yogesh Chander Munjal
Munjhal Showa Limited
9-11, Maruti Industrial Area, Sector-18,
Gurugram-122015
Email- yogesh_munjal@munjalshowa.net

The contact details of the Chairman of the Audit Committee are as under:

Mr. Vinod Kumar Agrawal (Ceased to be Chairman of the audit committee w.e.f. closing of business hours of March 31, 2024)
Munjhal Showa Limited
9-11, Maruti Industrial Area, Sector-18,
Gurugram-122015
Email- agrawalnagrawal@yahoo.co.in

Name and Address of the Chairman of Audit Committee w.e.f April 01, 2024:

Mr. Ashok Kumar Munjal
Munjhal Showa Limited
9-11, Maruti Industrial Area, Sector-18,
Gurugram-122015
Email- ashokmunjal@munjalholdings.com

Pursuant to Section 177 of the Companies Act, 2013, the SEBI Listing Regulations and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted its Whistle Blower Policy. The website link of Vigil Mechanism / Whistle Blower Policy is given below: <https://munjalshowa.net/wp-content/uploads/2024/05/WBP.pdf>

XVI. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of internal procedures and Conduct for regulating, monitoring and reporting of trading by designated persons with a view to regulate trading in securities by the designated persons of the Company applicable from April 01, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

The Company has also adopted a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in pursuance of Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary is designated as Chief Investor Relations Officer in pursuance of such code and is responsible for implementation of the Code.

All the designated persons have confirmed the compliance with the Code.

XVII. MEANS OF COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS

The quarterly / half yearly/nine months' financial results are announced within forty-five days of the close of the respective quarter. The audited annual financial results are announced as per the requirements of the

SEBI Listing Regulations. The aforesaid financial results/ Statements are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board.

The financial results are thereafter given by way of a Press Release to various news agencies/analysts and are published within forty-eight hours in leading English and Hindi daily newspapers such as "Mint" (English edition) and "Hindustan" (Hindi edition). The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly/half yearly/nine months financial results and the annual financial statements and the press releases of the Company are also displayed on the Company's website: www.munjalshowa.net.

In compliance with the SEBI Listing Regulations, the quarterly financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and the National Stock Exchange of India Limited (NSE) are filed electronically on BSE's online portal through Corporate Filing and Dissemination System (CFDS) website www.corpfilling.co.in and with NSE through NSE Electronic Application Processing System ('NEAPS') portal.

No presentations were made to the institutional investors or to the analysts.

XVIII. GENERAL INFORMATION TO SHAREHOLDERS

Investor Services

Share transfers and other communication regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to

MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi- 110 020

Tel: 011-41406149-52; Fax; 41709881

Email: helpdeskdelhi@mcsregistrars.com

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through National Electronic Clearing Services (NECS). However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, sub-division of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address. Members are requested to indicate their Depository Participant ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

XIX. STOCK EXCHANGE INFORMATION

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Stock Exchanges:

Name & Address of the Stock Exchanges	Scrip Code/Symbol	ISIN for NSDL/CDSL (De-materialized shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	520043	INE577A01027
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	MUNJALSHOW	

Munjal Showa Limited Share Price on BSE & NSE from April, 2023 to March, 2024

(In ₹)

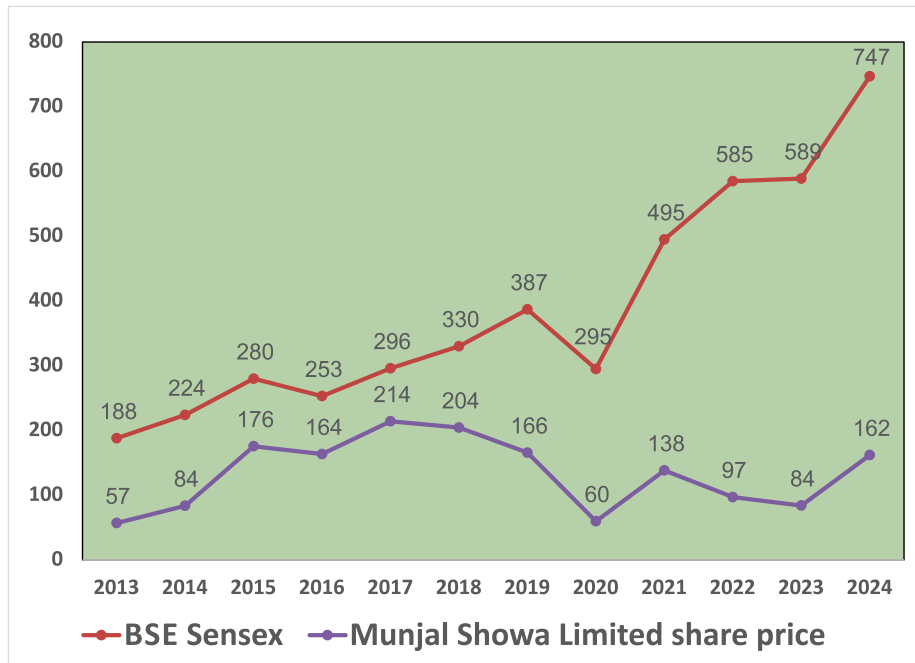
Month	BSE Limited		National Stock Exchange of India Limited	
	High Price	Low Price	High Price	Low Price
Apr-23	98.35	83.80	98.50	86.30
May-23	122.11	94.56	121.90	94.00
Jun-23	140.90	109.50	141.00	110.00
Jul-23	159.10	134.25	158.90	134.30
Aug-23	153.80	132.60	153.90	132.45
Sep-23	158.00	139.30	158.00	140.15
Oct-23	149.80	122.10	150.40	127.00
Nov-23	147.00	126.95	147.00	126.40
Dec-23	153.25	126.10	153.40	131.30
Jan-24	203.20	141.95	203.90	141.80
Feb-24	211.00	168.95	211.90	168.50
Mar-24	200.00	144.15	201.00	143.00

Stock Performance of Munjal Showa Limited vs. Bombay Stock Exchange (BSE) Indices:

Year	BSE Sensex	% Change	Nifty 50	% Change	Munjal Showa Limited	% Change
2024	73651.35	24.85	22326.90	28.61	162.8	91.82
2023	58991.52	0.72	17359.75	0.60	84.87	-13.35
2022	58568.51	18.30	17464.75	13.17	97.95	-29.15
2021	49,509.15	68.00	15431.75	24.14	138.25	131.18
2020	29,468.49	-23.80	12430.5	5.70	59.80	-63.92
2019	38,672.91	17.30	11760.2	5.27	165.75	-18.93
2018	32,968.68	11.30	11171.55	21.19	204.45	-4.54
2017	29,620.50	30.10	9218.4	4.22	214.17	30.99
2016	25,341.86	17.92	8844.8	-3.01	163.50	-6.89
2015	27,957.49	47.27	9119.2	35.50	175.60	109.80

Graphical presentation of Stock Performance of Munjal Showa Limited vs. Bombay Stock Exchange (BSE) Indices

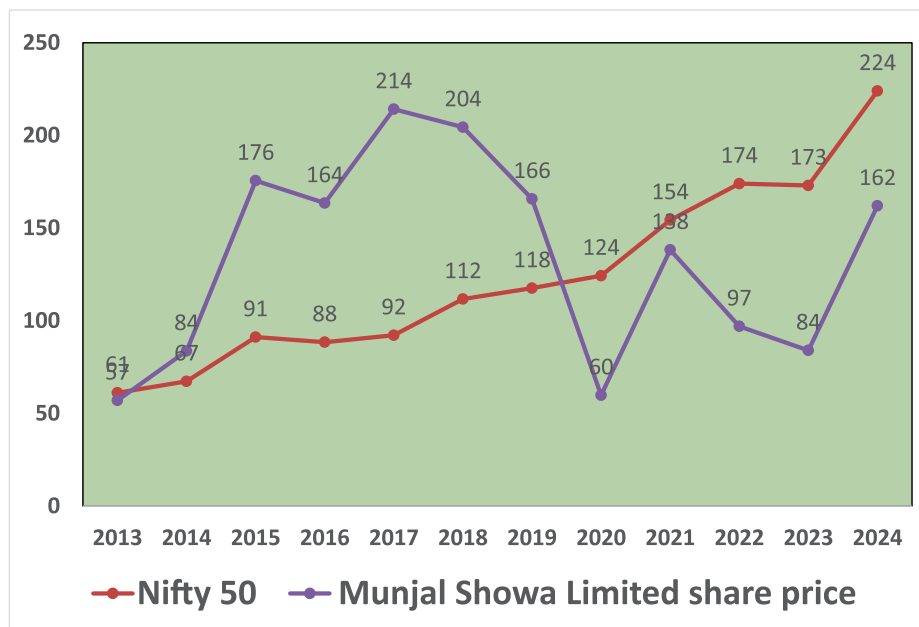
BSE indices is rounded off to hundred



Source: (www.bseindia.com)

Graphical presentation of Stock Performance of Munjal Showa Limited vs. Nifty 50

Nifty 50 is rounded off to hundred



Source: (www.nseindia.com)

Dematerialization of Shares and Liquidity

The Status of the shares held in demat and physical form as on March 31, 2024 are given below:

No. of Shares held with NSDL	34,382,208	85.97%
No. of Shares held with CDSL	5,291,730	13.23 %
No. of Shares held in Physical	321,062	0.80 %
Total	39,995,000	100.00%

Shareholding pattern as on March 31, 2024

Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
Indian Promoters	2	16,044,131	40.115
Foreign Promoters	1	9,960,027	24.903
Public Shareholding			
Institutions			
Mutual Funds/ UTI	2	2,000	0.005
Financial Institutions/ Banks	1	1,500	0.003
Foreign Portfolio Investors	4	509,644	1.274
Non-institutions			
Bodies Corporate	163	707,248	1.769
Individuals -			
i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	27,434	11,027,338	27.572
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	3	400,510	1.002
Non resident Indians	486	608,593	1.522
IEPF Authority Demat Account	1	1,27,549	0.319
Any Other-Trust & foundation	771	6,06,460	1.516
GRAND TOTAL	28,868	39,995,000	100.00

Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2024

Sr. No.	Name of the shareholder	Total Shares held	
		Number	As a % of total shareholding
(I)	(II)	(III)	(IV)
1	Dayanand Munjal Investment Private Limited	16,039,973	40.10
2	Hitachi Astemo Ltd. (Erstwhile Showa Corporation, Japan upto December 31, 2020)	9,960,027	24.90
3	Nidhi Kapoor (Relative of Director)	4158	0.01
TOTAL		26,004,158	65.01

No shares have been pledged by the promoters.

Distribution of Shareholding as on March 31, 2024

Shares Holding on Nominal Value of ₹ 2			No. of Shares	No. of Shareholders	% of Shares	% of Shareholders
1	To	500	2,715,804	24927	6.79	86.35
501	To	1000	1,648,925	1,972	4.12	6.83
1001	To	2000	1,605,865	992	4.02	3.43
2001	To	3000	915,112	352	2.29	1.22
3001	To	4000	639,850	173	1.60	0.60
4001	To	5000	619,425	130	1.55	0.45
5001	To	10000	1,280,447	171	3.20	0.60
10001 and above			30,569,572	151	76.43	0.52
Total			39,995,000	28,868	100.00	100

DETAILS OF ANNUAL GENERAL MEETING/ EXTRA ORDINARY GENERAL MEETING

The Annual General Meetings of the Company in the last three years have been held as under:

For the Year	Location	Day and Date	Time	No. of Special Resolutions passed
2022-23	Meeting held through Video Conferencing/ Other Audio Visual Means 9-11, Maruti Industrial Area, Sec-18, Gurugram-122015 (Deemed Venue)	Tuesday, August 22, 2023	11.00 A.M	01
2021-22	Meeting held through Video Conferencing/ Other Audio Visual Means 9-11, Maruti Industrial Area, Sec-18, Gurugram-122015 (Deemed Venue)	Friday, August 12, 2022	11.00 A.M	02
2020-2021	Meeting held through Video Conferencing/ Other Audio Visual Means 9-11, Maruti Industrial Area, Sec-18, Gurugram-122015 (Deemed Venue)	Wednesday, August 25, 2021	11.00 A.M	02

2022-23 Special resolution passed for:

- Change in remuneration payable to Mr. Yogesh Chander Munjal (00003491), Managing Director of the Company.

2021-22 Special resolution passed for:

- Change of category of Mr. Ashok Kumar Munjal (DIN: 00003843) as a Non-Executive Director to Non- Executive Independent Director of the Company.
- Appointment of Mrs. Kavita Venugopal (DIN: 07551521) as a Non- Executive Independent Women Director of the Company.

2020-21- Special Resolutions passed for:

- Re-appointment of Mr. Yogesh Chander Munjal (DIN 00003491) as Chairman & Managing Director of the Company
- Appointment of Mr. Yasuhiro Ashiki (DIN 09132637) as Joint Managing Director of the Company

No resolution has been passed by the Company's members through postal ballot during the last two Financial Years 2021-22 and 2022-23. However, during the financial year 2023-24 one special resolution has been passed through postal ballot (Remote E-voting) for Appointment of Ms. Neetika Batra (DIN: 10219725) as Non-Executive, Independent Director of the Company for a period of five consecutive years w.e.f April 01, 2024 and there is no resolution proposed to be passed through postal ballot. The Board had appointed Mr. Satyender Kumar (FCS: 4087 and COP No.: 5189), Practicing Company Secretary and proprietor of M/s Satyender Kumar & Associates (Company Secretaries), Gurugram, who has given his consent to act as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Company provided electronic voting facility to all its members in compliance with Regulation 44 of Listing Regulations and as per the provisions of Sections 108 and 110 of the Companies Act, 2013, (the Act), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended (Rules), read with the General Circulars issued by the MCA (MCA Circulars), The Company engaged the services of CDSL for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mr. Satyender Kumar (FCS: 4087 and COP No.: 5189), Practicing Company Secretary and proprietor of M/s Satyender Kumar & Associates (Company Secretaries), Gurugram, as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner. The Scrutiniser, after the completion of scrutiny, submitted his report to Ms. Neha Bansal, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India. The results were submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Extraordinary General Meeting (EGM)

No EGM was held during the Financial Year 2023-24.

Corporate Benefits

Dividend declared for the last 7 (seven) years on ₹ 2/- paid up share:

Financial Year	Type	Declared Dividend per share	Due Dates for Transfer to IEPF
2016-17	Final	₹ 4.00	October 28, 2024
2017-18	Final	₹ 4.50	October 31, 2025
2018-19	Final	₹ 4.50	October 05, 2026
2019-20	Final	₹ 4.50	October 16, 2027
2020-21	Final	₹ 4.50	October 30, 2028
2021-22	Final	₹ 4.50	October 17, 2029
2022-23	Final	₹ 4.50	October 28, 2030

Transfer of Unclaimed Shares to Investor Education and Protection Fund

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 (the 'Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund (IEPF).

During the financial year, notices were sent to the concerned shareholders whose shares were liable to be transferred to IEPF Demat Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority's Demat Account have also been uploaded on Company's website at www.munjalshowa.net

Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has transferred 17,137 equity shares of ₹ 2 each fully paid up pertaining to the financial year 2015-16 in respect of which the dividend remained unpaid or unclaimed for seven consecutive years to the IEPF Suspense Account after providing necessary intimations to the relevant shareholders.

An option to claim from IEPF Authority, all unpaid/unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said IEPF Rules.

Details of equity shares which have been transferred into IEPF Demat Account are available on the website of the Company at www.munjalshowa.net and at the website of IEPF authority at www.iepf.gov.in.

The Company has appointed a Nodal Officer of the Company under the provisions of IEPF, the details of which are available on the website of the Company i.e. www.munjalshowa.net.

