RICO AUTO INDUSTRIES LIMITED
REGD. & CORP. OFFICE : 38 KM STONE, DELHI-JAIPUR HIGHWAY, GURUGRAM - 122001, HARYANA (INDIA)
EMAIL : rico@ricoauto.in WEBSITE : www.ricoauto.in TEL. : +91 124 2824000 FAX : +91 124 2824200
CIN : L34300HR1983PLC023187

RAIL:SEC:2023 September 07, 2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - **520008**	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip Code - **RICOAUTO**

Sub : **Submission of Annual Report 2022-23 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Please find attached herewith the Annual Report for the financial year 2022-23 along with the Notice of 40th Annual General Meeting as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**

BRIJ MOHAN JHAMB
Digitally signed by BRIJ MOHAN JHAMB
Date: 2023.09.07 18:14:07 +05'30'

B.M. Jhamb
Company Secretary
FCS : 2446

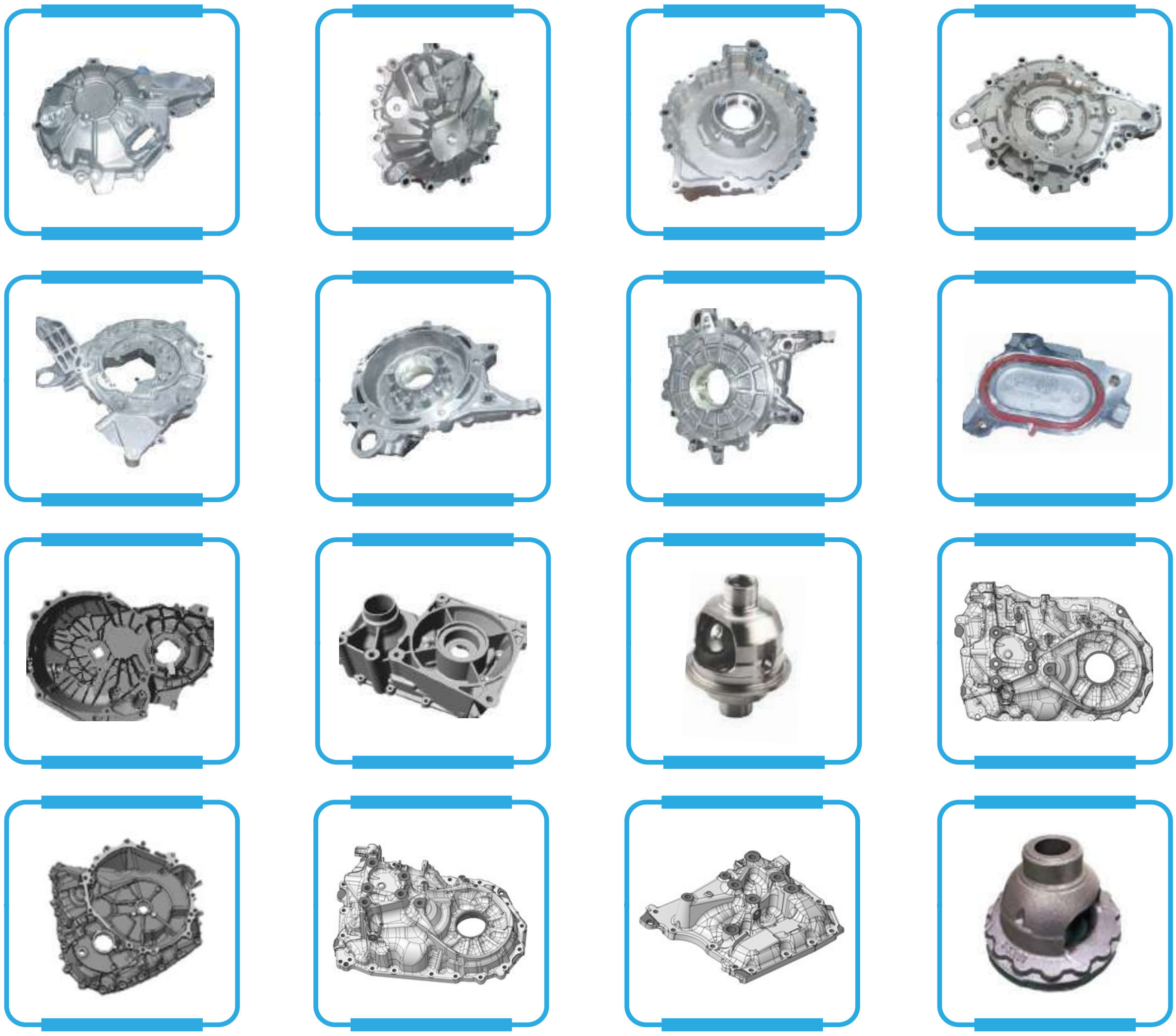
Encl : As above

FOCUS ON ELECTRIFICATION

40TH ANNUAL REPORT 2022-23

RICO - Made in India with Pride

(EV) Electric Vehicle Components
for Motors & Transmissions



Customers

BMW | TOYOTA | STELLANTIS

RENAULT | AISIN | MUSASHI

About Us

RICO is an established and reputed engineering group sharply focused on the automobile industry

Supplier to Global EV Market

We manufacture and supply world class high precision and fully machined components & assemblies - both Aluminium and Ferrous - to leading OEMs across the Globe for **Electric Vehicles, Electrified Vehicles and ICE Engines.**

Our multiple, flexible, fully integrated production facilities are equipped to offer complete spectrum of services from Designing to Development of Tools, Casting and Precision Machining and Assembly of Components. Thus making us a Preferred Supplier to the **EV & Hybrid Vehicle Market.**

RICO has earned a reputation of being a reliable source for the most complex components and assemblies. Our commitment to uncompromising quality and the highest standards of excellence is matched by our ability to engineer the most demanding products as well as our capability to deliver global volumes across the world to cater the increasing demand of **Electrification.**

The result of this exemplary service is the strong customer relationships we share with the most prestigious names in the National and International automotive industry. We have continued to remain a preferred supplier to these valued brands.

RICO has been supplier to the **EV Market** since 2019.

Incorporated in
1983

15
Manufacturing Plants

Global Supplier of
Automotive Components

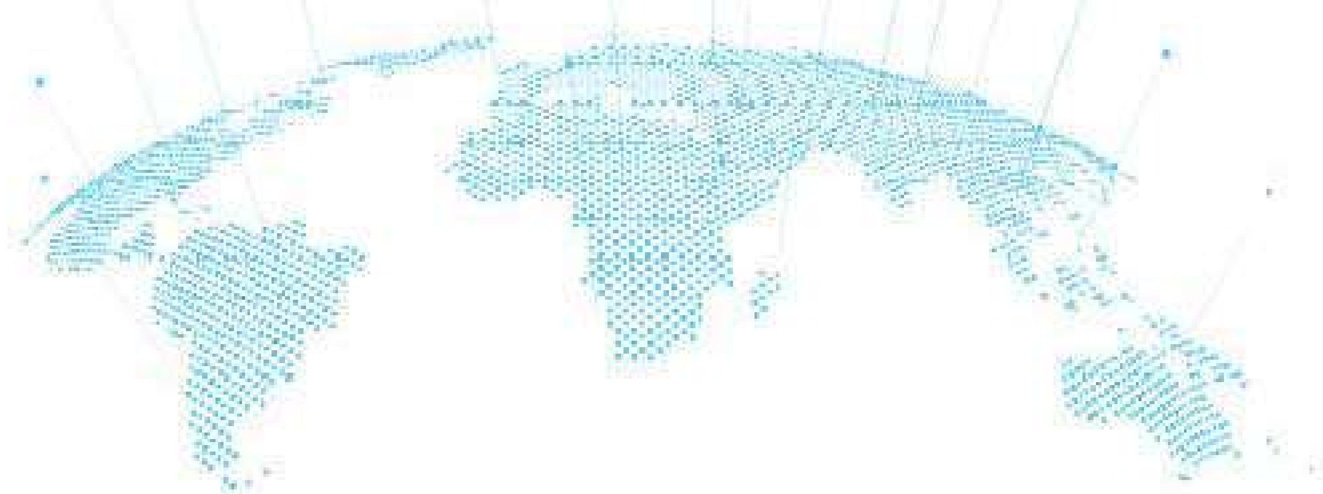
Over 6000
Employees

Presence in
4 Continents

Strong
in-house R&D Capabilities

Our Vision

To be the preferred supplier to OEMs across the Globe.

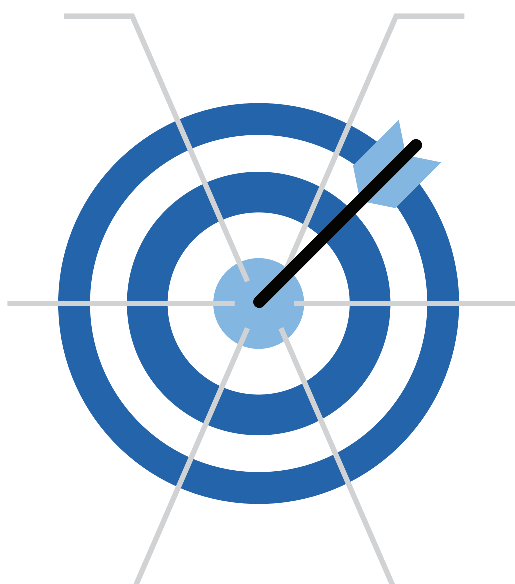


Our Strategies

World Class Quality
ISO TS 16949, ISO 14001, OHSAS 18001, ISO 27001: 2013

Preferred Supplier
Customer Focussed Enterprise Efficient Account, Program & Launch Management and Focus on Electrification

Globalization
Global Teams, Global Presence & Scale



Integrated Service
Concept to Delivery
Design, Development & Engineering Services, R&D, Testing & Validation, Special Purpose Machines with CNC Controls, Tooling & Prototyping, Casting (Aluminium & Ferrous), Machining & Assembly, Packaging & Logistics

People
Regular Training, Skill Building, Involvement & Empowerment and Leadership

Shareholder Value
Focus on return on Capital Employed and Consistent Dividend Distribution

Our People:
Our Greatest Asset

RICO is proud of its people- dedicated, disciplined, hard working progressive and highly skilled in their respective roles. It is their abilities and potential which provide RICO with a vital competitive edge in our intensifying globalization phenomenon.

Each and every member of the RICO 'Parivar' understands the importance of personal responsibilities as well as of team-work. Besides our continuous focus on comprehensive internal and external training ensures excellence in terms of knowledge, attitude and skills for higher productivity, product innovations and relationship development. We, on our part, value their useful suggestions and ideas which are suitably rewarded and recognized.

RICO is on its transformational journey. Multiple projects are ongoing under the umbrella of "Shifting Gears"; to adopt new techniques to achieve Business Excellence.

CSR Initiatives

We as RICO reiterate our continuing commitment to contribute to the economic development while improving the quality of life of local community and society at large. We firmly believe that it is important to operate in the ways that lead to inclusive growth of Society, Economy and the Environment.

Our objective is to contribute towards societal growth by promoting education, hygiene & sanitation, preventive health care, and supporting the economically weaker section of the society.

We are constantly working on enhancing the Environmental Sustainability, Promoting basic formal education and skill development to enhance the employability of youth in remote and rural areas.

Our engaged workforce has been voluntarily contributing in the campaigns like Tree plantation, preventive health care, road safety awareness etc.

RICO is actively engaged in promoting Rural and National Sports. RICO has been contributing towards Women Empowerment and has sponsored girl students for National & International Taekwondo Championships.

RICO is setting up its Rural Health Care Clinic at Pathredi, Rajasthan through Rico Care Foundation. The objective of Rural Health Care Clinic is to provide the best medical facilities, free of cost to local communities.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Environmental, Social, and Governance (ESG) is a framework used to assess business practices and performance on various sustainability and ethical issues. It also provides a way to measure business risks and opportunities in those areas.

"The focus of Rico has always been and would continue to strike the balance amongst the activities falling within the triple bottom approach of ESG. As a short term ESG gliding path for next three years, Rico would strengthen its processes to move towards in the direction of carbon neutrality, product innovations, water management, waste management, supply chain management, health and safety, community engagement, diversity and inclusion"

RICO is committed to reduce its carbon footprints and aims to achieve carbon neutrality by 2050. Further, the Company's goal has always been to integrate and comply with its initiatives within the ESG framework; however, from this year onwards, the Company has started reorganizing and rebuilding most of its projects within specific ESG ambit. The Company has already started its ESG journey and is developing an Environment, Social, and Governance (ESG) Roadmap with defined commitments, goals, and targets, wherein it has identified and will be working regularly on following ESG initiatives under 3 pillars of ESG. Further, we are also committed to implement and continually improve ISO 14001 Environment Management Systems and ensure widely known ESG metrics (5Ps) Peace, Partnership, Planet, People and Prosperity in all our business processes, including our supply chain.

Environmental:

For Environment Initiatives, the Company's focus is on reducing its greenhouse gas emissions, improving energy efficiency, preparing climate change strategy, achieving waste management, including waste reduction, reducing biodiversity loss, reducing water consumption, complying with the corporate climate policies, reducing pollution and natural resource conservation etc.

Social:

For social initiatives, the Company's priority is on enhancing the skills and capabilities of its employees through regular training programs, through fair pay and living wages, equal employment opportunity, other employee benefits, work place Health & Safety, community engagement, striking a balance between Diversity & Inclusion and responsible supply chain management etc.

Governance:

For Governance initiatives, the Company aims to strengthen corporate governance, risk management, compliance, ethical business practices, avoiding conflicts of interest, being accountable for integrity and transparency, board diversity, executive compensation and compliance with corporate policies etc.

Our ESG initiatives will not only help us in improving our operational efficiency but will also provide more reliance to our Overseas and Domestic Customers in doing sustainable business with us. These initiatives would also contribute to broader business sustainability efforts that aim to position the company for long-term success based on responsible corporate management and business strategies.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety (OHS) is the set that studies and implements the practical aspects of maintaining Health and Safety at occupation. In simple terms, we as organization ensuring that activities of our employees do not cause any harm to anyone.

The Company is committed to continuous improvement in OHS Systems in the organization and ensuring compliance with all the applicable legal and customer requirements. We are focusing on behavior based S=safety and inculcate safe working culture in all our plants. We provide regular safety trainings to our employees to enhance OHS awareness among our employees on various aspects of occupational health and safety. Training covers new-hire induction and periodic refresher training for all our employees and contractor employees/service providers. We also encourage our employee's family to participate in various Environment Health and Safety (EHS) events to create awareness beyond RICO.

We encourage employees to report near miss, unsafe condition/act and to take proactive, preventive actions for the same. This strategy will help us to improve OHS performance indicators e.g., reduction in Lost Time Injury (LTI) Frequency Rate and Severity Rate. We believe that health is wealth, so regular health camps and awareness sessions are incorporated in the EHS plan. We are committed for continual improvement in the ISO 14001 and ISO 45001 Systems. We verify adherence to the OHS system through internal and external audits.