Other General Information to the members of the Company

01) Nomination Facility:

The Company offers facility of nomination. The facility is made available folio-wise and for the entire shares registered under the folio. The members holding shares in dematerialized form may contact and consult their respective Depository Participant (DP) for availing the nomination facility. Members holding shares in physical form may contact Registrar & Transfer Agent (RTA) of the Company.

02) Outstanding GDRs/ADRs/Warrants or any convertible instruments, if any	:	Not Applicable
03) Plant Locations	:	<ul style="list-style-type: none"> - 9-11, Maruti Industrial Area, Sector-18, Gurugram-122015, Haryana - 26 E & F, Sector-3, IMT Manesar, Gurugram-122050, Haryana - Plot No. 1, Industrial Park-2, Phase-1, Salempur Mehdoob, Haridwar- 249402, Uttarakhand
04) Shareholder Correspondence may be addressed to	:	Ms. Neha Bansal (Company Secretary & Compliance Officer) Munjal Showa Limited, Plot no. 9-11, Maruti Industrial Area, Sector-18, Gurugram, Haryana- 122015 Email: cs@munjalshowa.net Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. RTA may be contacted for any query related to Share Transfer and other matters.
Queries relating to the Financial Statements of the Company may be addressed to	:	Mr. Pankaj Gupta (Chief Financial Officer) Munjal Showa Limited, Plot no. 9-11, Maruti Industrial Area, Sector-18, Gurugram, Haryana- 122015 Email: pgupta@munjalshowa.net
05) Annual General Meeting	:	
- Day, Date and Time	:	August 21, 2024 at 11:00 AM
- Venue	:	9-11, Maruti Industrial Area, Sector 18, Gurugram-122015 (HR)

06) Financial Calendar	
(a) Financial Year 2024-2025	: April 01 st to March 31 st
(b) Financial reporting for the quarter ending June 2024	: By August 14, 2024
(c) Financial reporting for the quarter and half year ending September 2024	: By November 14, 2024
(d) Financial reporting for the quarter and nine months ending December 2024	: By February 14, 2025
(e) Financial reporting for the year ending March 2025	: By End of May, 2025
(f) Annual General Meeting for the year ending March 31, 2024	: By End of September, 2024
07) Face Value of the Equity Share	: ` 2/- per share
08) Date of Book Closure	: Saturday, August 03, 2024 to Wednesday, August 21, 2024 (both days inclusive)
09) Dividend payment date	: The dividend on Equity Shares, if declared at the Annual General Meeting will be paid within 30 days of AGM i.e. by September 19, 2024 to the members
10) Company Identification Number (CIN)	: L34101HR1985PLC020934
Permanent Account Number (PAN)	: AAACM0070D
11) Annual Listing Fee	: Paid for the F.Y. 2024-25
12) Details of Public Funding Obtained in the previous three years	: The Company has not obtained any public funding in the previous three years.

13) The Company's financial discipline and prudence is reflected in the credit ratings ascribed by CRISIL rating agency for the Financial Year in review:

Long-Term Rating	CRISIL A+/Stable (reaffirmed)
Short-Term Rating	CRISIL A1+ (reaffirmed)
₹ (in crores)	
₹ 10	Cash Credit
₹ 53.5	Letter of Credit
₹ 80.75	Long-Term Loans
₹ 6	Commercial Paper

No securities of the Company are suspended from the trading on platform where they are listed.

- 14) A certificate from M/s AKU & Associates, Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of company by the Board/Ministry of Corporate Affairs or any such statutory Authority is attached as **Annexure I** and forms integral part of this Report.
- 15) Total fees paid by the Company to the Statutory Auditors M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. – 117366W/W-100018) and all entities in the network firm/network entity of which the statutory Auditor is a part during the financial year 2023-24:

	(Amount in ₹)
Audit fee (Including fees for Internal Control Over Financial Reporting)	33,00,000
Limited review of unaudited financial results	15,00,000
Corporate Governance Certification and forex certificate	1,00,000
Tax audit fee	3,00,000
Out of pocket expenses	2,71,650
Total	54,71,650

- 16) Sexual Harassment Policy: The Company has made a policy under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has an Internal Complaints Committee which works on the issues regarding safety of women at workplace.

The details of Composition of committee are as under:

Name of the Member	Designation
Mrs. Pratima Gupta	Chairman
Ms. Neha Bansal	Secretary
Mr. Ashok Rajput	External Member
Ms. Preeti Rani	Staff Representative
Mrs. Jignal Bhatt	Staff Representative
Mrs. Asha Rani	Worker Representative
Mrs. Razia Sultana	Worker Representative

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during the financial year 2023-24	NIL
Number of complaints disposed of during the financial year 2023-24	NIL
Number of complaints pending at the end of financial year 2023-24	NIL

XX. CHAIRMAN

The Company appointed Mr. Yogesh Chander Munjal as the Chairman of the Company w.e.f. October 26, 2016. He is an Executive Director of the Company.

Mr. Yogesh Chander Munjal is the Managing Director of the Company.

Mr. Yasuhiro Ashiki was the Joint Managing Director of the Company during the financial year 2023-24.

XXI. COMPLIANCE WITH THE REQUIREMENTS UNDER SEBI LISTING REGULATIONS

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of SEBI Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations.

In addition, the Company has also adopted the following non-mandatory requirement to the extent mentioned below:

The Board:

The Chairman of the Company is an Executive Director.

Shareholders Rights:

The quarterly and year to date financial results/ statements are published in newspapers and posted on Company's website i.e. www.munjalshowa.net

Modified Opinion(s) in Audit Report: The Company's financial statements had unmodified audit opinion.

Reporting of Internal Auditor: M/s Vaish & Associates, Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

XXII. EQUITY SHARES IN THE SUSPENSE ACCOUNT

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Opening Balance: Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023	NIL	NIL
Less: Shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Less: Shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Closing Balance: Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	NIL	NIL

Voting rights on shares shall remain frozen till the rightful owner of such shares claims the share

XXIII. LOANS AND ADVANCES

In compliances with Sections 179 and 186 of Companies Act 2013 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company in earlier year had given loan to Shivam Autotech Limited (Enterprises owned or controlled by key management personnel and their relatives, related party) which has been fully squared off during the current year.

All loan transactions with Shivam Autotech Limited were placed before Audit Committee and Audit committee has given approval. The details of loan to related party are given in Note no.33 of the Financial Statements.

Further, there are no loans and advances in the nature of loans given during the year to firms/ companies in which directors are interested.

XXIV. CORPORATE GOVERNANCE CERTIFICATE

In compliance with Regulation 34 and Schedule V of SEBI Listing Regulations, a certificate from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, confirming compliance with the conditions of the Corporate Governance has been attached as *Annexure J* forming integral part of this report.

For and on behalf of the Board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

Ashok Kumar Munjal
(Director)
(DIN 00003843)

Annexure B1

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR

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

I, Yogesh Chander Munjal, Chairman and Managing Director of Munjal Showa Limited hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2023-24.

For and on behalf of the Board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

ANNEXURE 'C' TO THE BOARD'S REPORT**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

**Certificate under regulation 17(8) read with Part B of Schedule II of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors
Munjal Showa Limited
9-11, Maruti Industrial Area,
Sector-18, Gurugram-122015

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Munjal Showa Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief, we state that:
 - 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) We further state that, to the best of our knowledge and belief, there are 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 hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee;
 - i) significant changes, if any, in internal control over financial reporting during the year;
 - ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For and on behalf of the Board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Managing Director in the capacity of
Chief Executive Officer)
(DIN 00003491)

Pankaj Gupta
(Chief Financial Officer)
(PAN ABCPG8127F)

ANNEXURE 'D' TO THE BOARD'S REPORT

Secretarial Audit Report

**FORM No. MR-3
For The Financial Year ended on 31st March, 2024**

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

To,
The Members,
Munjtal Showa Limited
CIN: L34101HR1985PLC020934
9-11, Maruti Industrial Area
Sector 18, Gurugram-122015,
Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Munjtal Showa Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 financial year ended on 31st March, 2024 ("Audit Period") 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 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA')

and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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; (Not applicable to the Company during the audit period)
- (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; (Not applicable to the Company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during audit the period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent.

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (applicable to the Company to the extent of Compliance of Regulation 76)
- vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors /Businesses.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 hereinafter referred to as "Listing Regulations" and Listing agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

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

1. *The Company has delayed submission of outcome of Board meeting held on 10.8.2023 with National Stock Exchange as required under Regulation 30 of Listing Regulations by about 15 minutes.*
2. *The Company has delayed submission of outcome of Board meeting held on 8.11.2023 with National Stock*

Exchange as required under Regulation 30 of Listing Regulations by about 9 minutes.

3. *The Company has delayed submission of Quarterly results for the quarter ended 30.9.2023 approved in Board meeting held on 8.11.2023 with Stock Exchanges i.e. BSE Ltd and National Stock Exchange as required under Regulation 33 of Listing Regulations by about 4 minutes and 9 minutes respectively.*
4. *The Company has delayed disclosure of Related party transactions for the quarter ended 30.9.2023 with Stock Exchanges as required under Regulation 23(9) of Listing Regulations by one day. The Company has received notices from BSE Limited and National Stock Exchange regarding non-compliance of Regulation 23(9) and a fine of ₹ 5000/- each was imposed by both the stock exchanges. The Company has replied to said notices of stock exchanges and requested for waiver of fine.*
5. *The Company has delayed submission of Quarterly results for the quarter ended 31.12.2023 approved in Board meeting held on 8.2.2024 with National Stock Exchange as required under Regulation 33 of Listing Regulations by about 3 hours 11 minutes.*
6. *Regarding related party transaction-Grant of trade advances to Shivam Autotech Limited amounting to ₹ 10 Crore, it was observed that the said item was not part of audit committee agenda/board agenda circulated to members of the Audit Committee/Board and also draft minutes shared with audit committee/board members. In absence of any clarification on the above by the company and on the basis of documents produced before us during the course of audit we are not in a position to form an opinion about compliance of Regulation 23 of listing regulations, Section 177 and Section 188 of the Companies Act, 2013.*
7. *The Company has delayed submission of voting result under Regulation 44(3) relating to passing of resolution through postal ballot on 16.3.2024 with BSE Ltd (XBRL Mode) and National Stock Exchange (Physical and XBRL Mode) by one day.*

We further report that,

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

Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review. However, the second term of independent directors namely Shri Vinod Kumar Agrawal, Dr. Devi Singh, Shri Nand Lal Dhameja completed upto 31.3.2024 and Shri Yasuhiro Ashiki, Joint Managing Director resigned w.e.f. close of business hours of 31.3.2024.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes (during the year under review there were no instance recorded in the minutes where any director has dissented to any particular resolution).

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the KMP's and taken

on record by the Board of Directors at their meeting(s), we are of the opinion that company should make efforts to strengthen its system and processes in the Company to be commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no specific events/actions that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **SATYENDER KUMAR & ASSOCIATES**
Company Secretaries

Satyender Kumar
(Proprietor)
C.P. No. 5189
FCS 4087

Place: Gurugram

UDIN-F004087F000488945

Date : May 29, 2024

Peer Reviewed Unit

Note: This report is to be read with our letter of even date which is annexed as Annexure- 1 and forms an integral part of this report.

Annexure - 1

To,
The Members,
Munjal Showa Limited
CIN: L34101HR1985PLC020934
9-11, Maruti Industrial Area
Sector 18, Gurugram-122015,
Haryana

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management and we have relied on the Compliance Certificates issued by KMPs.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SATYENDER KUMAR & ASSOCIATES**
Company Secretaries

Satyender Kumar
(Proprietor)

C.P. No. 5189

FCS 4087

UDIN-F004087F000488945

Peer Reviewed Unit

Place: Gurugram
Date : May 29, 2024

ANNEXURE 'E' TO THE BOARD'S REPORT

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

(A) CONSERVATION OF ENERGY-

(i) THE STEP TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

The Company is making continuous efforts to conserve and optimize energy wherever practicable by economizing on fuel and power.

Your Company has been continuously working towards energy conservation green initiatives with innovative solutions. During the FY 2023-24 the Company has worked mainly in the following areas:

1. Dual fuel kit ON DG sets
2. Stopped Air Leakages and valve provided individual line
3. Big Motors to small Motors – ten motors replaced
4. Clubbing of Operations – 05 operation clubbed
5. Providing Auto stop timers to stop machines during breaks- provided
6. Auto stop timers on exhaust fans-provided
7. Power factor improved to 0.999 – improved
8. Chip conveyor motor removed – removed
9. 250 watts mercury vapour lamps replaced with 100 LED lights – 25 lamps replaced
10. Transformer type rectifier replaced with IGBT based rectifier in new plating plant – all changed
11. Electric heaters replaced with hot water heating in soak and nickel tanks – all heaters replaced

(ii) THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

The Company uses State Power Board Electricity and Generators. Your Company has started the solar power plant for Gurugram and Manesar Plant. The Company is trying to reduce Energy consumption by using LED Lights and Solar Water Heater etc.

(iii) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

(B) TECHNOLOGY ABSORPTION

(I) THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION;

New product Technology absorption
Indigenization of CKD Parts

(II) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION;

Process / product improvements for consistency of performance Supply to the existing customers for their new models

FUTURE PLAN OF ACTION

Our efforts will be focused on catering the requirement of our existing customers for their new models and indigenization of various components.

1. Energy saving through Nano technology
2. Decentralization of energy
3. Energy saving after energy audit finding

(III) IMPORTED TECHNOLOGY

Your Company has absorbed the technology received from collaborator Hitachi Astemo Ltd. ("Formerly Known as Showa Corporation"), Japan, continuously. As in the past, the Company

has successfully implemented indigenization of various components as an import substitution in order to fulfill the continuous demand of the customers for price reduction with the prior approval of our collaborators on quality issues. The cost reduction was possible because of material reduction, standardization, application engineering, product engineering & manufacturing and reduction in manufacturing cycle time.

In the last five years, the Company has imported various drawings with right to use for getting the orders from existing and new customers for their new models.

EXPENDITURE ON RESEARCH AND DEVELOPMENT	
Capital	₹ 2,76,63,744
Recurring	₹ 2,29,24,455
Total	₹ 50,588,199

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plans:

The Company is not doing any export directly to those countries where our collaborator M/s Hitachi Astemo Ltd. ("Formerly Known as Showa Corporation") has manufacturing base. However, the Company has started exporting certain components to Hitachi Astemo Ltd. /its joint ventures/ its associates wherever they find our price competitive. Further, the Company is catering to the requirement of Shock Absorbers, Struts and Window Balancers for export models of Hero MotoCorp Limited and for Maruti Suzuki India Limited.

TOTAL FOREIGN EXCHANGE USED AND EARNED

The foreign exchange earnings during the year were ₹ 166.67 lakhs and foreign exchange outgo during the year was ₹ 11700.16 Lakhs.

For and on behalf of the board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN: 00003491)

Ashok Kumar Munjal
(Director)
(DIN: 00003843)

ANNEXURE 'F' TO THE BOARD'S REPORT

Statement of Disclosure of Remuneration under Section 197 of the Companies Act 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2023-2024

S.NO.	NAME	DESIGNATION	RATIO
1.	Mr. Yogesh Chander Munjal	Managing Director	85.97
2.	Mr. Yasuhiro Ashiki	Joint Managing Director	22.82

The Company pays only sitting fees to Non-Executive Directors.

THE PERCENTAGE INCREASE/DECREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN THE FINANCIAL YEAR 2023-2024

The changes made in the remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2023-24 is as follows:

S. NO.	NAME	DESIGNATION	PERCENTAGE CHANGE
1.	Mr. Yogesh Chander Munjal	Managing Director	2.22
2.	Mr. Yasuhiro Ashiki	Joint Managing Director	-26.47
3.	Mr. Pankaj Gupta	Chief Financial Officer	8.21
4.	Ms. Neha Bansal	Company Secretary	3.39

THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2023-24: 0.015%

THE NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF COMPANY

There were 1058 employees on the rolls of the Company as on March 31, 2024 as compared to 1061 employees as on March 31, 2023.