Financial Highlights

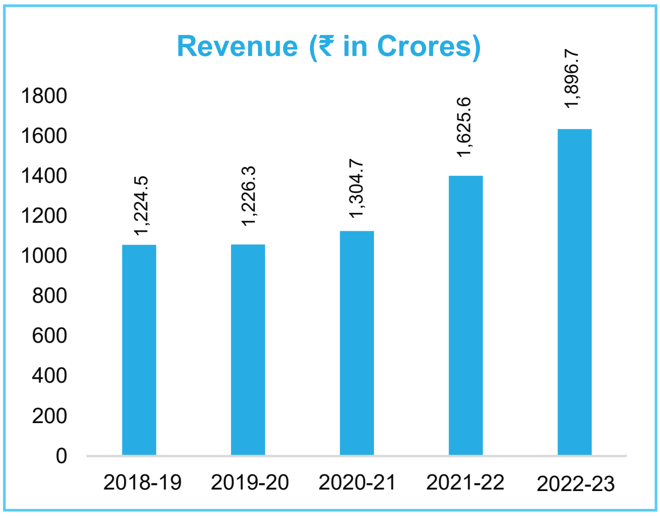
Standalone

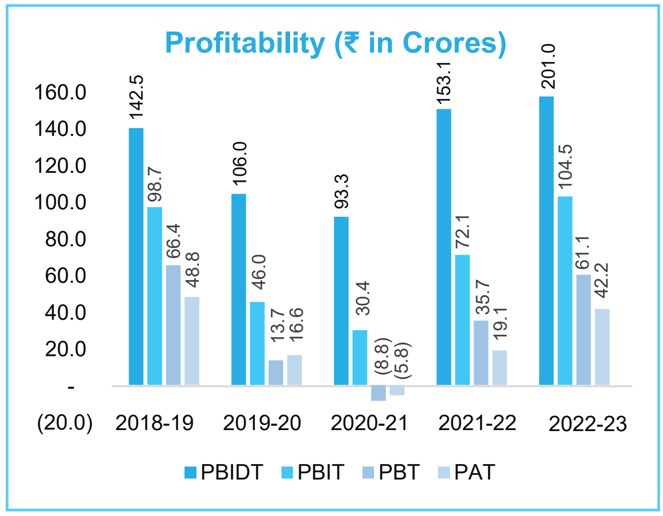
(₹ in Crores)

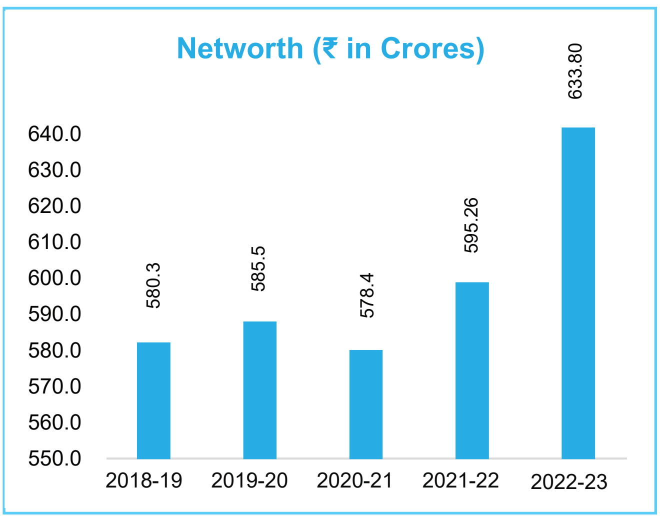
Particulars	2022-23	2021-22 #	2020-21	2019-20	2018-19
Total Revenue	**1,896.7**	**1,625.6**	**1,304.7**	**1,226.3**	**1,224.5**
PBIDT	**201.0**	**153.1**	**93.3**	**106.0**	**142.5**
Depreciation	96.5	81.0	63.0	60.0	43.8
PBIT	**104.5**	**72.1**	**30.4**	**46.0**	**98.7**
Interest	43.4	36.4	35.0	27.2	23.1
PBT	**61.1**	**35.7**	**(8.8)**	**13.7**	**66.4**
Income Tax	10.2	5.2	(0.3)	2.2	14.0
Deferred Tax	7.6	5.3	(2.8)	(5.2)	3.6
PAT	**42.2**	**19.1**	**(5.8)**	**16.6**	**48.8**
Dividend (Including Tax)	5.4	2.7	4.1	5.7	12.3
Gross Fixed Assets (Incl. CWIP)	1,323.4	1,143.3	886.1	773.6	652.1
Net Fixed Assets (Incl. CWIP)	936.7	833.1	665.5	612.9	540.8
Net Current Assets*	241.2	169.8	238.8	179.5	173.5
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	620.3	581.7	564.9	572.0	566.8
Deferred Tax Liabilities	10.2	1.7	8.8	10.0	18.2
Total Loan Funds	615.7	534.2	501.0	406.1	339.6
Key Ratios (%)					
Operating Margin (PBIDT/Net Revenue)	10.6	9.4	7.2	8.6	11.6
ROCE (PBIT/Avg. Capital Employed)	8.8	6.4	2.9	4.8	11.5
RONW (PAT/Avg. Net Worth)	6.9	3.2	(1.0)	2.8	8.7
Per Share Data (Rs)					
EPS	3.1	1.4	(0.4)	1.2	3.6
Cash EPS	10.2	7.4	4.2	5.7	6.9
Book Value	46.8	44.0	42.7	43.3	42.9
Dividend (%)	75.0	40.0	20 .0	30.0	80.0
Net worth	**633.8**	**595.3**	**578.4**	**585.5**	**580.3**

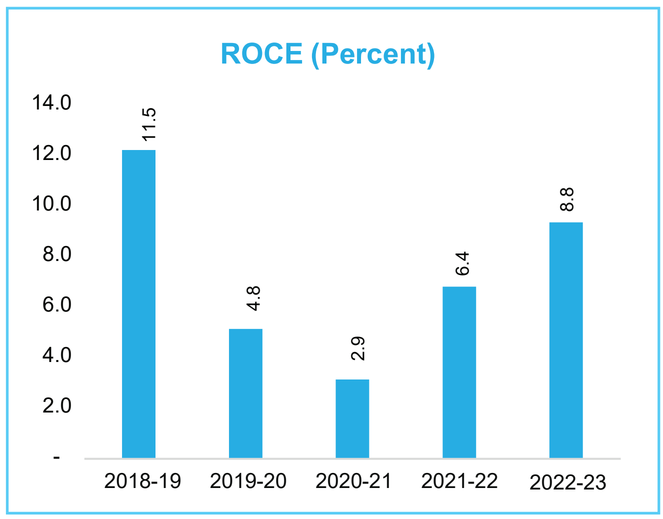
* Excluding short term borrowings and current maturities of long term bank borrowing.
# Figures are reinstated after merger of Subsidiary Companies namely Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited.

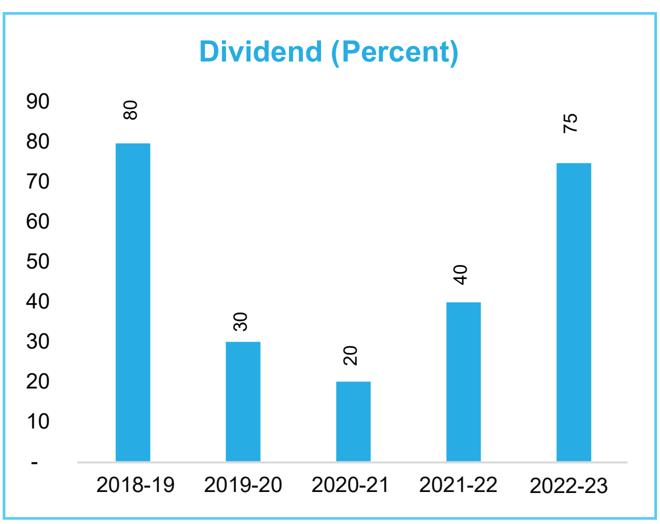
Standalone

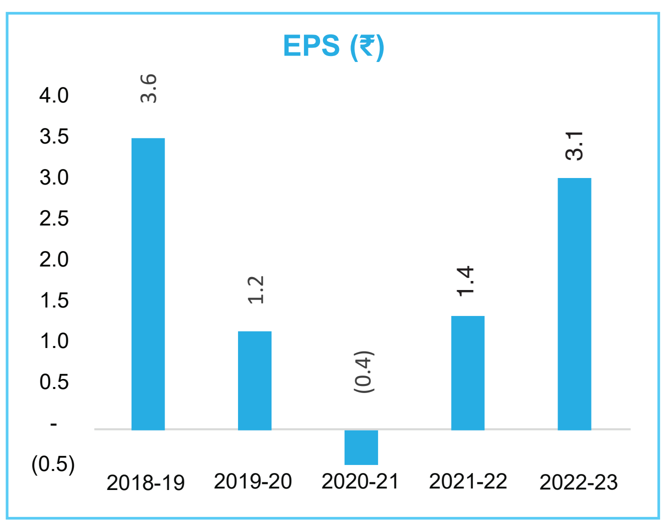

Revenue (₹ in Crores)
1,224.5
1,226.3
1,304.7
1,625.6
1,896.7
2018-19 2019-20 2020-21 2021-22 2022-23


Profitability (₹ in Crores)
2018-19: 142.5 98.7 66.4 48.8
2019-20: 106.0 46.0 13.7 16.6
2020-21: 93.3 30.4 (8.8) (5.8)
2021-22: 153.1 72.1 35.7 19.1
2022-23: 201.0 104.5 61.1 42.2
PBIDT PBIT PBT PAT


Networth (₹ in Crores)
580.3
585.5
578.4
595.26
633.80
2018-19 2019-20 2020-21 2021-22 2022-23


ROCE (Percent)
11.5
4.8
2.9
6.4
8.8
2018-19 2019-20 2020-21 2021-22 2022-23


Dividend (Percent)
80
30
20
40
75
2018-19 2019-20 2020-21 2021-22 2022-23


EPS (₹)
3.6
1.2
(0.4)
1.4
3.1
2018-19 2019-20 2020-21 2021-22 2022-23

Financial Highlights

Consolidated Group

(₹ in Crores)

Particulars	2022-23	2021-22 ^	2020-21	2019-20	2018-19
Total Revenue	**2,321.5**	**1,881.3**	**1,488.4**	**1,423.8**	**1,412.1**
Rico Auto Industries Limited	1,896.7	1,625.6	1,304.7	1,226.3	1,224.5
Rico Auto Industries Inc. USA	238.2	168.9	133.6	138.5	140.5
Rico Auto Industries (UK) Limited UK	0.4	5.2	5.9	5.9	97.3
Rico Fluidtronics Limited **	138.3	68.0	53.9	80.9	-
Rico Jinfei Wheels Limited #	302.8	232.9	149.7	119.7	136.5
Rasa Autocom Limited @	-	-	55.3	72.5	53.1
Rico Aluminium and Ferrous Auto Components Limited @	-	-	171.6	193.6	253.5
Rico Investments Limited @	-	-	4.7	5.9	5.9
AAN Engineering Industries Limited	15.7	11.6	9.1	2.0	4.2
Rico Friction Technologies Limited $	4.0	3.0	1.3	-	-
Less : Inter Company Sales	(274.6)	(234.0)	(401.3)	(421.5)	(503.4)
Rico Group Consolidated	**2,321.5**	**1,881.3**	**1,488.4**	**1,423.8**	**1,412.1**
PBIDT	240.6	177.2	107.1	136.5	166.2
PBIT	128.8	85.9	27.1	56.9	108.5
PBT	73.6	36.0	(15.9)	18.9	72.1
PAT	51.0	23.7	(14.1)	16.7	51.0
Gross Fixed Assets (Incl. CWIP)	1,552.2	1,355.1	1,070.7	967.3	832.3
Net Fixed Assets (Incl. CWIP)	1,084.6	978.6	782.0	754.9	685.4
Net Current Assets*	297.0	202.3	287.9	221.0	248.3
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	675.7	628.3	592.3	607.5	602.5
Deferred Tax (Assets)/Liabilities	7.4	(3.0)	(3.5)	(1.2)	7.4
Total Loan Funds	754.3	613.2	541.6	417.8	378.8
Key Ratios (%)					
Operating Margin (PBIDT/Net Revenue)	10.4	9.4	7.2	9.6	11.8
ROCE (PBIT/Avg. Capital Employed)	9.5	6.8	2.5	5.6	11.9
RONW (PAT/Avg. Net Worth)	7.7	3.7	(2.3)	2.7	8.7
Per Share Data (Rs)					
EPS (Rs)	3.8	1.8	(1.1)	1.2	3.7
Cash EPS	12.0	8.5	4.9	7.1	8.0
Net worth	**689.3**	**641.8**	**605.8**	**621.0**	**616.0**

* Excluding short term borrowings and current maturities of long term bank borrowing.

** 50% Joint Venture till 29th March, 2019.

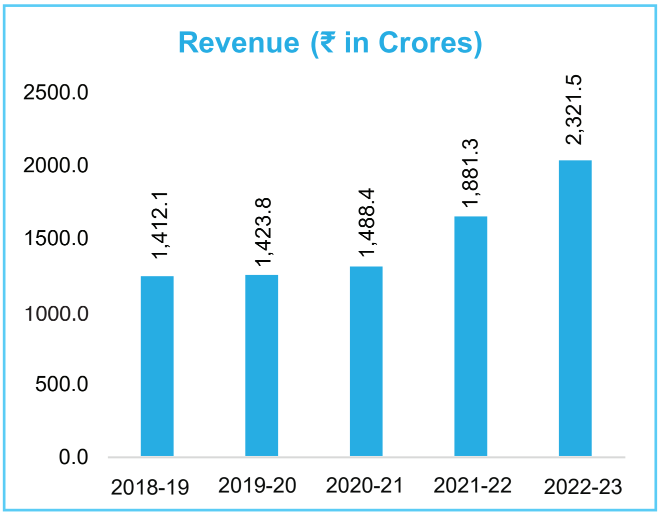
Rico Auto alongwith its subsidiaries holds 91.74 percent.

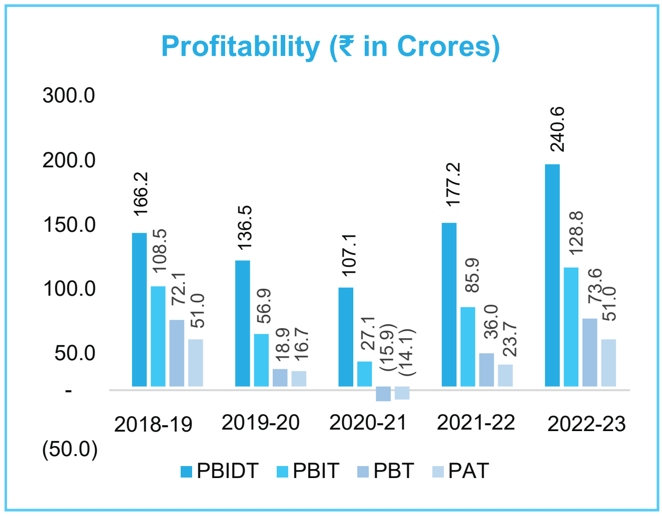
$ 70% subsidiary w.e.f. 30th December, 2020.