AVERAGE PERCENTILE INCREASE/DECREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE/DECREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION

The average percentile increase in the salaries of employees was around 7.42% and the percentile decrease in the managerial remuneration for the year 5.52%.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Place: Gurugram
Date: May 29, 2024

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

Ashok Kumar Munjal
(Director)
(DIN 00003843)

Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2024

A. Details of top ten employees in terms of remuneration drawn except Managing Directors:

Sl. No.	Name	Designation	Gross Remuneration (₹)	Nature of employment	Qualification	Experience (Years)	Nature of duties	Date of Commencement of Employment	Age (Years)	Last employment held before joining the Company and Designation held	Percentage/ Nos. of Equity Share	Whether any such employee is a relative of any Director of the company
1	MASASHI NITTA	TECHNICAL ADVISOR	₹ 1,02,68,356	Permanent Employee	Graduation (Mechanical Engineering)	20	Technical	17.09.2021	50	Hitachi Astemo Limited	NIL	No
2	PRAHLAD KUMAR GODARA	V.P.	₹ 48,12,541	Permanent Employee	B.Com., LL.B. PGDM (Labour Laws and Personnel Management)	35	Corporate HR Head	01.03.2023	65	Hero MotoCorp Limited	NIL	NO
3	AVI MUNJAL	V.P.	₹ 43,93,326	Permanent Employee	Masters in Management	9	Sr. Mgt-Business Development	01.12.2018	28	Hilti (Manufacturing Company)	NIL	YES*
4	ASHISH SHUKLA	G. M	₹ 41,69,906	Permanent Employee	MBA (MPM & IR) & M.Com	28	Sr. Mgt. in HR	15.09.2020	54	Magneti Marelli Powertrain India	NIL	NO
5	PANKAJ GUPTA	V.P. & CFO	₹ 40,96,779	Permanent Employee	CA, CS & CMA	34	Sr. Mgt. Head Finance and Accounts	27.09.1994	58	Omega Bright Steels Pvt. Ltd	05 Shares	NO
6	ASHISH RIKHIE	G.M	₹ 40,71,265	Permanent Employee	B.E (Mechanical)	31	Plant Head	20.02.2023	57	Sunbeam Lightweight Solutions Private Limited	NIL	NO
7	ABHAY KHARE	V.P	₹ 37,31,319	Permanent Employee	B.E (Tool Engg.)	34	In charge of Materials	03.07.2023	54	Omega Seiki Private Limited	NIL	NO
8	PURU SETHI	DGM	₹ 33,80,170	Permanent Employee	B.Tech (Mech.) PGDIM	18	In Charge of Sales and Marketing	26.09.2022	39	Mahavir Die Casters	NIL	NO
9	SANJEEV KUMAR	DGM	₹ 30,64,176	Permanent Employee	B.E (Mech.)	25	In charge of Quality Control	05.09.2022	49	Marelli Motherson Auto	NIL	NO
10	PARAMJEET SINGH YADAV	Advisor	₹ 29,58,501	Permanent Employee	Diploma (Mech.)	38	Plant Head	13.06.1994	60	Kelvinator of India Limited	NIL	NO

Note: Gross remuneration shown above is subject to tax and comprises salary including arrears, allowances, rent, medical reimbursements, leave travel benefits, leave encashment, provident fund, superannuation fund & gratuity.

*Mr. Avi Munjal is son of Mrs. Charu Munjal, Non-Executive Director of the Company and grandson of Mr. Yogesh Chander Munjal, Managing Director of the Company.

B. Details of the Employees, employed throughout the financial year 2023-24, who were in receipt of remuneration aggregating ₹ 1,02,00,000 or more per annum.

Sl. No	Name	Designation	Gross Remuneration (₹)	Nature of employment	Qualification	Experience (Years)	Nature of duties	Date of Commencement of Employment	Age (Years)	Last employment held before joining, designation	Percentage/No. of Equity Shares	Whether any such employee is a relative of any director or manager of the company
1	Yogesh Chander Munjal	Managing Director	₹ 5,74,45,906/-	Contractual	B. Arch.	60	Overall management of the affairs of the Company	01.09.1986	84	Chief Executive-Rockman Cycle Industries Limited	NIL	Yes, disclosure is given in Note of Financial Statements
2	Yasuhiro Ashiki	Joint Managing Director	₹ 15,247,824/-	Contractual	Graduate	34	Overall management of the affairs of the Company	23.06.2021	54	Hitachi Astemo Limited	NIL	No
3	Masashi Nitta	Technical Advisor	₹ 1,02,68,356	Permanent Employee	Graduate	17	Technical	08.10.2022	40	Hitachi Astemo Limited	NIL	No

Employed throughout the period and in receipt of remuneration not less than ₹ 1.02 Cr. per annum

C. Employed for part of the financial year and was in receipt of remuneration not less than ₹ 8,50,000 per month: NIL

NOTES:

- Information has been furnished on the basis of employees employed throughout the financial year, who were in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1.02 Cr per annum (₹ 8.50 Lakhs per month) and for employees who worked for a part of the Financial Year, who were in receipt of remuneration for any part of the year. None of the Employee was there who was in receipt of remuneration in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company;
- Gross remuneration includes Salary, Commission, Company's contribution to Provident Fund and Superannuation Fund, Medical Reimbursement, Monetary Value of Perquisites & value of Rent Free Accommodation;
- The above employees are not related to any Director of the Company;
- The appointment is contractual as per the policy/rules of the Company;
- Terms and conditions are as per the Appointment Letter given to the appointee from time to time;
- All the employees have adequate experience to discharge the responsibilities assigned to them.

For and on behalf of the Board

Yogesh Chander Munjal
(Chairman & Managing Director)
(DIN 00003491)

Ashok Kumar Munjal
(Director)
(DIN 00003843)

Place: Gurugram

Date: May 29, 2024

ANNEXURE 'G' TO THE BOARD'S REPORT

Annual Report Disclosure on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company

The Company continues to engage with stakeholders including communities, academia, civil society, expert organisations and the Government and would take up such other CSR activities in line with the Government's intent and which are important for society. The above areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure.

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives, we will continue to:

- a. Uphold and promote the principles of inclusive growth and equitable development.
- b. Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes.
- c. Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- d. Collaborate with likeminded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals.
- e. Interact regularly with stakeholders, review and publicly report our CSR initiatives.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Yogesh Chander Munjal	Chairman- Executive Director	One	One
2.	Mr. Vinod Kumar Agrawal	Member- Independent Director	One	One
3.	Mr. Yasuhiro Ashiki	Member- Executive Director	One	One

During the year, one CSR Committee meeting was held i.e. on May 22, 2023.

* The CSR Committee underwent a reconstitution effective from April 01, 2024, consequent to the resignation of Mr. Yasuhiro Ashiki, Joint Managing Director (Executive Director) of the Company and completion of the second term of Mr. Vinod Kumar Agrawal w.e.f. closing of business hours on March 31, 2024, who served as Non-Executive Independent Director of the Company. The reconstituted CSR Committee, as of April 01, 2024, comprises three members the details of which are outlined below:

Sl. No.	Name of Director	Designation/Nature of Directorship
1.	Mr. Yogesh Chander Munjal	Chairman- Executive Director
2.	Mr. Ashok Kumar Munjal	Member- Independent Director
3.	Mrs. Charu Munjal	Member- Non-Executive Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

Sl. No.	Contents	Web-Link
1.	Composition of CSR Committee	https://munjalshowa.net/wp-content/uploads/2024/04/COMPOSITION-OF-BOARD-AND-COMMITTES.pdf
2.	CSR Policy	https://munjalshowa.net/wp-content/uploads/2024/04/CSR-POLICY.pdf
3.	CSR Projects	https://munjalshowa.net/wp-content/uploads/2024/06/CSR-31.03.2024.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.

Not Applicable

5. (a) Average net profit of the Company as per Section 135(5): ₹ 2185.12 lakhs
 (b) Two percent of average net profit of the company as per Section 135(5): ₹ 43.70 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: ₹ 4.55 lakhs
 (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 39.15 lakhs
6. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of Transfer
₹ 40,53,363/-	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against **ongoing project** for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project.		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number. (Applicable w.e.f. April 01, 2021)
NIL												

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

S. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through Implementing Agency	
				State	District			Name	CSR Registration number (Applicable w.e.f. April 01, 2021)
1	Paid to Mahatma Satyanand Munjal Charitable Clinic for running and maintenance expenses of Pathology LAB for poor and needy patients, their medical expenses and professional fees to Doctor and attendants there.	i. Preventive Health care	No	Punjab	Ludhiana	9,92,562	yes	N.A	N.A
2	Liabrary book Rack Glass door purchased from Neeman Seating solution Private Limited and contribution for library constructed at Police Line Gurgaon	ii. Promoting Education	Yes	Haryana	Gurugram	100,000	yes	N.A	N.A
3	Paid for Laptop,Tuition fees, EB Bill and loading food, To BML University	ii. Promoting Education	Yes	Haryana	Gurugram	4,90,000	No	BML University	CSR00002887
4	Paid for School Van purchase, To Raman Kant Munjal Foundation	ii. Promoting Education	Yes	Haryana	Gurugram	6,29,394	No	Raman Kant Munjal Foundation	CSR00004870
5	Paid for Student desk with power costed MS pipe	ii. Promoting Education	Yes	Haryana	Gurugram	1,52,810	Yes	NA	NA
6	Paid to Crime Control and Social Development Organisation	ii. Promoting Education	Yes	UP	Ghaziabad	8,00,000	No	Crime Control and Social Development Organisation	CSR00061276
7	Paid to Arya Samaj Kailash for Eye and xray department	i. Preventive Health care	Yes	Delhi	Delhi	2,50,000	No	Arya Samaj Kailash	CSR00016622
8	Arpita Cancer Society for Children	i. Preventive Health care	No	Punjab	Ludhiana	2,50,000	No	Arpita Cancer Society for Children	CSR00022247

S. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through Implementing Agency	
				State	District			Name	CSR Registration number (Applicable w.e.f. April 01, 2021)
9.	Arya Veer Netra chikitsalya for Mega Medical camps	i. Preventive Health care	Yes	Haryana	Gurugram	2,00,000	No	Arya Veer Netra chikitsalya	CSR00015701
10.	12 watt solar lights through RC Akshma enterprises in village	Rural development	Yes	Uttarakhand	Haridwar	37,000	Yes	NA	NA
11.	Whitewash in the school	ii. Promoting Education	Yes	Haryana	Manesar	1,47,500	Yes	NA	NA
12.	Paid to HDFC Charity Fund	i. Preventive Health care	No	Maharashtra	Mumbai	4097	No	Indian Cancer Society	CSR00000792
TOTAL						40,53,363			

- (d) **Amount spent in Administrative Overheads:** NIL
- (e) **Amount spent on Impact Assessment, if applicable:** Not Applicable
- (f) **Total amount spent for the financial Year (6b + 6c + 6d + 6e):** ₹ 40,53,363/-
- (g) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	43,70,250
(ii)	Total amount spent for the financial year	40,53,363
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(3,16,887)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	4,55,336
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,38,449

*The Company has spent excess of ₹ 4,55,336 for CSR Expenses in the previous years. In the Year 2023-24 the Company Adjusted ₹ 4,55,336 against CSR Expenses liability of said year. Therefore, ₹ 1,38,449 will be available for set off in succeeding financial years.

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NA	NA	NA	NA	NA	NA

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

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

NIL

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

(a)	Date of creation or acquisition of the capital asset(s).	None
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

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

Not Applicable

For and on behalf of the Board

Yogesh Chander Munjal
(Managing Director &
Chairman of CSR Committee)
(DIN 00003491)

Ashok Kumar Munjal
(Independent Director &
Member of CSR Committee)
(DIN: 00003843)

Place: Gurugram
Date: May 29, 2024

ANNEXURE 'H' TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members of
Munjal Showa Limited
CIN: L34101HR1985PLC020934
9-11, Maruti Industrial Area
Sector 18, Gurugram-122015,
Haryana

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **Munjal Showa Limited ('the Company')** bearing **CIN: L34101HR1985PLC020934** and having its registered office at 9-11, Maruti Industrial Area Sector 18, Gurugram-122015, Haryana, to the Board of Directors of the Company ('the Board') for the Financial Year ended 31st March, 2024 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities. It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility 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 the basis of our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	YOGESH CHANDER MUNJAL	00003491	16/05/1985
2.	ASHOK KUMAR MUNJAL	00003843	02/01/1989
3.	CHARU MUNJAL	03094545	23/05/2014
4.	VINOD KUMAR AGRAWAL	00004463	29/07/2005
5.	KAVITA VENUGOPAL	07551521	17/05/2022
6.	KAZUHIRO NISHIOKA	00602255	23/06/2021
7.	DEVI SINGH	00015681	23/09/2008
8.	NAND LAL DHAMEJA	02351762	23/09/2008
9.	YASUHIRO ASHIKI	09132637	23/06/2021

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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2024.

For **SACHIN MAVI & ASSOCIATES**
Company Secretaries

SACHIN MAVI
(Proprietor)
C.P. No. 18417
FCS 11384

Date: 29/05/2024
Place: Noida

Peer Reviewed Unit 962/2020

ANNEXURE 'I' TO THE BOARD'S REPORT

To The Members of
MUNJAL SHOWA LIMITED

Independent auditor's certificate on corporate governance

1. This certificate is issued in accordance with the terms of our engagement letter dated July 31, 2023.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Munjal Showa Limited (the Company), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's 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 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 para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Akash Kumar Agarwal
Partner
(Membership No.063092)
UDIN:24063092BKFGAM1853

Place: Gurugram
Date: May 29, 2024

Independent Auditor's Report

To the members of Munjal Showa Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Munjal Showa Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures thereto, Corporate Governance, Management Discussion and Analysis, and Shareholder's Information, but does not include the financial statements, and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India

including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (i)(vi) below.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial

statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30(b) to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 44 of the financial statements.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 46 of the financial statements.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 40(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including

foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 40(f) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 13 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024, wherein the accounting software has an audit trail (edit logs) feature of capturing logs for transactions processed through transaction codes (user interface) and the same has operated throughout the year for all relevant transactions recorded in the software, however, the audit trail feature was not enabled for direct changes for relevant tables at application level and audit trail has not been enabled at the database level to log any direct data changes. (refer note 45 of the financial statements).

Further, as audit trail has not been enabled for the relevant tables at transaction level and database level, we are unable to validate whether there were any instances of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Akash Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

(Membership No. 063092)
UDIN: 24063092BKFGAL7944

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Munjal Showa Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 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 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, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Akash Kumar Agarwal
Partner

Place: Gurugram
Date: May 29, 2024

(Membership No. 063092)
UDIN: 24063092BKFGAL7944

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment and capital work-in-progress.
- B. The Company is maintaining proper records showing full particulars of intangible assets.
- b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of Property	Gross Carrying Value as at Balance Sheet Date	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
	(₹ in Lakhs)				
Freehold land located at Manesar admeasuring 59,273 Sq. mtr.	2,377.36	Haryana State Industrial and Infrastructure Development Corporation ('HSIIDC')	No	April 25, 2003	Registration is pending on account of some portion of land not being acquired by HSIIDC.

- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained in most of the cases and in respect of goods in transit, the goods have been received subsequent to the year end in most of the cases. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limit in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of

current assets. In our opinion and according to the information and explanations given to us, the quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not provided any guarantee or security and not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investments in and granted unsecured loans, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) The Company has provided loans during the year and details of which are given below:

(₹ Lakhs)

	Loans
A. Aggregate amount granted / provided during the year:	
- Loan to Employees	320.44
- Loan to Vendors	499.37
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Loan to Employees	348.88
- Loan to Vendors	123.50

- b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted. Further, the Company has not made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, duty of Customs, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

Based on the operations of the Company, Sales Tax, Service Tax, duty of Excise, and Value Added Tax are not applicable to the Company during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)* #	Amount paid/ adjusted by Department under protest (Rs. in Lakhs)#
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2010-11	640.51	575.26
			AY 2016-17	1,836.01	218.96
			AY 2017-18	2,372.14	1,201.15
			AY 2018-19	903.83	551.67
		Commissioner of Income Tax (Appeal)	AY 2010-11	441.50	-
			AY 2014-15	5,034.20	-
Employee State Insurance Act, 1948	Employees State Insurance	Employees Insurance Court	1994-1998 2013-2016	50.76	19.54

* Amount as per demand orders including interest and penalty wherever quantified in the Order.

Excludes amount with respect to disputed dues, fully paid/adjusted by concerned authorities under protest for disputed matters amounting to Rs. 3,202.35 lakhs.

- (viii) According to information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto September 30, 2023, and the internal audit reports issued after the balance sheet date covering the period October 1, 2023 to March 31, 2024 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Akash Kumar Agarwal
Partner
(Membership No. 063092)
UDIN: 24063092BKFGAL7944

Place: Gurugram
Date: May 29, 2024

Balance Sheet as at March 31, 2024

Particulars	Notes	₹ in lakhs	
		As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	12,109.37	12,658.52
(b) Capital work-in-progress	3a	-	183.05
(c) Intangible assets	4	172.20	210.54
(d) Intangible assets under development	4a&4b	-	9.00
(e) Financial assets	-	-	-
(i) Investments	5a	5,726.11	5,237.35
(ii) Loans	5b	152.70	124.77
(iii) Other financial assets	5c	555.35	484.41
(f) Deferred tax assets (net)	15	-	133.05
(g) Income tax assets (net)	6	6,353.98	5,772.07
(h) Other non-current assets	7	22.21	105.35
Total Non- Current Assets		25,091.92	24,918.11
Current assets			
(a) Inventories	8	7,282.48	7,343.86
(b) Financial assets			
(i) Investments	5a	26,470.78	26,029.72
(ii) Trade Receivables	9	18,348.31	19,333.82
(iii) Cash and cash equivalents	10	1,738.22	531.92
(iv) Bank balances other than (iii) above	11	69.33	71.77
(v) Loans	5b	319.68	1,033.87
(vi) Other financial assets	5c	5.06	1,291.09
(c) Other current assets	7	1,729.75	506.66
Total Current Assets		55,963.61	56,142.71
Total Assets		81,055.53	81,060.82
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	799.93	799.93
(b) Other equity	13	65,625.10	64,323.90
Total Equity		66,425.03	65,123.83
LIABILITIES			
Non-current liabilities			
Deferred Tax liabilities (net)	15	119.88	-
Long term Provisions	14	1,027.29	991.39
Total Non-Current Liabilities		1,147.17	991.39
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	16a		
A) Total outstanding dues of micro enterprises and small enterprises; and		1,661.90	2,014.21
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,879.46	10,839.91
(ii) Other financial liabilities	16b	95.38	133.36
(b) Other current liabilities	17	1,603.66	1,736.86
(c) Provisions	14	242.93	221.26
Total Current Liabilities		13,483.33	14,945.60
Total Equity and Liabilities		81,055.53	81,060.82
See accompanying notes to the financial statements	1 to 48		

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells LLP
Chartered Accountants

 Akash Kumar Agarwal
Partner

 Yogesh Chander Munjal
Chairman & Managing Director
DIN- 00003491

 Ashok Kumar Munjal
Director
DIN- 00003843

 Pankaj Gupta
Chief Financial Officer

 Neha Bansal
Company Secretary
Membership No. A38848

 Place : Gurugram
Date : May 29, 2024

 Place : Gurugram
Date : May 29, 2024

Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)			
Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I INCOME			
Revenue from operations	18	1,17,272.84	1,24,053.90
Other income	19	3,438.19	2,028.80
Total Income		1,20,711.03	1,26,082.70
II EXPENSES			
Cost of raw materials and components consumed	20	90,403.29	97,438.02
Changes in inventories of finished goods, work-in progress and scrap	21	412.95	(791.51)
Employee benefits expense	22	11,452.50	10,753.62
Finance costs	23	1.25	4.87
Depreciation and amortization expenses	24	1,228.99	1,178.36
Other expenses	25	13,456.49	13,633.92
Total expenses		1,16,955.47	1,22,217.28
III Profit before exceptional items and tax (I-II)		3,755.56	3,865.42
IV Exceptional items	31	126.53	(353.32)
V Profit before tax (III-IV)		3,629.03	4,218.74
VI Tax expense:			
Current tax		299.74	943.36
Tax adjustment for earlier year		7.95	62.88
Deferred tax (credit)/ charge		244.73	22.18
Total tax expenses		552.42	1,028.42
VII Profit for the year (V-VI)		3,076.61	3,190.32
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains (losses) on defined benefit plans		32.57	(7.23)
Tax effect on above	26	(8.20)	1.82
Total other comprehensive income		24.37	(5.41)
IX Total Comprehensive Income (VII+VIII)		3,100.98	3,184.91
X Earnings per equity share (of ₹ each)	27		
(1) Basic (in ₹)		7.69	7.98
(2) Diluted (in ₹)		7.69	7.98
See accompanying notes to the financial statements	1 to 48		

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells LLP
Chartered Accountants

 Akash Kumar Agarwal
Partner

 Yogesh Chander Munjal
Chairman & Managing Director
DIN- 00003491

 Ashok Kumar Munjal
Director
DIN- 00003843

 Pankaj Gupta
Chief Financial Officer

 Neha Bansal
Company Secretary
Membership No. A38848

 Place : Gurugram
Date : May 29, 2024

 Place : Gurugram
Date : May 29, 2024

Statement of Cash Flow for the year ended March 31, 2024

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	3,076.61	3,190.32
Adjustments for:		
Add: Depreciation and amortization expenses	1,228.99	1,178.36
Tax expense	552.42	1,028.42
Loss on property, plant and equipment sold/discarded	-	-
Finance cost	1.25	4.87
Provision for doubtful debt	48.70	-
Unrealised losses on foreign exchange fluctuation	5.99	5.26
	1,837.35	2,216.91
Less: Interest income	329.80	130.39
Interest on Income-tax refunds	71.67	674.26
Net gain on sale of investments	311.81	882.45
Liabilities and provisions no longer required written back (net)	74.24	90.02
Profit on disposal of property, plant and equipment (net)	41.69	21.14
Fair value gain on financial instruments at fair value through profit or loss	2,546.43	153.89
Dividend income	0.08	-
Doubtful advance to vendor recovered	-	6.63
Deferred income from government grant	1.79	2.00
	3,377.51	1,960.78
Operating profit before working capital changes	1,536.45	3,446.45
<u>Changes in working capital:</u>		
Adjustment for (increase)/decrease in operating assets:		
Inventories	61.38	(70.15)
Trade receivables	936.81	(2,292.61)
Loans-Current	769.87	(176.71)
Loans-Non-Current	(27.93)	41.51
Other financial assets-current	1,245.83	(1,221.49)
Other financial assets-non-current	0.09	83.56
Other current assets	(1,223.09)	100.38
Other non-current assets	5.20	(7.65)
	1,768.16	(3,543.16)
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	(1,300.19)	1,459.17
Other financial liabilities-Current	(3.28)	(4.74)
Other current liabilities	(131.41)	(221.65)
Short-term/long-term provisions	90.14	(135.15)
	(1,344.74)	1,097.63
Cash generated from operations	1,959.87	1,000.92
Less: Direct taxes paid (net)	817.93	357.16
Net cash from operating activities	1,141.94	643.76

Statement of Cash Flow for the year ended March 31, 2024 (Contd.)

	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant & equipment, capital work-in-progress and intangible assets including capital advances	(423.26)	(1,227.29)
Proceeds from sale of property, plant & equipment	61.18	17.58
Sale of investments - current	19,458.30	18,586.88
Purchase of investments- current	(18,031.45)	(19,231.89)
Sale of investments - Non current	548.47	1,236.29
Purchase of investments- Non current	(46.90)	(165.00)
Net (increase)/decrease in other bank balances and margin money deposits	(28.80)	(3.07)
Dividend received on investment	0.08	-
Interest received	330.21	802.41
Net cash from / (used in) investing activities	1,867.83	15.91
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1.25)	(4.87)
Dividends paid	(1,802.22)	(1,802.84)
Net cash (used in) financing activities	(1,803.47)	(1,807.71)
D. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1,206.30	(1,148.04)
Cash and cash equivalents at the beginning of the year	531.92	1,679.96
Cash and cash equivalents at the end of the year (Refer note 10)	1,738.22	531.92

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Akash Kumar Agarwal
Partner

Place : Gurugram
Date : May 29, 2024

For and on behalf of the Board of Directors

Yogesh Chander Munjal
Chairman & Managing Director
DIN- 00003491

Pankaj Gupta
Chief Financial Officer

Place : Gurugram
Date : May 29, 2024

Ashok Kumar Munjal
Director
DIN- 00003843

Neha Bansal
Company Secretary
Membership No. A38848

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(1) Current year ended March 31, 2024

Particulars	(₹ in lakhs)	
	No. of Shares	Amount
Balance at the beginning of the current reporting period	399.95	799.93
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	399.95	799.93

(2) Previous year ended March 31, 2023

Particulars	(₹ in lakhs)	
	No. of Shares	Amount
Balance at the beginning of the previous reporting period	399.95	799.93
Changes in equity share capital during the previous year	-	-
Balance at the end of the previous reporting period	399.95	799.93

B. Other equity

(1) Current year ended March 31, 2024

Particulars	Reserves and Surplus		Total
	General reserve	Retained Earnings	
Balance at the beginning of the current reporting period	35,907.85	28,416.05	64,323.90
Profit for the year	-	3,076.61	3,076.61
Re-measurement (losses)/gains on defined benefit obligations (net of income tax)	-	24.37	24.37
Total Comprehensive Income for the current year	-	3,100.98	3,100.98
Final Dividend- FY 2022-23	-	(1,799.78)	(1,799.78)
Balance at the end of the current reporting period	35,907.85	29,717.25	65,625.10

Statement of Changes in Equity for the year ended March 31, 2023 (Contd.)

Particulars	Reserves and Surplus		Total
	General reserve	Retained Earnings	
(2) Previous year ended March 31, 2023			(₹ in lakhs)
Balance at the beginning of the previous reporting period	35,907.85	27,030.92	62,938.77
Profit for the year	-	3,190.32	3,190.32
Re-measurement (losses)/gains on defined benefit obligations (net of income tax)	-	(5.41)	(5.41)
Total Comprehensive Income for the previous year	-	3,184.91	3,184.91
Final Dividend- FY 2021-22	-	(1,799.78)	(1,799.78)
Balance at the end of the previous reporting period	35,907.85	28,416.05	64,323.90

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Akash Kumar Agarwal
Partner

For and on behalf of the Board of Directors

Yogesh Chander Munjal
Chairman & Managing Director
DIN- 00003491

Ashok Kumar Munjal
Director
DIN- 00003843

Pankaj Gupta
Chief Financial Officer

Neha Bansal
Company Secretary
Membership No. A38848

Place : Gurugram
Date : May 29, 2024

Place : Gurugram
Date : May 29, 2024

Notes forming part of the financial statements for the year ended March 31, 2024

1. CORPORATE INFORMATION

Munjal Showa Limited ('the Company') having CIN No. L34101HR1985PLC020934, is a public company domiciled in India and has a registered office in Gurugram, India. The Company is incorporated under the provisions of the erstwhile Companies Act, 1956. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). It was established in 1985 as a result of technical and financial collaboration between Hero Group and Showa Corporation, Japan. On January 01, 2021 Hitachi Astemo Limited has been formed as new Company pursuant to the absorption merger of Showa Corporation, Japan, with Hitachi Automotive Systems Limited.

The Company operates as an ancillary and manufactures auto components for the two-wheeler and four-wheeler industry, primary products being front forks, shock absorbers, struts, gas springs and window balancers for sale in domestic market. The Company has three manufacturing locations at Gurugram, Manesar and Haridwar.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 29, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

i) Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

Impact of the initial application of new and amended IND ASs that are effective for current year:

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2023.

- i. The Company has adopted the amendments to Ind AS 1 – "Presentation of Financial Statements" for the first time in the current year. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general- purpose financial statements make on the basis of those financial statements.
- ii. The Company has adopted the amendments to Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

The above amendments had no impact on these Financial Statements

b) Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies

Notes forming part of the financial statements for the year ended March 31, 2024

below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Operating cycle

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (INR or ₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in INR has been rounded to the nearest lakhs (INR 00,000), except when otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the Statement of Profit and Loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

iii) Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes forming part of the financial statements for the year ended March 31, 2024

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

iv) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in hand & cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents, as defined above, net of outstanding bank overdrafts are considered an integral part of the Company's cash management.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

vi) Revenue recognition

Sales are recognized, at transaction price as per terms of agreements with the customers, net of returns and other variable consideration on account of discounts, if any, on satisfaction of performance obligation by transfer of effective control of the promised goods to the customers, which generally coincides with dispatch/ delivery to customers, as applicable. Sales excludes goods and services tax.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

Sale of goods

Revenue is recognized for domestic and export sales of goods on satisfaction of performance obligation by transfer of effective control of the promised goods to the customers as per terms of agreements with the customers.

Notes forming part of the financial statements for the year ended March 31, 2024

Contract modification:

Contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. Contract modification are accounted based on the prospective accounting and cumulative catch up. The Company accounts for a modification as a separate contract, if both the scope increases due to the addition of 'distinct' goods or services and the price increase reflects the goods' or services' stand-alone selling prices under the circumstances of the modified contract.

Interest income

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

vii) Inventories

Inventories comprise raw materials, components, work-in-progress, finished goods, and stores and spares which are carried at lower of cost or net realizable value, while scrap is carried at its realizable value.

Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories, other than finished goods and work-in-progress, is determined on a moving weighted average basis. Cost of finished goods and work-in-progress include the cost of materials determined on a moving weighted average basis and an appropriate portion of fixed overheads based on normal capacity and variable overheads based on actual capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

viii) Property, plant and equipment Recognition and Measurement

Items of Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes are measured at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises purchase price, non-refundable taxes, duties or levies, any other directly attributable cost of bringing the asset to its working condition for its intended use and the estimated costs of dismantling and removing the items and restoring the site on which they are located. Any trade discounts and rebates are deducted in arriving at the purchase price.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss.

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.

Notes forming part of the financial statements for the year ended March 31, 2024

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting de-recognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation

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

Depreciation on property, plant and equipment is charged on a pro-rata basis at the straight-line method over estimated useful lives of its property, plant and equipment which is generally in line with that provided in Part C of Schedule II to the Act.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

S. No.	Assets	Useful lives estimated by the management (years)
(i)	Factory Buildings	30
(ii)	Plant and machinery	2 to 15
(iii)	Furniture and fixtures	10
(iv)	Office equipment	5
(v)	Computers- Servers & networks	6
(vi)	Computers- End user devices	3
(vii)	Vehicles	6

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful lives of certain plant and equipment is estimated as ranging between 2 to 15 years, which is lower than those indicated in schedule II
- Vehicles are depreciated over the estimated useful lives of 6 years, which is lower than those indicated in schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

ix) Intangible assets

Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Notes forming part of the financial statements for the year ended March 31, 2024

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Amortisation and Useful lives

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amounts paid towards acquisition of designs and drawings is amortised on straight line basis over the period of expected future sales from the related product, which the management has determined to be 24 months based on past trends. Amortisation shall begin when the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Costs relating to software, which are acquired, are capitalised and amortised on a straight line basis over the management's estimated useful life of 48 months.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss within other income/other expenditure when the asset is de-recognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

x) Borrowing cost

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 the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes forming part of the financial statements for the year ended March 31, 2024

xi) Leases

Leases are recognized as a right-to-use assets and corresponding liability at the date at which the leased asset is available for use by the Company. The Company currently has only short-term leases and leases of low-value assets, which are accounted for as under.