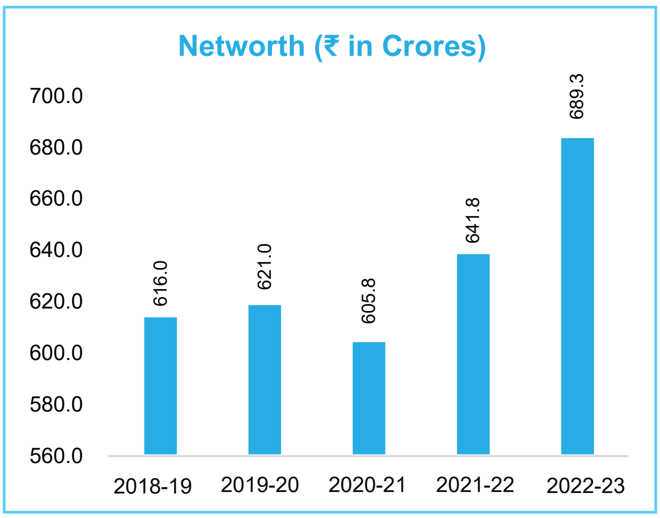
@ Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited have been merged with Rico Auto Industries Limited w.e.f. 01st April, 2021 i.e. Appointed Date.

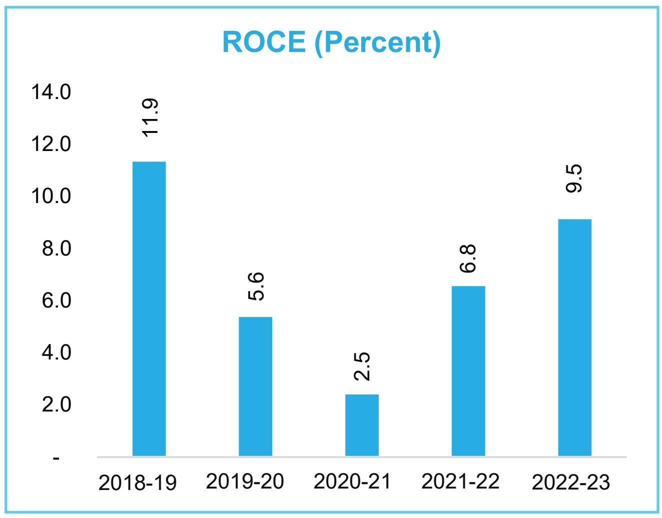
^ Figures are reinstated after merger of Subsidiary Companies namely Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited.

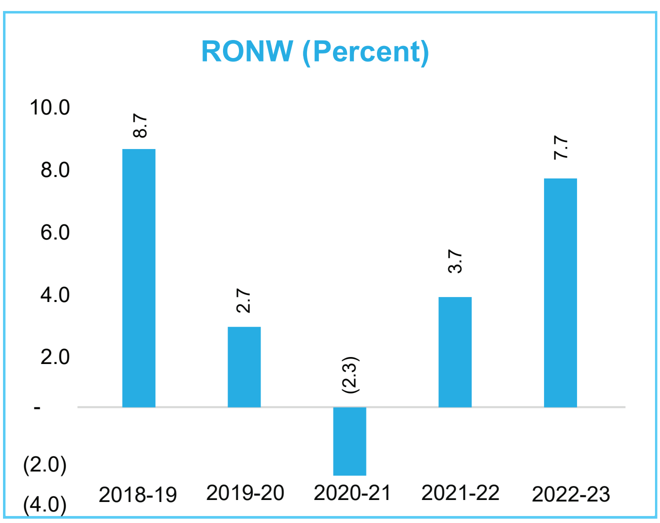
Consolidated Group

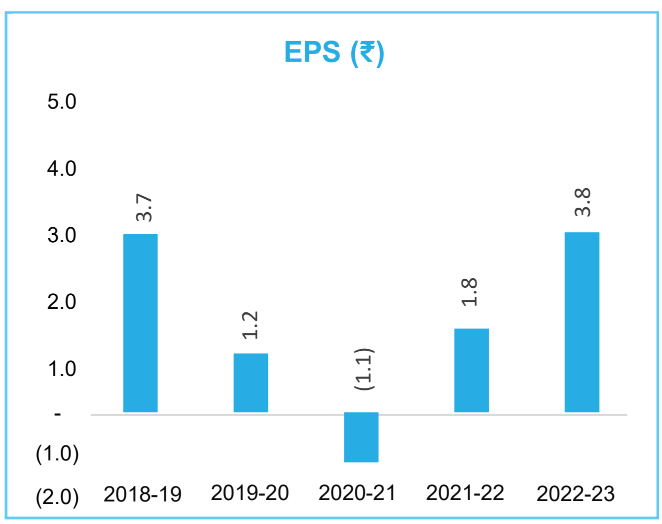












From the **Chairman's Desk**

Dear Shareholders,

After several years of uncertainity, the global economy finally seems to be on the mend from the ravages of the pandemic and the geopolitical crisis that faced the world. We are slowly experiencing alleviation of supply chain disruptions that had become the norm in the intervening years.

The overall global economic recovery, however, is slated to be slow and piecemeal as challenges such as high inflation, tightened central bank policies, and limited credit availability, persist. It is not surprising that the global growth outlook suggests a decline from about 3.5 percent in 2022 to roughly 3 percent in 2023 and 2024, with central bank policy rates impacting economic activity. Across economies, sustained disinflation and financial stability remain priorities.

As far as the Indian economy goes, recent statistics suggest that it has fared well despite continuing global uncertainties. The Economic Survey's outlook for 2023-24 highlights India's rapid post-pandemic recovery, propelled by strong domestic demand and increased capital investment. With strong government initiatives like "Make in India" which not only promote but also strengthen our manufacturing and infrastructure sector, the overall outlook for the Indian economy looks promising. Additionally, structural reforms like the Goods and Services Tax and the Insolvency and Bankruptcy Code have also enhanced economic efficiency and transparency.

Speaking of the Indian automobile sector in particular, bouncing back from the disruptions of the pandemic, from low demand and supply chain constraints, has been a challenging journey. It is noteworthy that despite these challenges, FY23 can truly be seen as a strong revival year for the industry. As per SIAM estimates, in FY 2022-23, the domestic automobile industry registered a substantial growth of 12.5 percent in terms of production, while sales of passenger vehicles and commercial vehicles surged by 27 percent and 34 percent respectively. Further the industry noted a whopping increase of 87 percent in sales of three-wheelers and 17 percent in sales of two-wheelers. **Electric Vehicles (EVs)** are also emerging as front-runners in the fast-evolving Indian automotive market with their ability to facilitate zero carbon emission and address energy security concerns. As per India Energy Storage Alliance (IESA), the Indian EV industry is expected to grow at a CAGR of 36 percent from the current low base.

At RICO, we are ever committed to put our best foot forward by leveraging the new opportunities that come our way. It fills me with immense pride to share with you the performance results for the financial year 2022-23 for your Company. Your Company has recorded a Consolidated Revenue of **Rs.2,322 crores** in the year under report as against **Rs.1,882 crores** in the previous year with a growth of 24 percent. Further, your Company has earned a profit after tax of **Rs.51 crores** during the year under report over the previous year's profit of **Rs.24 crores**.

Going forward, we anticipate good growth in the business of the Company over the next few years driven by an increase in demand of components for **Electric Vehicles** and for **ICE Engines** both for the Domestic and Export markets. We are confident that our commitment to quality and excellence will lead us to our vision of becoming the preferred supplier across the globe especially for **Electric** and **Electrified Vehicles.**

On behalf of the Board of Directors, I would take this opportunity to extend my gratitude to all our stakeholders - our valued customers as well as all our business associates who have always believed in us and helped us scale new heights. A warm thank you goes out to Team RICO without whose unwavering commitment to delivering excellence this would not have been possible.