Short-term leases and leases of low-value assets

Short term leases are leases with a term of twelve months or less. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

xii) Provisions

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

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

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.

Warranties

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

xiii) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xiv) Contingent assets

Contingent assets are disclosed in the financial statements only when an inflow of economic benefits is probable.

xv) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial

Notes forming part of the financial statements for the year ended March 31, 2024

assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

a) Financial assets

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Trade receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Notes forming part of the financial statements for the year ended March 31, 2024

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

b) Financial liabilities and equity instruments

Classification as debt or equity

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

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.

Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Notes forming part of the financial statements for the year ended March 31, 2024

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

c) **Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts, option contracts, etc.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

xvi) **Equity share capital**

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are recognised as a deduction from equity, net of any tax effects.

xvii) **Impairment of non-financial 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 cash-generating 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 group of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

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.

Notes forming part of the financial statements for the year ended March 31, 2024

xviii) 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 and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.

Defined Contribution Plan

Provident fund and superannuation fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and superannuation fund which are defined contribution plans. The Company has no obligation, other than the contribution payable to the funds. The Company recognises contribution payable to the fund in the Statement of Profit and Loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Long term Employee benefits Defined Benefit Plan

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; this benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are

recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation during termination of employment.

Notes forming part of the financial statements for the year ended March 31, 2024

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

xix) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 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 the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xx) Government grants

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

Notes forming part of the financial statements for the year ended March 31, 2024

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

xxi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

xxii) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxiii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies:

(a) Impairment of non-financial 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 cash-generating unit ('CGU') is the greater of its value in use and 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').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Notes forming part of the financial statements for the year ended March 31, 2024

(b) Useful life of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no change in the useful lives as compared to previous year.

(c) Provisions and contingent liabilities

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

(d) Estimation of defined employee benefits

The present value of the gratuity and compensated absence obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operating in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 28.

(e) Provision for warranty

A provision is recognised for expected warranty claims on products sold during the latest five years (including current year) as per warranty period on respective models, based on past experience of level of repairs and returns. Assumption used to calculate the provision for warranties are based on current sales level and current information available about past returns based on the warranty period for all products sold.

Notes forming part of the financial statements for the year ended March 31, 2024

3. Property, plant and equipments

Particulars	(₹ in lakhs)									
	Freehold land*	Factory Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Total		
Gross Carrying value as at April 1, 2022	5,197.38	5,340.07	10,230.93	65.40	75.55	111.72	245.26	21,266.31		
Additions	-	260.27	776.41	16.10	2.80	8.85	314.76	1,379.19		
Disposals	-	-	(1,230.69)	(0.28)	(8.82)	(11.28)	(165.59)	(1,416.66)		
Gross Carrying value as at March 31, 2023	5,197.38	5,600.34	9,776.65	81.22	69.53	109.29	394.43	21,228.84		
Additions	-	-	433.90	21.76	7.98	8.79	61.42	533.85		
Disposals	-	-	(155.29)	(1.12)	(5.08)	-	(58.79)	(220.28)		
Gross Carrying value as at March 31, 2024	5,197.38	5,600.34	10,055.26	101.86	72.43	118.08	397.06	21,542.41		
Accumulated Depreciation										
As at April 1, 2022	-	1,440.59	7,006.27	44.55	58.93	85.81	205.75	8,841.90		
Depreciation expense	-	235.46	786.09	5.51	7.63	17.48	33.58	1,085.75		
Accumulated depreciation on deletions	-	-	(1,173.48)	(0.28)	(8.78)	(11.28)	(163.51)	(1,357.33)		
As at March 31, 2023	-	1,676.05	6,618.88	49.78	57.78	92.01	75.82	8,570.32		
Depreciation expense	-	244.08	729.52	7.87	6.49	13.33	62.22	1,063.51		
Accumulated depreciation on deletions	-	-	(155.29)	(0.63)	(4.12)	-	(40.75)	(200.79)		
As at March 31, 2024	-	1,920.13	7,193.11	57.02	60.15	105.34	97.29	9,433.04		
Net Carrying value										
As at March 31, 2023	5,197.38	3,924.29	3,157.77	31.44	11.75	17.28	318.61	12,658.52		
As at March 31, 2024	5,197.38	3,680.21	2,862.15	44.84	12.28	12.74	299.77	12,109.37		

* The details of immovable property whose title deeds are not held in the name of the Company is given below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land located at Manesar admeasuring 60,826 Sq. Meter	2,377.36	Haryana State Industrial and Infrastructure Development Corporation ('HSIIDC')	No	April 25, 2003	Registration is pending on account of some portion of land not being acquired by HSIIDC.

Notes forming part of the financial statements for the year ended March 31, 2024

3a. Capital work in Progress

(₹ in lakhs)

Particulars	Plant and Machinery
As at April 1, 2022	543.85
Add: Additions during the year	684.65
Less: Transfer to property, plant and equipment	(1,045.45)
Closing balance as at March 31, 2023	183.05
Add: Additions during the year	248.03
Less: Transfer to property, plant and equipment	(431.08)
Closing balance as at March 31, 2024	-

There is no Capital work in Progress as at March 31, 2024. Disclosures in respect of Capital work in Progress as at March 31, 2023 is as below:-

3b. Capital work in Progress (CWIP)

As at March 31, 2023

(₹ in lakhs)

CWIP Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	125.26	52.45	-	5.34	183.05
Project Temporarily suspended	-	-	-	-	-
Total	125.26	52.45	-	5.34	183.05

3c. Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2023

(₹ in lakhs)

CWIP Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	5.34	-	-	-	5.34
Project 2	52.45	-	-	-	52.45
Total	57.79	-	-	-	57.79

Notes forming part of the financial statements for the year ended March 31, 2024

4. Intangible assets

(₹ in lakhs)

Particulars	Computer Software	Designs and drawings	Total
Carrying value as at April 1, 2022	97.22	1,020.29	1,117.51
Additions	28.00	217.50	245.50
Carrying value as at March 31, 2023	125.22	1,237.79	1,363.01
Additions	38.50	88.64	127.14
Carrying value as at March 31, 2023	163.72	1,326.43	1,490.15
Accumulated amortisation			
As at April 1, 2022	57.50	1,002.36	1,059.86
Amortisation expense	17.15	75.46	92.61
As at March 31, 2023	74.65	1,077.82	1,152.47
Amortisation expense	28.80	136.68	165.48
As at March 31, 2024	103.45	1,214.50	1,317.95
Net Carrying Value			
As at March 31, 2023	50.57	159.97	210.54
As at March 31, 2024	60.27	111.93	172.20

There is no intangible assets under development as at March 31, 2024. Disclosures in respect of intangible assets under development as at March 31, 2023 is as below:-

4a. Intangible assets under development (IAUD)

As at March 31, 2023

(₹ in lakhs)

Intangible assets under development	Amount in IAUD for a period of				Total
	Particulars	Less than 1 year	1-2 years	2-3 years	
Project in Progress	-	-	3.00	6.00	9.00
Projects temporarily suspended	-	-	-	-	-
Total	-	-	3.00	6.00	9.00

4b. Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2023

(₹ in lakhs)

IAUD	To be completed in				Total
	Particulars	Less than 1 year	1-2 years	2-3 years	
Project 1 (overdue project)	9.00	-	-	-	9.00
Total	9.00	-	-	-	9.00

Notes forming part of the financial statements for the year ended March 31, 2024

5. Financial Assets

5.(a) Investments

(₹ in lakhs)

	Units as at March 31, 2024	Units as at March 31, 2023	Non-current		Current	
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Quoted investments (fully paid)						
Investment in debentures						
Face Value of ₹ 10,00,000 each of ICICI Home Finance Company Limited - Non-convertible Debentures series HDMLDSEP222 TR4	10.00	-	-	-	109.90	-
Face Value of ₹ 10,00,000 each of L&T Finance Limited SRC 22-23 BR NCD Linked Debenture	100.00	100.00	-	-	1,114.63	1,025.48
Face Value of ₹ 10,00,000 each of L&T Finance Limited SRL TR1 BR NCD Linked Debenture	100.00	100.00	-	-	1,084.44	999.90
Face Value of ₹ 10,00,000 each of Shriram Finance Limited - SR 03 BR Linked Debenture	-	150.00	-	-	-	1,725.14
Face Value of ₹ 10,00,000 each of Shriram Finance Limited - SR XXXII BR NCD	40.00	-	-	-	457.88	-
Face Value of ₹ 10,00,000 each of Shriram Finance Limited - SR XXXIII OP III NCD	50.00	-	-	-	516.52	-
Face Value of ₹ 1,00,000 each of Shriram Finance Limited - SR PPD XII OP 1 TR 1	1,000.00	-	-	-	1,046.31	-
Face Value of ₹ 10,00,000 each of Union Bank of India XXVII perpetual	50.00	-	-	-	514.67	-
Face value of ₹ 1,00,00,000 each of Punjab National Bank-SR XVIII perpetual	5.00	-	-	-	506.21	-
Face Value of ₹ 10,00,000 each of JM Financial Asset Reconstruction Company Limited - TR XXXVI BR Linked Debenture	50.00	50.00	-	-	576.84	527.39
Investment in debentures - Total			-	-	5,927.40	4,277.91
Investment in mutual funds						
<u>Units of the face value of ₹ 10 each</u>						
Mirae Asset NYSE FANG+ETF	-	4,00,000.00	-	-	-	202.77
Investment in mutual funds - Total			-	-	-	202.77
Unquoted investments (fully paid)						
Investment in mutual funds						
<u>Units of the face value of ₹ 10 each</u>						
Baroda BNP Paribas Arbitrage Fund	3,87,77,991.32	3,87,77,991.32	-	-	5,989.38	5,529.08
Baroda BNP Paribas NIFTY 50 Index Fund Direct	19,99,900.01	-	-	-	205.77	-
Baroda BNP Paribas Nifty SDL December 2028 Index Fund	-	59,99,700.02	-	-	-	604.10
Baroda BNP Paribas Nifty SDL December 2026 Index Fund	-	50,25,910.63	-	-	-	509.24
Edelweiss Arbitrage Fund -Direct Plan Growth	2,87,67,616.83	2,87,67,616.83	-	-	5,441.22	5,020.00
Franklin India Money Market Fund-Direct Growth	33,54,343.77	-	-	-	1,580.04	-
HDFC Charity fund for cancer cure	49,997.50	-	-	-	5.16	-

Notes forming part of the financial statements for the year ended March 31, 2024

(₹ in lakhs)

	Units as at March 31, 2024	Units as at March 31, 2023	Non-current		Current	
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
HSBC Crisil IBX 50:50 Gilt Plus Direct Growth	-	1,49,75,010.16	-	-	-	1,563.47
Mahindra Manulife Dynamic Bond Yojna-Direct Growth	1,13,35,669.90	1,13,35,669.90	-	-	1,566.58	1,444.44
Mahindra Manulife Short term Fund-Direct Growth	1,01,18,446.94	1,01,18,446.94	-	-	1,205.96	1,117.64
Mahindra Manulife Asia Pacific REITs FOF-Direct Growth	49,99,750.01	49,99,750.01	-	-	416.15	450.53
PGIM India Global Select Real Estate Securities FOF Direct Plan-Growth	-	49,99,750.01	-	-	-	443.98
Sundaram Overnight Fund Direct Growth	-	41,976.803	-	-	-	500.07
Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund_Direct Plan	-	49,99,750.01	-	-	-	523.24
Units of the face value of ₹ 1,000 each						
Mahindra Manulife Low Duation Fund-Direct Growth	71,326.09	71,326.09	-	-	1,132.46	1,051.62
Mahindra Manulife Ultra Short Duration Fund-Direct Growth	2,33,998.99	2,33,998.99	-	-	3,000.66	2,791.63
Investment in mutual funds - Total					20,543.38	21,549.04
Investment in alternate investment funds						
Alchemy Leaders of tomorrow Class A2 - Series 1	-	-	1,156.00	749.37	-	-
Aventus Absolute Return Fund - Class A3	-	-	726.81	675.69	-	-
Aventus Absolute Return Fund - Class A6	-	-	700.73	652.59	-	-
Aventus Absolute Return Fund - Class A8	-	-	651.13	605.73	-	-
Aventus Absolute Return Fund - Class A8 - SI	-	-	641.15	596.45	-	-
Aventus Enhanced Return Fund-Series II - Class A3 -Seventeenth Closure	-	-	850.45	646.71	-	-
Aventus Enhanced Return Fund II - SI Class A6 - Sixty First Closure	-	-	796.49	613.99	-	-
JM Financial India Growth Fund III	-	-	203.35	165.00	-	-
ICICI Prudential Long Short Fund series 1	-	-	-	531.82	-	-
Investment in alternate investment funds - Total			5,726.11	5,237.35	-	-
Aggregate carrying value of quoted investments			-	-	5,927.40	4,480.68
Aggregate market value of quoted investments			-	-	5,927.40	4,480.68
Aggregate carrying value of unquoted investments			5,726.11	5,237.35	20,543.38	21,549.04
Category-wise investment as per Ind AS 109 classification						
Financial assets carried at fair value through profit or loss (FVTPL)						
Quoted						
Investment in debentures			-	-	5,927.40	4,277.91
Investment in mutual funds			-	-	-	202.77
Unquoted						
Investment in mutual funds			-	-	20,543.38	21,549.04
Alternate Investment Funds			5,726.11	5,237.35	-	-
			5,726.11	5,237.35	26,470.78	26,029.72

Notes forming part of the financial statements for the year ended March 31, 2024

5.(b) Loans

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless otherwise stated)				
Loan to employees	152.70	124.77	196.18	169.84
Loan to vendor - considered good	-	-	123.50	864.03
- considered doubtful #	-	-	-	55.68
Less: Provision for doubtful loans #	-	-	-	(55.68)
Total	152.70	124.77	319.68	1,033.87

Note: These financial assets are carried at amortised cost.

Disclosures of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties

Type of Borrower	As at March 31, 2024 *	% of Total	As at March 31, 2023	% of Total
Related Parties (Refer note 33)	-	-		81%

5.(c) Other financial assets

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless otherwise stated)				
Security deposits	483.82	483.91	5.06	4.52
Bank deposits with original maturity more than 12 months #	68.53	0.50	-	36.79
Interest accrued but not due on deposit	3.00	-	-	3.41
Unbilled obsolescence compensation (refer note 31)	-	-	-	1,100.00
Receivable from related party (refer note 33)	-	-	-	146.37
Total	555.35	484.41	5.06	1,291.09

Note: These financial assets are carried at amortised cost.

Fixed deposit receipt of ₹ 68.03 lakhs (For 2022-23 ₹ 37.29 lakhs) pledged with Government authorities and utilities.

Notes forming part of the financial statements for the year ended March 31, 2024

6. Income tax assets (net)

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Income tax assets		
Advance income tax*(net of provision)	6,353.98	5,772.07
Net	6,353.98	5,772.07

* include ₹ 5,717.03 lakhs (previous year ₹ 5,044.37 lakhs) paid under protest/adjusted by Income Tax Authorities in respect of ongoing assessments.

7. Other assets

(₹ in lakhs)

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless otherwise stated)	8.89	86.83	-	-
Capital advances	13.32	18.52	363.53	338.39
Prepaid expenses	-	-	99.34	104.41
Balance with statutory/government authorities*	-	-	0.01	1.83
DEPB Licences	-	-	1,231.68	58.74
Advances to vendors -considered good	-	-	6.25	7.97
-considered doubtful	-	-	(6.25)	(7.97)
Less: Provision for doubtful advances	-	-	35.19	3.29
Others	22.21	105.35	1,729.75	506.66
Total				

* include ₹ 51.90 lakhs (previous year ₹ 42.98 lakhs) paid under protest in respect of ongoing disputes.

8. Inventories

(₹ in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Raw materials and components	4,233.65	3,785.12
Raw materials and components - in transit	712.54	768.87
Work in progress	673.70	785.84
Finished goods	1,297.73	1,598.49
Stores and spares	364.74	405.37
Scrap	0.12	0.17
Total	7,282.48	7,343.86

Notes:

- The cost of inventories (Include spares and consumables) recognised as an expense during the year was ₹ 92,721.33 lakhs (for 2022-23: ₹ 99,789.72 lakhs).
- The method of valuation of inventories has been stated in note no. 2(vii)
- The cost of inventory recognised as an expense includes ₹ 30.25 lakhs (for 2022-23: ₹ 147.34 lakhs) in respect of write-downs of inventory to net realisable value.
- Inventories have been pledged as security for cash credit facilities with banks.

Notes forming part of the financial statements for the year ended March 31, 2024

9. Trade receivables

(₹ in lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	18,348.31	19,333.82
Credit impaired	48.70	-
	18,397.01	19,333.82
Less: Allowance for expected credit losses	48.70	-
Total	18,348.31	19,333.82

Trade receivables ageing schedule

As at March 31, 2024

(₹ in lakhs)

Particular	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –considered good	17,264.58	155.29	130.55	797.89	-	-	18,348.31
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	48.70	-	-	48.70
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Less: allowance for credit losses	-	-	-	(48.70)	-	-	(48.70)
Total	17,264.58	155.29	130.55	797.89	-	-	18,348.31

As at March 31, 2023

(₹ in lakhs)

Particular	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –considered good	17,948.52	1255.35	129.95	-	-	-	19,333.82
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2024

As at March 31, 2023

(₹ in lakhs)

Particular	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	17,948.52	1255.35	129.95	-	-	-	19,333.82

Notes:

- (i) Trade receivables are non-interest bearing and are generally on terms of 25 to 52 days.
- (ii) Also refer “Credit risk management” section of note 36.
- (iii) Trade receivables have been pledged as security for cash credit facilities with banks.

10. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	2.38	3.30
Balances with banks:		
In current accounts	48.96	48.96
In cash credit accounts *	1,686.88	479.66
Total	1,738.22	531.92

* Cash credit facility from banks is secured against current assets of the Company namely inventories and trade receivables, and other assets both present and future.

11. Bank balance other than cash and cash equivalents above

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
In dividend current accounts (earmarked accounts)	69.33	71.77
Total	69.33	71.77

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	2.38	3.30
Balances with banks:		
In current accounts	48.96	48.96
In cash credit accounts	1,686.88	479.66
Total	1,738.22	531.92

Notes forming part of the financial statements for the year ended March 31, 2024

12. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
750 lakhs (March 31, 2023: 750 lakhs) equity shares of ₹ 2 each	1,500.00	1,500.00
Issued share capital		
399.98 lakhs (March 31, 2023: 399.98 lakhs) equity shares of ₹ 2 each	799.95	799.95
Subscribed and fully paid-up share capital		
399.95 lakhs (March 31, 2023: 399.95 lakhs) equity shares of ₹ 2 each	799.90	799.90
Shares forfeited (amount originally paid up) (refer note below)	0.03	0.03
Total paid-up share capital	799.93	799.93

A. Reconciliation of no. of equity shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	₹	Nos.	₹
Opening Balance	399.95	799.93	399.95	799.93
Closing Balance	399.95	799.93	399.95	799.93

B. Terms/Rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to 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 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. Details of shareholders holdings more than 5% shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	Nos.(in lakhs)	% holding in the class	Nos.(in lakhs)	% holding in the class
Equity shares of ₹ 2 each fully paid				
(i) Dayanand Munjal Investments Private Limited	160.40	40.10%	160.40	40.10%
(ii) Hitachi Astemo Limited, Japan	99.60	24.90%	99.60	24.90%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes forming part of the financial statements for the year ended March 31, 2024

D. Details of shareholding of Promoters

Shares held by promoters at the end of the year	As at March 31, 2024		As at March 31, 2023		Change in shareholding
	Nos.(in lakhs)	% holding in the class	Nos.(in lakhs)	% holding in the class	
Promoter Name					
1. Dayanand Munjal Investments Private Limited	160.40	40.10%	160.40	40.10%	0%
2. Hitachi Astemo Limited	99.60	24.90%	99.60	24.90%	0%
3. Mrs. Nidhi Kapoor	0.04	0.01%	0.04	0.01%	2%

13. Other equity

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Retained earnings	29,717.25	28,416.05
General reserve	35,907.85	35,907.85
Total	65,625.10	64,323.90

A. Retained earnings

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	28,416.05	27,030.92
Add: Profit for the year	3,076.61	3,190.32
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	24.37	(5.41)
"Less: Final dividend- FY 2022-23 (Previous year for FY 2021-22) @ ₹ 4.5 per equity share"	1,799.78	1,799.78
Balance at end of year	29,717.25	28,416.05

B. General reserve

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	35,907.85	35,907.85
Add: Movement during the year	-	-
Balance at end of year	35,907.85	35,907.85

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes and is considered as free reserve.

Notes forming part of the financial statements for the year ended March 31, 2024

Dividends

After the reporting date, the following dividends were proposed by the Board of directors of the Company subject to the approval of the members at the ensuing Annual General Meeting; the dividends proposed is in accordance with section 123 of the Companies Act, 2013 and have not been recognised as a liability.

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Proposed dividend on Equity Shares:		
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended March 31, 2024 of ₹ 4.50 per share (March 31, 2023: ₹ 4.50 per share)	1,799.78	1,799.78
Total	1,799.78	1,799.78

14. Provisions

(₹ in lakhs)

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for compensated absences	795.86	781.78	107.04	89.87
Total (A)	795.86	781.78	107.04	89.87
Other provisions				
Provision for warranties (refer note (i) below)	231.43	209.61	135.89	131.39
Total (B)	231.43	209.61	135.89	131.39
Total (A+ B)	1,027.29	991.39	242.93	221.26

(i) Provision for warranties

A provision is recognised for expected warranty claims on products sold during the latest two to five years (including the current year), as per warranty period on respective models, based on past experience of level of repairs and returns. Assumption used to calculate the provision for warranties are based on current sales level and current information available about past returns based on the warranty period for all products sold. The table below gives information about movement in warranty provision.

Movement in provision for warranty

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	341.00	345.30
Additions during the year	160.40	130.13
Utilized during the year	(134.08)	(134.43)
At the end of the year	367.32	341.00
Current portion	135.89	131.39
Non-current portion	231.43	209.61

Notes forming part of the financial statements for the year ended March 31, 2024

15. Deferred tax assets (net)

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Deferred tax (liabilities) on		
Financials assets carried at fair value through profit or loss	(619.81)	(342.39)
Sub-total(A)	(619.81)	(342.39)
Less: Deferred tax assets on		
Property, plant and equipment & intangible assets	56.14	74.12
Accrued expenses deductible on payment	418.25	373.59
Provision for doubtful loans and advances	25.54	27.73
Sub-total(B)	499.93	475.44
Deferred tax assets/ (liabilities) (net)	(119.88)	133.05

Movement of Deferred tax assets/ (liabilities)

(₹ in lakhs)

For the year ended March 31, 2024				
Particulars	Opening Balance	Recognised in Statement of Profit and Loss (Expense)/ Credit	Recognised in Other comprehensive income	Closing Balance
Deferred tax (liabilities) on				
Financials assets carried at fair value through profit or loss	(342.39)	(277.42)	-	(619.81)
Less: Deferred tax assets on				
Property, plant and equipments & intangible assets	74.12	(17.98)	-	56.14
Accrued expenses deductible on payment (including adjustments on account of remeasurement of defined benefit obligation recognised in other comprehensive income)	373.59	52.86	(8.20)	418.25
Provision for doubtful debts, loans and advances	27.73	(2.19)	-	25.54
Deferred tax assets/ (liabilities) (net)	133.05	(244.73)	(8.20)	(119.88)

Notes forming part of the financial statements for the year ended March 31, 2024

Movement of Deferred tax assets/ (liabilities)

(₹ in lakhs)

For the year ended March 31, 2023				
Particulars	Opening Balance	Recognised in Statement of Profit and Loss (Expense)/ Credit	Recognised in Other comprehensive income	Closing Balance
Deferred tax (liabilities) on				
Financials assets carried at fair value through profit or loss	(315.85)	(26.54)	-	(342.39)
Less: Deferred tax assets on				
Property, plant and equipments & intangible assets	111.87	(37.75)	-	74.12
Accrued expenses deductible on payment (including adjustments on account of remeasurement of defined benefit obligation recognised in other comprehensive income)	272.25	99.52	1.82	373.59
Provision for doubtful debts, loans and advances	85.14	(57.41)	-	27.73
Deferred tax assets/ (liabilities) (net)	153.41	(22.18)	1.82	133.05

16 (a) Trade Payables

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,661.90	2,014.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,879.46	10,839.91
Total	11,541.36	12,854.12

- (i) Due to Micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. (Refer Note 32)

Notes forming part of the financial statements for the year ended March 31, 2024

Trade payables ageing schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) MSME	25.44	1,635.98	0.19	0.29	-	-	1,661.90
(ii) Others	829.52	6,273.02	2,688.81	18.11	9.54	60.46	9,879.46
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	854.96	7,909.00	2,689.00	18.40	9.54	60.46	11,541.36

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,014.21	-	-	-	-	2,014.21
(ii) Others	533.55	7,500.68	2,695.99	16.10	2.67	91.01	10,839.91
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	533.55	9,514.89	2,695.99	16.10	2.67	91.01	12,854.12

16 (b) Other financial liabilities-Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Other financial liabilities at amortised cost		
Security deposit from customers/ others	26.00	26.00
Unpaid dividend (Refer note 46)	69.33	71.77
Creditors for capital expenditure	-	32.26
Others	0.05	3.33
Total	95.38	133.36

17. Other liabilities

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Statutory remittances	1,278.82	1,544.68
Gratuity (refer note 28)	261.66	131.01
Deferred Government grant	-	1.79
Others	63.18	59.38
Total	1,603.66	1,736.85

Notes forming part of the financial statements for the year ended March 31, 2024

Deferred Government Grant

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	1.79	3.79
Deferred during the year	-	-
Released to the Statement of Profit and Loss	(1.79)	(2.00)
At the end of the year	-	1.79
Current portion	-	1.79
Non-current portion	-	-

During the year ended March 31, 2016, the Company had received grant amounting to ₹ 30 lakhs for setting up industrial units in Uttarakhand under the Central Capital Investment Subsidy Scheme, 2003. The Company has assessed the grant in the nature of fixed capital investment for setting up a unit in the State of Uttarakhand and has accounted the same as deferred income as per Para 24 of Ind AS 20 "Accounting for Government grants and Disclosure of Government Assistance". There are no unfulfilled conditions or contingencies attached to these grants. The grant set up as deferred income is recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the Property, Plant and Equipment.

18. Revenue From Operations

	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations		
Sale of products:		
-Finished goods	1,16,773.00	1,23,458.52
Other operating revenue:		
-Scrap sales	499.84	595.38
Total	1,17,272.84	1,24,053.90

(i) Finished goods transferred at a point of time

	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Manufactured Goods		
Shock absorbers, struts and window balancer	1,12,210.13	1,18,911.16
Other components	4,562.87	4,547.36
Total	1,16,773.00	1,23,458.52

Notes forming part of the financial statements for the year ended March 31, 2024

(ii) Reconciliation of amount of revenue recognised in statement of profit and loss with the contracted price

	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per the contracted price	1,16,773.00	1,23,458.52
Adjustments:		
Discounts	-	-
Revenue from contracts with customers	1,16,773.00	1,23,458.52

(iii) For disclosure related to revenue from operation based on geographical location, refer note 34.

19. Other income

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income:		
Income-tax refunds	71.67	674.26
Loans to employees	7.14	6.74
Investments carried at fair value through profit or loss (FVTPL)	215.05	-
Others *	107.61	123.65
Net gain on sale of investments	311.81	882.45
Fair value gain on financial instruments at FVTPL	2,546.43	153.89
Dividend income	0.08	-
Other non-operating income:		
Exchange differences (net)	16.87	23.48
Profit on disposal of property, plant and equipment (net)	41.69	21.14
Liabilities and provisions no longer required written back (net)	74.24	90.02
Deferred income on government grant (Refer note 17)	1.79	2.00
Miscellaneous income	43.81	51.17
Total	3,438.19	2,028.80

* Others include interest on loan to vendors and interest from electricity department.

20. Cost of materials consumed

	(₹ in lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials and components consumed:		
Inventory at the beginning of the year	4,553.99	5,192.78
Add : Purchases of raw materials and components	90,795.49	96,799.23
	95,349.48	1,01,992.01
Less : Inventory at the end of the year	4,946.19	4,553.99
Consumption of raw material and components	90,403.29	97,438.02

Notes forming part of the financial statements for the year ended March 31, 2024

21. Changes in inventory of finished goods, work-in progress and scrap

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	785.84	533.76
Finished goods	1,598.49	1,058.53
Scrap	0.17	0.70
Total	2,384.50	1,592.99
Inventories at the end of the year		
Work-in-progress	673.70	785.84
Finished goods	1,297.73	1,598.49
Scrap	0.12	0.17
Total	1,971.55	2,384.50
Change in inventory	412.95	(791.51)

22. Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	10,183.84	9,433.80
Contribution to provident and other funds (refer note 28)	516.73	524.37
Gratuity expense (refer note 28)	181.93	162.71
Staff welfare expenses	570.00	632.74
Total	11,452.50	10,753.62

Disclosure in compliance with Ind AS-19 "Employee Benefits" has been given in Note 29.

23. Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	1.25	4.87
Total	1.25	4.87

24. Depreciation and amortization expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Note 3)	1,063.51	1,085.75
Amortisation of intangible assets (Note 4)	165.48	92.61
Total	1,228.99	1,178.36

Notes forming part of the financial statements for the year ended March 31, 2024

25. Other expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	2,318.04	2,351.70
Job work expenses	1,817.02	1,921.33
Power and fuel	3,277.94	3,346.00
Freight and forwarding charges	335.78	327.22
Rent (refer Note 29)	32.64	30.29
Hire charges	7.75	7.62
Rates and taxes	20.86	29.85
Insurance	344.17	339.50
Repairs and maintenance:		
Plant and machinery	526.50	414.28
Buildings	110.68	61.59
Others	222.35	200.00
Royalty	3,027.21	3,163.10
Technician fee	16.77	27.48
Warranty expense (refer Note 14)	160.41	130.13
Legal and professional fees	186.32	244.56
Travelling and conveyance	459.20	383.40
Communication costs	16.96	19.51
Directors' sitting fees	32.00	32.40
Payment to statutory auditors (refer note below)	54.72	50.38
Donations	11.05	36.54
Bank charges	21.48	17.93
Provision for doubtful debts	48.70	-
Corporate social responsibility (CSR) expenditure (refer note 38)	40.53	61.87
Miscellaneous expenses	367.41	437.24
TOTAL	13,456.49	13,633.92

Notes forming part of the financial statements for the year ended March 31, 2024

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to auditors*:		
As statutory auditors:		
Statutory audit	33.00	30.00
Limited review of unaudited financial results	15.00	14.00
Certifications	1.00	1.00
Tax audit	3.00	3.00
Out of pocket expenses	2.72	2.38
Total	54.72	50.38

* The above amounts are excluding applicable taxes.