While we at RICO are committed to live up to the trust reposed in us, we look forward to your co-operation and unstinting support, as always.

Arvind Kapur
Chairman, CEO & Managing Director

RICO Core Value

EXCELLENCE
EX
The power of being the best

COMMITMENT
C
The power of responsibility, accountability and ownership

INTEGRITY
I
The power of honesty and transparency

TEAMWORK
T
The power of working together

ENTREPRENEURSHIP
E
The power of pursuing new challenges with speed, flexibility and ownership

Key Milestones

2022-23

- Dedicated facility to manufacture **EV/Hybrid Components** (Chennai)
- Kicked off project "Shifting Gear" to drive Business Excellence across the organisation
- Started initiatives towards Environmental, Social, and Governance (ESG) for sustainability
- Started production of Paper Based Friction Material for Clutch application (Gurugram)
- To consolidate operations, three subsidiary companies have been merged with the company after approval of Hon'ble NCLT namely Rasa Autocom Ltd., Rico Aluminium and Ferrous Auto Components Ltd., and Rico Investments Ltd.

2020-21

- Acquired 70% shareholding of Rico Friction Technologies Limited consequently it became Subsidiary Company. This company manufactures Friction materials for Clutches and other applications
- Aquired 26% shareholding of M/s. Roop Ram Industries Private Limited to procure cost effective supply of Solar Power

2019-20

- Acquired shares of Magna Powertrain GMBH, Joint Venture Partner jointly with stepdown subsidiary Rasa Autocom Limited and renamed to Rico Fluidtronics Limited & thus became the Subsidiary Company
- Added new Plant at Halol (Gujarat) & production started

2015-18

- Initiated After Market Business
- Added new Facilities/Plants at Bawal, Pathredi & Chennai - IATF 16949
- Added Customers - Bentley, PSA, Daimler, Kia, Punch Powertrain
- NABL Accreditation of Rico Calibration and Testing Labs

VDA 6.3
CAT SQEP Silver

2010-14

- Added new Facilities/Plants at Bhiwadi, Sanand, Haridwar & Manesar
- Added Customers - Musashi, GKN, Toyota, VW, Kohler, Avtec
- Sold stake in JV company namely FCC Rico

GM QSB

2007-09

- JV with Magna Powertrain (Oil Pump, Water Pump)
- JV with Jinfei China (Aluminium Alloy Wheels - 2 Wheelers)
- Added Customers - JATCO, Magna, Renault, BMW

FORD Q1 CAT
SQEP-Bronze

2003-06

- R&D Center Started
- Added Customers - NISSAN, TATA (Small Car Project), Perkins
- Enhanced Ferrous and Aluminium Capacity
- Added Customers - GM, Caterpillar, Honeywell, Detroit Diesel, Volvo

2000-02

- Full Service Engineering Design Development Capability
- Added Customers - FORD, Land Rover, Jaguar

TS 16949
ISO 14001
OHSAS 18001

1999-00

- Expansion of Aluminium Die Casting & Machining (Gurugram)

QS 9000

1994-96

- JV (50:50) FCC RICO (Clutch Assembly)
- Started Exports - GM, Eaton, Cummins

1990-92

- International Market OEM Supplier - MEC Japan
- New Plant for Ferrous Casting & Machining (Gurugram) Focus - Maruti Suzuki

ISO 9000

1985-86

- Technical Collaboration with FCC Japan for clutches
- Commercial Production Started (1986)
- Aluminium Die Casting & Machining (Dharuhera) Focus - Hero Honda & Maruti Suzuki

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Team & Corporate Information

Board of Directors

Arvind Kapur	Chairman, CEO & MD
Kanwal Monga	Independent Director
Dr. Amarjit Chopra	Independent Director
Dr. Ashok Seth	Independent Director
Satish Sekhri	Independent Director
Rajeev Kapoor	Independent Director
Vinod Kumar Nagar	Independent Director
Sarita Kapur	Independent Director
Hemal Bharat Khandwala	Independent Director
Yogesh Kapur (w.e.f. 26.08.2023)	Independent Director
Kaushalendra Verma	Executive Director
Rajiv Kumar Miglani	Executive Director
Samarth Kapur	Executive Director

Rico Executive Committee (REC)

Kaushalendra Verma	Sachinder Kaul
Rajiv Kumar Miglani	Surendra K Patra
Samarth Kapur	Subodh Mall
Rakesh Kumar Sharma	Shalinder Rathi
Abhishek Kulshrestha	B K Jain
R Dharna	Sanjay Bhatt

Advisors

O P Aggarwal
Surendra Singh

Chief Financial Officer

Rakesh Kumar Sharma

Company Secretary

B M Jhamb
FCS No. 2446

Bankers

Axis Bank Limited
Axis Finance Limited
Bajaj Finance Limited
HDFC Bank Limited
IndusInd Bank Limited
Karnataka Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India
Yes Bank Limited

Auditors

B S R & Co. LLP
Chartered Accountants
Gurugram, India

Internal Auditors

Grant Thornton Bharat LLP
Gurugram, India

Registered & Corporate Office

38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana, India
CIN : L34300HR1983PLC023187
website: www.ricoauto.in

Registrar & Transfer Agent

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase I
New Delhi - 110020, India

RICO AUTO INDUSTRIES LIMITED

CIN: L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana

Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th ANNUAL GENERAL MEETING (AGM) of the Members of RICO AUTO INDUSTRIES LIMITED will be held on Friday, the 29th day of September, 2023 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana) along with the facility to attend the AGM through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 including the Reports of Directors' and Auditors' thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 including the Reports of Auditors' thereon.
2. To declare dividend @ 75 per cent i.e. ₹0.75 (Seventy five paise) per Equity Share of ₹1/- each for the financial year ended 31st March, 2023 as recommended by the Board of Directors.
3. To appoint a Director in place of Shri Samarth Kapur (DIN:01525517), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of Remuneration payable to Cost Auditors**

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

   "Resolved that pursuant to the provisions of Section 148 and 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], the total remuneration of ₹2.00 lakhs (Rupees Two lakhs only) plus applicable taxes and out of pocket expenses, if any payable to M/s. MM & Associates, Cost Accountants (Firm Registration No. 000454), appointed by the Board of Directors of the Company, for carrying out Cost Audit of the Company be and is hereby ratified for the financial year 2023-24."

   "Resolved further that the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Shri Yogesh Kapur (DIN: 00070038) as an Independent Director**

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

   "Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to recommendation of the Nomination & Remuneration Committee, Shri Yogesh Kapur (DIN: 00070038), who was appointed by the Board as an Additional Independent Director of the Company with effect from 26th August, 2023, and who holds office up to the date of this Annual General Meeting, being eligible for appointment as an Independent Director in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Company, not liable to retire by rotation and to hold such office for a term of 5 (Five) consecutive years from 26th August, 2023 to 25th August, 2028."

   "Resolved further that the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
for **Rico Auto Industries Limited**

	B.M. Jhamb
Place : Gurugram	Company Secretary
Date : August 25, 2023	FCS No. 2446

NOTES:

1. **A MEMBER IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate certified copy of the Board resolution to the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

2. The Ministry of Corporate Affairs ("MCA") has vide its general circular No. 20/2020 dated 5th May, 2020, general circular No. 02/2021 dated 13th January, 2021, general circular No. 19/2021 dated 8th December, 2021, general circular No. 21/2021 dated 14th December, 2021, general circular No. 02/2022 dated 5th May, 2022, general circular No. 10/2022 dated 28th December, 2022 and Securities and Exchange Board of India ("SEBI") vide its circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 read with SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 (hereinafter collectively referred to as "Circulars") permitted to hold the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

   Therefore, those Members who are unable to attend the AGM physically may attend the meeting through VC/OVAM for which the facility is being provided through NSDL.

3. Representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting, for participation in the 40th AGM through physically or VC/OAVM Facility and e-voting during the AGM. Corporate Members intending to attend the AGM are required to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at this AGM by e-mail at **cs.vimalchadha@gmail.com** or **cs@ricoauto.in**.

4. Attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 along with the Members physically present at the AGM venue.

5. The Director seeking appointment is not debarred from holding the Office of Director pursuant to any SEBI Order. The information/details as required by the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings in respect of Director seeking appointment at ensuing 40th AGM are given in Annexure-A.

6. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the Special Business in the Notice is annexed and forms part of this Notice.

7. The Members can also join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of commencement of the AGM by following the procedure mentioned elsewhere in the Notice.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2023 to 29th September, 2023 (both days inclusive).

9. Dividend as recommended by the Board of Directors for the financial year ended 31st March, 2023, when declared at the AGM, will be paid:

   a) to those Members whose names appear in the Register of Members of the Company on 22nd September, 2023; and

   b) in respect of shares held in electronic form, to those Beneficial Owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 22nd September, 2023.

   The dividend will be paid, subject to deduction of tax at source, within 30 days from the date of declaration.

10. Pursuant to the Income Tax Act, 1961 read with the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates, for various categories. The shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Registrar and Transfer Agent (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

    Resident individual shareholders who are not liable to pay income tax can submit a yearly declaration in Form No.15G/15H along with a self-attested copy of their Permanent Account Number (PAN) card, to avail the benefit of non-deduction of tax at source by sending to the Company at cs@ricoauto.in by 22nd September, 2023 up to 5.00 P.M. (IST). Shareholders are requested to note that in case their PAN is not registered or having invalid PAN, the tax will be deducted at a higher rate of 20 per cent. Further, no TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to resident individual shareholder does not exceed Rs.5,000/- (Rupees Five thousand only).

    Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. The aforesaid declarations and documents are required to be sent to the Company at cs@ricoauto.in by 22nd September, 2023 up to 5.00 P.M. (IST). Further, TDS will be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Income-tax Act, 1961, if such valid certificate is provided.

    For details, members may refer to "Communication on TDS on Dividend Distribution" appended to this Notice of 40th AGM.

11. The SEBI vide its circular dated 20th April, 2018 has mandated all Companies to credit the dividends electronically to the Member's Bank Account. Members holding shares in physical form, who have not yet forwarded their bank details are requested to furnish a copy of original cancelled cheque leaf/ attested bank passbook showing name of the account holder and other details viz. Account No., IFS Code and MICR Code to the Company/Registrar & Share Transfer Agent (RTA) of the Company. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their Bank Particulars & Bank Mandates, nomination details and address to their Depository Participant (DP).

12. a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 (the Act), the amount of dividend which remains unpaid/unclaimed for a period of 7 years is required to be transferred to the "Investor Education and Protection Fund" (IEPF). As such, Member(s) who have not yet encashed their dividend are requested in their own interest to write to the Company for claiming outstanding dividend declared by the Company from the financial year 2015-16 or any subsequent financial years. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the IEPF, as stated herein, no claim shall lie against the Company in respect thereof.

    The amount of unpaid or unclaimed dividend of the financial year ended 31st March, 2015 and interim dividend of the financial year 2015-16, have already been transferred to the IEPF.

    b) Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company has uploaded the details of amount of Dividend lying unclaimed/unencashed as on 31st March, 2022, on the website of MCA as well as on its own website: **https://www.ricoauto.in/investor-relation.html**.

    c) Attention is drawn to the provisions of Section 124(6) of the Companies Act, 2013, read with Investor Education and

Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which require a Company to transfer all shares in respect of which dividends has not been paid or claimed for 7 (seven) consecutive years or more to the DEMAT Account of IEPF Authority.

Accordingly, the Company during the financial year 2022-23 had transferred 26017 shares pertaining to the financial year 2014-15 to the IEPF Authority within the stipulated time period.

The Company has uploaded details of shares transferred to IEPF Authority on the website of the IEPF Authority viz. www.iepf.gov.in and on the website of the Company at https://www.ricoauto.in/investor-relation.html. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back by following the required procedure given on the website of the IEPF Authority **http://www.iepf.gov.in/IEPF/refund.html**.

Further, all the Members who have not claimed/encashed their dividends in the last seven consecutive years from 2016 are requested to claim the same. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the website of the Company and IEPF and write to the Company or the Company's Registrar before the same becoming due for transfer to the IEPF Authority. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF Authority.

13. Members must quote their Folio No./DP ID/Client Id No. and contact details such as e-mail Id, Mobile No./Phone No. etc. in all correspondence with the Company/RTA. Members are also requested to notify change in their contact details, if any.

14. As per the Circulars issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transmission or transposition of shares in physical form. Therefore, the Members are requested to furnish a self-attested copy of their PAN Card to the Company/RTA.

15. **PAN, KYC, Bank details and Nomination:**

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 in supersession of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has instructed to mandatorily furnish PAN, KYC, Bank details and Nomination by holders of physical securities. In other words, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers.

Accordingly, it is once again reiterated that it is mandatory for all holders and claimants of physical securities to furnish PAN details to RTA.

Pursuant to above SEBI circular, the shareholders are requested to furnish valid PAN, email address, mobile number, Bank account details and nomination details immediately in the below mentioned forms to the RTA:

Sr. No.	Form	Purpose
i.	Form ISR-1	To register/update PAN, KYC details
ii.	Form ISR-2	To Confirm Signature of securities holder by the Bank
iii.	Form ISR-3	Declaration Form for opting-out of Nomination
iv.	Form SH-13	Nomination Form
v.	Form SH-14	Cancellation or Variation of Nomination (if any)

All above Forms are available on our company's website at **www.ricoauto.com/files/Form%20ISR-1-2-3-and-SH-13-14.pdf**. Folios wherein any one of the cited details/documents (i.e. PAN, KYC, Bank Details and Nomination) are not available with us, on or after 1st October, 2023, shall be frozen as per the aforesaid SEBI circular.

In view of the above, we request the shareholders to submit the duly filled-in Investor Service Request forms along with the supporting documents to RTA at MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi-110020.

Freezing of Folios without PAN, KYC details and Nomination

(i) The folios wherein any one of the cited document/details as in para above are not available on or after 1st October, 2023, shall be frozen by the RTA.

(ii) The shareholder(s) whose folio(s) have been frozen shall be eligible:

(a) to lodge grievance or avail any service request from the RTA only after furnishing the complete documents/details as mentioned in para above.

(b) for any payment of dividend in respect of such frozen folios, only through electronic mode with effect from 1st April, 2024. An intimation shall be sent by the Company to the shareholder that such payment is due and shall be made electronically only upon complying with the requirements stated above of the circular.

(iii) Frozen folios shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

(iv) The RTA shall revert the frozen folios to normal status upon receipt of all the Documents/details as stated above.

In case of any query Members are requested to contact RTA, M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi-110020. (Phone No. 011-41406149-52; Email: helpdeskdelhi@mcsregistrars.com).

16. All the documents referred in the Notice and the Explanatory Statement shall be available for inspection through electronic mode and physical copies of the documents will also be available at the Registered Office of the Company for inspection on all working days except Saturday between 11.00 A.M. to 4.00 P.M. without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking inspection of such documents can send an e-mail to cs@ricoauto.in.

17. The extract of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection during the AGM upon login to NSDL e-voting system at www.evoting.nsdl.com and physically at the venue of the AGM.

18. Attendance slip and the route map showing directions to reach the venue of the 40th AGM is enclosed as per the requirements of Secretarial Standard-2 of "General Meetings".