26. Income taxes
(a) Income tax expense recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax:		
In respect of current year	299.74	943.36
Tax adjustment for earlier year	7.95	62.88
Deferred tax:		
In respect of current year	244.73	22.18
Income tax expense reported in the statement of profit or loss	552.42	1,028.42

(b) Income tax on Other Comprehensive Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(8.20)	1.82
Total income tax benefit/(expense) recognised in other comprehensive income	(8.20)	1.82

Notes forming part of the financial statements for the year ended March 31, 2024

(c) The income tax expense for the year can be reconciled to the profit before tax as follows:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	3,629.03	4,218.74
Income tax expense calculated at 25.168% (2022-23: 25.168%)	913.35	1,061.77
Effect of expenses that are not deductible in determining taxable profit	13.12	24.27
Effect of income that is exempt/ taxed on lower rate	(373.52)	(120.05)
Others	(6.03)	(0.45)
Total	546.92	965.54
Tax adjustment for earlier year	7.95	62.88
Income tax expense reported in the Statement of Profit and Loss	552.42	1,028.42

(d) The income tax benefit/(expense) on Other Comprehensive Income for the year can be reconciled as follows:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Comprehensive Income		
Re-measurement gains (losses) on defined benefit plans	32.57	(7.23)
Tax effect on above calculated at 25.168% (2022-23: 25.168%)	(8.20)	1.82
Income tax benefit/(expense) reported in the Other Comprehensive Income	(8.20)	1.82

27. Earnings Per Share (EPS)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:		
Profit for the year, per Statement of Profit and Loss (A) (₹ lakhs)	3,076.61	3,190.32
Weighted average number of equity shares (B) (Nos. in lakhs)	399.95	399.95
Basic earnings per share (of ₹ 2 each) (in ₹) (A/B)	7.69	7.98
Diluted earnings per share (of ₹ 2 each) (in ₹) (A/B)	7.69	7.98

Notes forming part of the financial statements for the year ended March 31, 2024

28. Employee benefits

Defined Contribution Plans - General Description

The Company makes contribution towards employees' provident fund and superannuation fund. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes to these defined contribution schemes. The Company has recognised following amounts as an expense towards contribution to these schemes.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident fund	439.80	442.18
Employer's contribution to superannuation fund	76.93	82.19
Total	516.73	524.37

Defined Benefit Plans - General Description

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service, salary and retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months.

This is a funded benefit plan for qualifying employees. The Company makes contributions to LIC policy to cover the liability of the Company. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Rate Risk	The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	Higher than expected increase in salary will increase the defined benefit obligation.

The most recent actuarial valuation of the defined benefit obligation were carried out using the projected unit credit method.

Notes forming part of the financial statements for the year ended March 31, 2024

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
Present value of obligation as at the beginning of the year	2,481.16	2,623.77
Current service cost	172.32	162.57
Interest cost	182.12	189.44
Remeasurement on the net defined benefit liability		
Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
Actuarial (gain) / loss arising from changes in financial assumptions	-	-
Actuarial (gain) / loss arising from experience adjustments	(31.98)	(9.33)
Benefits paid	(175.46)	(485.29)
Present value of obligation as at the end of the year	2,628.16	2,481.16
Change in plan assets		
Fair value of plan assets at the beginning of the year	2,350.15	2,621.88
Interest income	172.51	189.30
Return on plan assets (excluding amounts included in interest income)	0.60	(16.56)
Contribution by the Company	18.70	40.82
Benefits paid	(175.46)	(485.29)
Plan assets at the end of the year	2,366.50	2,350.15
Liability/ (Asset) recognized in the financial statements	261.66	131.01

Amount recognised in Statement of Profit and Loss:

	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Service Cost		
Current service cost	172.32	162.57
Net interest expense	9.61	0.14
Amount recognised in Statement of Profit and Loss	181.93	162.71

Notes forming part of the financial statements for the year ended March 31, 2024

Amount recognised in Other Comprehensive Income:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amounts included in net interest expense)	(0.60)	16.56
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	-	-
Actuarial (gains)/ losses arising from experience adjustments	(31.98)	(9.33)
Amount recognised in Other Comprehensive Income	(32.58)	7.23

The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2024	As at March 31, 2023
Gratuity		
Investment Details	Funded	Funded
Investment with Insurer (LIC)	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate (%)	7.23	7.34
Future salary increases (%)	7.50	7.50
Retirement Age (Years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	"100% of IALM (2012-14)"	"100% of IALM (2012-14)"

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

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

- If the discount rate is 50 basis points higher/ (lower), the defined benefit obligation would decrease by ₹ 96.79 lakhs (increase by ₹ 104.46 lakhs) [as at March 31, 2023: decrease by ₹ 92.52 lakhs (increase by ₹ 99.97 lakhs)].

Notes forming part of the financial statements for the year ended March 31, 2024

- If the expected salary growth increases/(decreases) by 50 basis points, the defined benefit obligation would increase by ₹ 103.68 lakhs (decrease by ₹ 96.99 lakhs) [as at March 31, 2023: increase by ₹ 99.93 lakhs (decrease by ₹ 92.80 lakhs)]

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

Maturity profile of defined benefit obligation

	As at March 31, 2024	As at March 31, 2023
Average duration of the defined benefit obligation (in years)	13.86 years	14.23 years

The Company expects to make a contribution of ₹ 193.78 lakhs (as at March 31, 2023 ₹ 173.66 lakhs) to the defined benefit plans during the next financial year.

29. Ind AS 116: 'Leases'

The Company has entered into cancellable operating lease arrangement for various residential properties for use by its employees. Considering the nature of these leases, lease payments are recognized as expenses in the Statement of Profit and Loss during the year ended March 31, 2024 is ₹ 32.64 lakhs (March 31, 2023: ₹ 30.29 lakhs).

30. Contingent liabilities, commitments and assets (to the extent not provided for)

a. Capital and other commitments

At March 31 2024, the estimated amount of contracts remaining to be executed on capital account was ₹ 8.25 lakhs (March 31, 2023: ₹ 108.01 lakhs)

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

b. Contingent Liabilities

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
a) Demands raised by Income tax authorities (Refer note (i) below)	531.74	523.77
b) Demands issued by Excise authorities (Refer note (ii) below)	-	31.06
c) Demand raised by Employees State Insurance Recovery Officer (Refer note (iii) below)	50.76	50.76
d) Demand raised by Custom Auhtorities	32.36	-

Notes forming part of the financial statements for the year ended March 31, 2024

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded, in the opinion of the management, will not have a material effect on financial position of the Company.

Nature of disputes:

- (i) The Company has outstanding Income-tax demands aggregating to ₹ 9,350.80 lakhs, in relation to disallowance of royalty and other transfer pricing adjustments with associated enterprises. Considering favourable ITAT judgements for earlier years viz. AY 2006-07, AY 2007-08 and AY 2008-09, demand for royalty disallowance aggregating to ₹ 8,819.06 lakhs have been considered as remote. All other matters, mainly related to domestic transfer pricing are considered contingent by the Company. As on March 31, 2024, the total amounts paid under protest, including amounts withheld by tax authorities is ₹ 5,717.03 lakhs (March 31, 2023: ₹ 5,044.37 lakhs).
- (ii) The Company has outstanding excise duty demands of Nil (March 31, 2023 ₹ 31.06 lakhs) in relation to royalty paid for import of services.
- (iii) The Company has outstanding demands of ₹ 50.76 with Employee state insurance court in relation to pending submission of requisite details with authorities against which the Company has paid ₹ 19.54 Lakhs (March 31, 2023 ₹ 28.14 lakhs) under protest.
- (iv) Imposition of penalty on the Company for dealing in forged DEPB scrips amounting to ₹ 129.44 lakhs. The Company has deposited ₹ 32.36 lakhs (25% of the penalty amount) and filed an appeal in compliance with the condition of pre-deposit of 7.5% under section 129E of the Customs Act, 1962.

31. Exceptions items

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Separation cost for eligible workmen consequent to the Voluntary Retirement Scheme (VRS) during the year	126.53	489.18
Retrenchment compensation paid to workmen of Gurugram plant	-	257.50
Obsolescence compensation from one of the customers, with respect to a component supply arrangement changes in an earlier year	-	(1,100.00)
Total	126.53	(353.32)

32. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year		
Principal amount due to micro and small enterprises	1,661.42	2,013.92
Interest due on above	-	0.29
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	0.19	-

Notes forming part of the financial statements for the year ended March 31, 2024

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.48	0.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	0.19

Dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

33. Related party disclosures under IND AS 24

(i) Names of related parties and related party relationship

(a) Key management personnel

- Mr. Yogesh Chander Munjal – Chairman & Managing Director
- Mr. Yasuhiro Ashiki - Joint Managing Director (Upto March 31, 2024)
- Mr. Avi Munjal- Senior Vice President (SVP) Grandson of Mr. Yogesh Chander Munjal and son of Mrs. Charu Munjal
- Mr. Pankaj Gupta (Chief Financial Officer)
- Mrs. Neha Bansal (Company Secretary)
- Mr. Ashok Kumar Munjal- Independent Director
- Mr. Vinod Kumar Agrawal- Independent director(Upto March 31, 2024)
- Mr. Nand Lal Dhameja- Independent director (Upto March 31, 2024)
- Mrs. Charu Munjal- Non executive director
- Mrs. Kavita Venugopal- Independent director (w.e.f. May 17,2022)
- Mr. Devi Singh- Independent director (Upto March 31, 2024)
- Mr. Kazuhiro Nishioka- Non executive director

(b) Relatives of key management personnel

- Mrs. Nidhi Kapoor - Daughter of Mr. Yogesh Chander Munjal

(c) Enterprise with significant influence over the Company

- Hitachi Astemo Limited, Japan
- Dayanand Munjal Investments Private Limited

(d) Enterprises owned or controlled by key management personnel and their relatives

- Dayanand Munjal Investments Private Limited
- Shivam Autotech Limited
- Earthly Possessions

Notes forming part of the financial statements for the year ended March 31, 2024

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant financial year:

	(₹ in lakhs)						
	Enterprises with significant influence over the company		Key management personnel & their relatives		Enterprises owned or controlled by key management personnel and their relatives		Total
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	
Transactions during the year:							
Sale of goods							
Shivam Autotech Limited	-	-	-	-	39.33	214.36	214.36
Hitachi Astemo Ltd., Japan	3.59	1.61	-	-	-	-	1.61
	3.59	1.61	-	-	39.33	214.36	215.97
Sale of PPE							
Shivam Autotech Limited	-	-	-	-	4.21	65.65	65.65
	-	-	-	-	4.21	65.65	65.65
Purchase of goods							
Shivam Autotech Limited	-	-	-	-	591.93	369.18	369.18
Hitachi Astemo Ltd., Japan	1,931.84	1,309.50	-	-	-	-	1,309.50
Earthly Possessions	-	-	-	-	0.85	1.68	1.68
	1,931.84	1,309.50	-	-	592.78	370.86	1,680.36
Loans given							
Shivam Autotech Limited	-	-	-	-	-	338.00	338.00
	-	-	-	-	-	338.00	338.00
Advance given against supply							
Shivam Autotech Limited	-	-	-	-	1,000.00	-	1,000.00
	-	-	-	-	1,000.00	-	1,000.00
Interest income							
Shivam Autotech Limited	-	-	-	-	38.17	85.27	85.27
	-	-	-	-	38.17	85.27	85.27
Loan recovered							
Shivam Autotech Limited	-	-	-	-	748.70	169.30	169.30
	-	-	-	-	748.70	169.30	169.30
Advance recovered							
Shivam Autotech Limited	-	-	-	-	50.00	-	50.00
	-	-	-	-	50.00	-	50.00
Royalty paid/payable							
Hitachi Astemo Ltd., Japan	3,027.21	3,163.10	-	-	-	-	3,163.10
	3,027.21	3,163.10	-	-	-	-	3,163.10

Notes forming part of the financial statements for the year ended March 31, 2024

	Enterprises with significant influence over the Company		Key management personnel & their relatives		Enterprises owned or controlled by key management personnel and their relatives		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(iii) Balances as at the year end								
Trade payables								
Shivam Autotech Limited	-	-	-	-	2.15	-	-	-
Hitachi Astemo Ltd., Japan	1,436.41	1,569.69	-	-	-	-	1,436.41	1,569.69
Mr. Yogesh Chander Munjal	-	-	28.12	51.77	-	-	28.12	51.77
Mr. Yasuhiro Ashiki	-	-	1.74	-	-	-	1.74	-
Mr. Pankaj Gupta	-	-	1.88	1.52	-	-	1.88	1.52
Mrs. Neha Bansal	-	-	0.56	0.55	-	-	0.56	0.55
Mr. Avi Munjal	-	-	2.26	2.21	-	-	2.26	2.21
	1,436.41	1,569.69	34.56	56.05	2.15	-	1,470.97	1,625.74
Trade receivable								
Shivam Autotech Limited	-	-	-	-	-	124.22	-	124.22
	-	-	-	-	-	-	-	124.22
Loans receivable								
Shivam Autotech Limited	-	-	-	-	-	748.70	-	748.70
	-	-	-	-	-	-	-	748.70
Vendor advance receivable								
Shivam Autotech Limited	-	-	-	-	950.00	-	950.00	-
	-	-	-	-	-	-	-	950.00
Interest receivable								
Shivam Autotech Limited	-	-	-	-	-	22.15	-	22.15
	-	-	-	-	-	-	-	22.15

Notes:-

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.
- (ii) No amount has been written off or written back in the year in respect of dues from/to above related parties.
- (iii) Excluding applicable taxes and duties.

Notes forming part of the financial statements for the year ended March 31, 2024

34. Segment information

The Company primarily operates in the auto components segment. The Company operates as an ancillary and manufactures auto components for the two-wheeler and four-wheeler industry, primary products being shock absorbers, struts and window balancers.

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

Geographical Locations: The Geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

Revenue from Operations	Domestic	Overseas	Total
2023-24	1,17,106.22	166.62	1,17,272.84
2022-23	1,24,011.17	42.73	1,24,053.90

- a) Domestic segment includes sales to customers located in India.
- b) Overseas segment includes sales to customers located outside India.
- c) There are no non-current assets located outside India.
- d) Revenue from operations have been allocated to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

Included in revenue from operations (net of taxes) arising from domestic sales are revenues which arose from following customers which were 10% or more of the Company's revenue:

Particulars	31-Mar-24	31-Mar-23
Customer 1	95,195.78	1,03,324.13

35. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have debts and meets its capital requirement through equity.

The Company is not subject to any externally imposed capital requirements

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers cost of capital and the risks associated with the movement in the working capital.

Notes forming part of the financial statements for the year ended March 31, 2024

The following table summarizes the capital of the Company:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Share capital	799.93	799.93
Equity reserves	65,625.10	64,323.90
Total Equity	66,425.03	65,123.83

35. Financial instruments

36.1 Categories of financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Financial assets at fair value through profit or loss (FVTPL)		
Non-current		
Investments	5,726.11	5,237.35
Current		
Investments	26,470.78	26,029.72
Financial assets at amortised cost		
Non-current		
Loans	152.70	124.77
Other financial assets	555.35	484.41
Current		
Loans	319.68	1,033.87
Trade receivables	18,348.31	19,333.82
Cash and Cash Equivalents	1,738.22	531.92
Bank balance other than Cash and Cash Equivalents above	69.33	71.77
Other financial assets	5.06	1,291.09
Total	53,385.53	54,138.72
Financial liabilities at amortised cost		
Current		
Trade payables	11,541.36	12,854.12
Other financial liabilities	95.38	133.36
Total	11,636.73	12,987.48

36.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

Notes forming part of the financial statements for the year ended March 31, 2024

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted debentures and open-ended mutual funds.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

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

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

(₹ in lakhs)			
	Fair value as at March 31, 2024		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss (FVTPL)			
Non-current			
Other Investments - Alternate investment funds	-	-	5,726.11
Current			
Investments in mutual funds	-	20,543.38	-
Investments in debentures	-	5,927.40	-

(₹ in lakhs)			
	Fair value as at March 31, 2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss (FVTPL)			
Non-current			
Other Investments - Alternate investment funds	-	-	5,237.35
Current			
Investments in mutual funds	202.77	21,549.04	-
Investments in debentures	-	4,277.91	-

The fair value of the financial assets and financial liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between the market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the stock exchanges; for example: quoted price of debentures in the stock exchange etc. The fair value of listed debentures and mutual funds are based on direct market observable inputs.
- The fair value of unquoted mutual funds is verified from the Net Assets Value (i.e. NAV) declared by the Mutual Fund houses / third party websites.
- The fair value of Alternate Investment Fund fund is as per the valuation statement received from the fund.

Notes forming part of the financial statements for the year ended March 31, 2024

- Trade receivables, cash & cash equivalents, other bank balances, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

36.3 Financial risk management objectives

The Company's senior management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using diversification of investments, credit limit to exposures, etc., to hedge risk exposures. The use of financial instruments is governed by the Company's policies on foreign exchange risk and the investment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity which impact returns on investments. Future specific market movements cannot be normally predicted with reasonable accuracy. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The counter party for these contracts is generally a bank, however there are no outstanding forward exchange contracts at year end.

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

Foreign currency exposure (Unhedged)* (₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	In foreign Currency	In ₹	In foreign Currency	In ₹
Trade Receivables				
In USD	1.56	127.39	0.03	2.78
Trade Payables				
In USD	16.08	1,366.87	9.30	779.81
In JPY	130.09	72.90	312.48	197.05
In THB	39.58	91.78	15.51	38.12

* The Company does not have any hedged foreign currency instruments outstanding as at March 31, 2024/ March 31, 2023.

Notes forming part of the financial statements for the year ended March 31, 2024

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. (+)/(-)5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity. For a 5% strengthening/weakening of the rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.

(₹ in lakhs)

Currency	As at March 31, 2024		As at March 31, 2023	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
In USD	6.37	(6.37)	0.14	(0.14)
Payable				
In USD	(68.34)	68.34	(38.99)	38.99
In JPY	(3.65)	3.65	(9.85)	9.85
In THB	(4.59)	4.59	(1.91)	1.91
Impact on profit or loss as at the end of the reporting period	(70.21)	70.21	(50.61)	50.61
Impact on total equity as at the end of the reporting period	(52.54)	52.54	(37.87)	37.87

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Trade receivables balance at the end of the year includes ₹ 14,385.05 Lakhs (March 31, 2023: ₹ 16,117.98 Lakhs) due from the Company's largest customer, which is creditworthy and Company doesn't have any past history of any losses on account of credit risk. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables and loans and advances. Other than trade receivables, none of the financial instruments of the Company result in material concentrations of credit risks.

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

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 9 above.

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

Notes forming part of the financial statements for the year ended March 31, 2024

Movement in the expected credit loss allowance of financial assets

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	63.65	63.65
Add: Provided during the year	48.70	-
Less: Reversals of provision	(57.40)	-
Less: Amounts written off	-	-
Balance at the end of the year	54.95	63.65

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, debentures, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

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

- profit for the year ended March 31, 2024 would increase/decrease by ₹ 262.69 lakhs (for the year ended March 31, 2023: increase/decrease by ₹ ₹ 269.89 lakhs)."

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of readily convertible instruments and working capital limits from banks. The company has a sanctioned Cash credit limits of ₹ 3,000 Lakhs (March 31, 2023 : ₹ 3,000 Lakhs) which remained unutilised as at March 31, 2024.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
	Less than 1 year	Less than 1 year
Current		
(i) Trade payables	11,541.36	12,854.12
(ii) Other financial liabilities	95.38	133.36
Total	11,636.73	12,987.48

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

Notes forming part of the financial statements for the year ended March 31, 2024

37. Financial Ratios

Sr. No.	Particulars		As at March 31, 2024		As at March 31, 2023		% Variance	Reason for variances above 25%
			Amount ₹ in lakhs	Ratio	Amount ₹ in lakhs	Ratio		
1	Current Ratio (in times)	Current Assets Current Liability		4.15		3.76	10%	-
		Current Assets	55,963.61		56,142.71			
		Current liability	13,483.33		14,945.60			
2	Return on Equity Ratio (in times)	Net income Average Shareholder's equity		0.05		0.05	-6%	-
		Net income ('Net Profits after taxes – Preference Dividend)	3,076.61		3,190.32			
		Average Shareholder's Equity	65,774.43		64,431.26			
3	Inventory turnover Ratio (in times)	Revenue from operation Average Inventory		16.04		16.97	-6%	-
		Revenue from operation	1,17,272.84		1,24,053.90			
		Average Inventory	7,313.17		7,308.79			
4	Trade Receivables turnover Ratio (in times)	Net Credit Sales Average Trade Receivables		6.22		6.82	-9%	-
		Net credit sales (Gross credit sales - sales return)*	1,17,272.84		1,24,053.90			
		Average Trade Receivable	18,841.07		18,187.52			
5	Trade payables turnover Ratio (in times)	Net Credit Purchases Average Trade Payables		7.44		7.99	-7%	-
		Net credit purchases (Gross credit purchases - purchase return)*	90,795.49		96,799.23			
		Average Trade Payables	12,197.74		12,121.91			

Notes forming part of the financial statements for the year ended March 31, 2024

Sr. No.	Particulars		As at March 31, 2024		As at March 31, 2023		% Variance	Reason for variances above 25%
			Amount ₹ in lakhs	Ratio	Amount ₹ in lakhs	Ratio		
6	Net capital turnover Ratio (in times)	Net Sales		2.80		3.13	-10%	
		Average Working Capital						
		Net sales (Total sales - sales return)	1,17,272.84		1,24,053.90			
		Average Working capital (Current assets – Current liabilities)	41,838.70		39,639.03			
7	Net profit Ratio (in times)	Net Profit Net Sales		0.03		0.03	2%	
		Net Profit	3,076.61		3,190.32			
		Net sales (Total sales - sales return)	1,17,272.84		1,24,053.90			
8	Return on capital employed (in percentage)	EBIT Average Capital Employed		5.73%		6.02%	-5%	-
		Earnings before interest and taxes	3,756.81		3,870.28			
		Average Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	65,578.56		64,288.17			
9	Return on investment (in percentage)	Income generated from investments		9.69%		3.35%	189%	Refer note (i) below
		Cost of Investments						
		Income generated from investments	3,073.29		1,036.34			
		Cost of Investments (Average)	31,731.98		30,962.03			

* Net Credit sales & Net credit purchase includes change of scope works which is netted off in the statement of profit & loss account.

Notes:

- (i) The gain on investments recorded during the year is higher as compared to the previous year.
- (ii) Since the Company does not have any outstanding debt/borrowing as on March 31, 2024 and March 31, 2023, debt equity ratio and debt service coverage ratio are not applicable.

Notes forming part of the financial statements for the year ended March 31, 2024

38. Corporate Social Responsibility

(₹ in lakhs)

S.No.	As at March 31, 2024	As at March 31, 2023
1. Amount required to be spent by the company during the year	43.70	58.29
2. Amount of expenditure incurred	40.53	61.87
3. Shortfall at the end of the year before adjusting from excess of previous year	3.17	-
4. Total of previous years shortfall	Nil	Nil
5. Reason for shortfall	Adjusted from excess spent in previous year	NA
6. Carried forward from previous year	4.58	1.00
7. Excess CSR spent carried forward to next year	1.41	4.58
8. Nature of CSR activities	Education and healthcare	Education and healthcare
9. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	N.A	N.A
10. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	N.A	N.A

39. The Company neither had transactions with struck off Company during the year nor does it have any outstanding balance at reporting date.

40. Additional regulatory information

- Borrowings are made from banks/ FI on the basis of security of current asset. The returns or statements viz. Financial follow-up report/Financial report filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the said period.
- The Company has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding 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 to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the financial statements for the year ended March 31, 2024

- (f) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) 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.
- (g) Proper books of account as required by law have been kept by the Company including the daily back-up of the books of account and other books and papers of the Company maintained in electronic mode are kept in servers physically located in India.
- (g) Proper books of account as required by law have been kept by the Company including the daily back-up of the books of account and other books and papers of the Company maintained in electronic mode are kept in servers physically located in India.

41. The Company has neither traded nor invested in crypto currency or virtual currency during the financial year.

42. Undisclosed Income

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- 43.** The Company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
- 44.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 45.** As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 where in audit trail (edit log) feature is enabled for capturing audit logs for transactions processed through transaction codes (user interface) and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled for certain tables at application level and no audit trail enabled at the database level for this accounting software to log any direct data changes. Further, as no audit trail enabled all tables at transaction level and database level, we are unable to assure whether there were any instances of the audit trail feature been tampered with.

- 46.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund. Unpaid dividend (refer note 16 (b)) does not include any amount outstanding as at March 31, 2024 which are required to be credited to Investor Education and Protection Fund.

Notes forming part of the financial statements for the year ended March 31, 2024

- 47.** 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. Company 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.
- 48.** The financial statements were approved for issue by the board of directors on May 29, 2024.

For and on behalf of the Board of Directors

Yogesh Chander Munjal
Chairman & Managing Director
DIN- 00003491

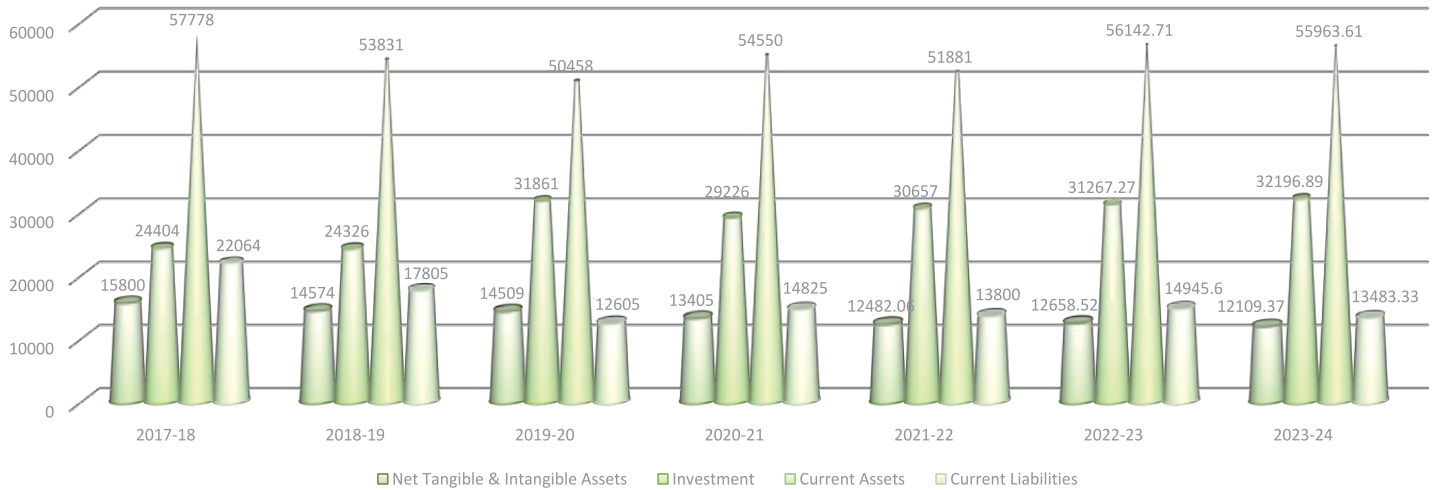
Ashok Kumar Munjal
Director
DIN- 00003843

Pankaj Gupta
Chief Financial Officer

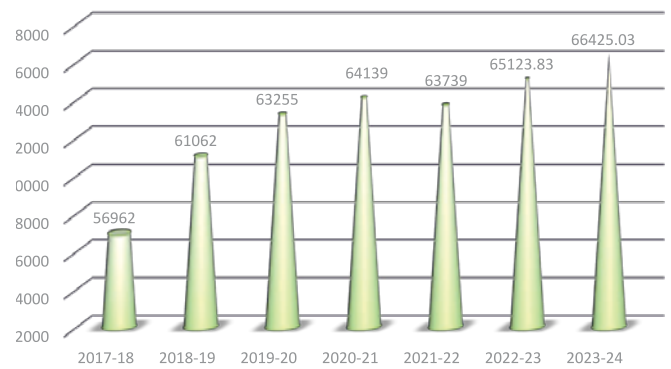
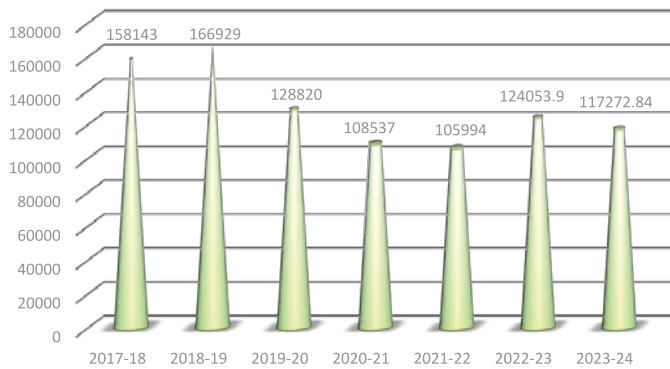
Neha Bansal
Company Secretary
Membership No. A38848

Place : Gurugram
Date : May 29, 2024

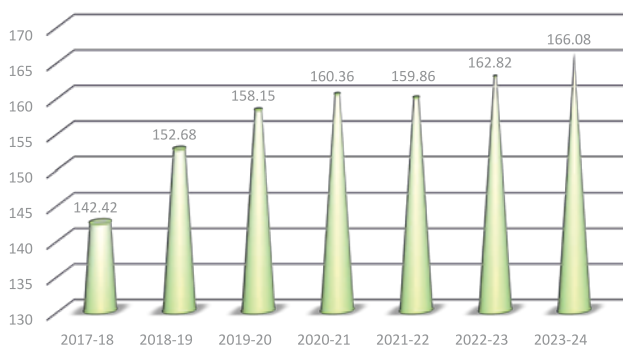
FINANCIAL PERFORMANCE



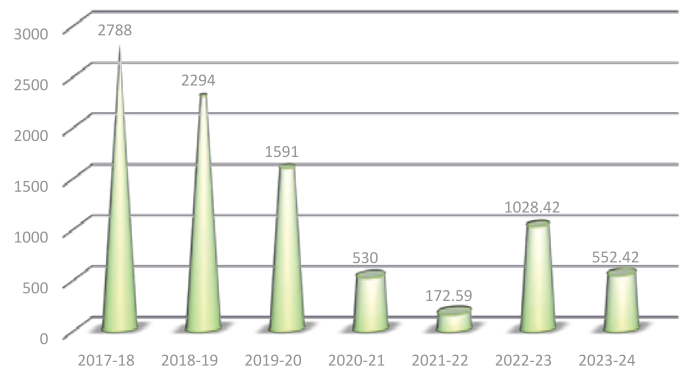
APPLICATION OF FUNDS (₹ in Lakhs)



NET SALES (₹ in Lakhs)



NET WORTH (₹ in Lakhs)



BOOK VALUE PER SHARE (In ₹)

INCOME TAX (₹ in Lakhs)



Gurugram Plant



Manesar Plant



Haridwar Plant

MUNJAL SHOWA LIMITED

CIN: L34101HR1985PLC020934
Registered Office: 9-11,
Maruti Industrial Area, Sector 18,
Gurugram - 122015, Haryana
Phone: +91 124 478 3000/3100
Email: cs@munjalshowa.net
Website: www.munjalshowa.net