19. Members who are holding shares in physical form in more than one folio are requested to write to RTA enclosing their share certificate(s) to enable the company to consolidate their holding into one folio.

20. Pursuant to the MCA Circulars and SEBI Circular, the Notice of the 40th AGM and the Annual Report including the Audited Financial Statements for the financial year 2022-23 are being sent through electronic mode to those Members whose e-mail Ids are registered with the Company/RTA/Depositories. Members may note that the Notice and Annual Report will also be available on the website of the Company at https://www.ricoauto.in/investor-relation.html, 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 and on the website of NSDL at **www.evoting.nsdl.com.** Any Member/s requiring the hard copy of Annual Report may kindly send an email to cs@ricoauto.in or send a duly signed request in original at the Registered Office of the Company.

    During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.

21. Beside the voting by way of physical ballot paper at the venue of the AGM, in compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, and the Circulars issued by the MCA and SEBI, the Company is also pleased to provide to its Members, a facility to exercise their right to vote on resolutions proposed to be considered and passed at the ensuing 40th AGM by electronic means and the business may be transacted through remote e-voting services. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by the Member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

A) The remote e-voting period commences on Tuesday, 26th September, 2023 (9.00 a.m. IST) and ends on Thursday, 28th September, 2023 (5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 22nd September, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

B) The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

C) The Member(s) who receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/RTA/Depository) is advised to take the following steps for casting his/her vote by remote e-voting:

The process and manner for remote e-voting are as under:

How to cast vote electronically using NSDL e-voting system?

The way to cast vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system https://www.evoting.nsdl.com

A) Login method for e-voting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by the 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 e-mail Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under 'IDeAS' section, this will prompt you to enter your existing User Id and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on **"Access to e-voting"** under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be re-directed to **e-voting website of NSDL** for casting your vote during the remote e-voting period.
	2. If you are 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**

Type of Shareholders	Login Method
	3. Visit the e-voting website of NSDL. Open web browser by typing the 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 have to enter your User Id (i.e. your sixteen digit demat account number held 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 i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speed-e"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/ Easiest, they can login through their user Id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com **and click on New System Myeasi.** 2. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of **e-voting service provider** i.e. **NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://www.web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-voting is in progress.

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option, 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 i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.

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

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

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

B) Login Method for e-voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Login to NSDL e-voting website?:

I. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile.

II. Once the home page of e-voting system is launched, click on the icon **"Login"** which is available under **'Shareholders/Member'** section.

III. A new screen will open. You have to enter your User Id, Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. **IDeAS,** you can login at https://e-services.nsdl.com with your existing **IDeAS** login. Once you login to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

IV. Your User Id details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User Id is:
a) For Members who hold shares in demat account with NSDL	8 Character DP Id followed by 8 Digit Client Id. For example if your DP Id is IN300*** and Client Id is 12****** then your user Id is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary Id. For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 125811 then user ID is 125811001***

V. Your password details are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your e-mail Id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail Id. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a pdf file. The password to open the pdf file is your 8-digit Client Id for NSDL account, last 8 digits of Client Id for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User Id' and your 'Initial Password'.

ii) The Member(s) whose e-mail Id is not registered with the Company/Depository Participants, and they are not having their user Id and password, may obtain a login Id and password for casting his/her vote by remote e-voting by sending a request at **evoting@nsdl.co.in** or by contacting NSDL at the toll free no.**1800-1020-990** mentioning their Demat Account No./Folio No.

VI. If you are unable to retrieve or have not received the "Initial Password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VIII. Now, you have to click on "Login" button.

IX. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system:

How to cast your vote electronically on NSDL e-voting system?

I. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

II. Select "EVEN" of Rico Auto Industries Limited which is 125811. You wish to cast your vote during the remote e-voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

III. Now you are ready for e-voting as the voting page opens.

IV. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

V. Upon confirmation, the message "Vote cast successfully" will be displayed.

VI. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

VII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

I. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote and attend the AGM, to the Scrutinizer through e-mail at cs.vimalchadha@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com** to reset the password.

III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose e-mail Ids are not registered with the depositories/company for procuring user Id and password and registration of e-mail Ids for e-voting for the resolutions set out in this notice:

I. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to cs@ricoauto.in.

II. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary Id), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ricoauto.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

III. Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for e-voting on the day of the AGM are as under:

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

II. Only those Members, who will be 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 in the AGM.

III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

IV. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members attending the AGM through VC/OAVM are as under:

I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

II. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

III. 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.

IV. Members who would like to express their views/ask questions during the meeting will be required to register themselves as speaker by sending their request from their registered e-mail Id, mentioning their name, DP Id and Client Id/Folio Number, Mobile Number etc. at cs@ricoauto.in by 22nd September, 2023.

V. Only those Members who have registered themselves as speaker by 5.00 PM on 22nd September, 2023 will be able to speak at the meeting depending on availability of time.

VI. Further, Members who would like to have their questions/queries responded during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following similar process as stated above.

C) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on cut-off date i.e. Friday, 22nd September, 2023.

D) A person, who acquire shares of the Company and become Member of the Company after the Company sends the Notice of 40th AGM by e-mail and holds shares on cut-off date i.e. Friday, 22nd September, 2023 may obtain login Id and password by sending a request at evoting@nsdl.co.in.

E) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.

F) The e-voting process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions of Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

G) Shri Vimal Chadha, of M/s. Vimal Chadha & Associates, Company Secretaries (CP No.18669, FCS No.5758) failing him Shri Milan Malik of M/s. Milan Malik & Associates (C.P. No.16614, FCS No.9888), has been appointed by the Board of Directors of the Company as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

H) The Chairman shall, at the AGM, at the end of discussion on the resolutions allow e-voting or by way of ballot paper as the case may be, for all those Members who are participating in the AGM but have not cast their votes through the remote e-voting facility.

I) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in presence of 2 (two) witnesses, who are not in employment of the Company and shall make, within two working days of the conclusion of the AGM, a Consolidated Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company https://www.ricoauto.in/investor-relation.html and on the website of NSDL www.evoting.nsdl.com and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4

Ratification of Remuneration payable to Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Board, based on the recommendation of the Audit Committee, at its meeting held on 11th August, 2023, has approved the appointment of M/s. MM & Associates, Cost Accountants (Firm Registration No. 000454), as the Cost Auditors of the Company for carrying out Cost Audit of the Company for the financial year 2023-24 on a total remuneration of ₹2.00 lakhs (Rupees Two lakhs only) plus applicable taxes and out of pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the Members in accordance with the provisions of the Act and Rules made thereunder. Accordingly, the consent of the Members is being sought for ratification of the remuneration payable to Cost Auditors for the financial year 2023-24.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the proposed resolution.

The Board, therefore, recommends the Ordinary Resolution as set out at Item No.4 for your approval.

Item No.5

Appointment of Shri Yogesh Kapur (DIN:00070038) as an Independent Director

The Board of Directors in their meeting held on 25th August, 2023, based on the recommendation of the Nomination & Remuneration Committee, has appointed Shri Yogesh Kapur (DIN:00070038) in the category of Independent Director of the Company for a term of five years w.e.f. 26th August, 2023 subject to approval of the Members at the ensuing Annual General Meeting.

Shri Yogesh Kapur is Fellow Chartered Accountant (FCA) with over 38 years' experience in financial services sector.

He started his career in 1983 with Housing Development Finance Corporation Ltd. (HDFC). In 1991 he moved to Investment banking with HSBC and then joined Enam Securities Pvt. Ltd. a leading Investment banking/brokerage house in 1994. In 2012 with Axis Bank taking over the Investment Banking business of Enam, Shri Kapur moved to Axis Capital Ltd., a wholly owned subsidiary of Axis Bank.

In 2014 he took over as Head Strategic Relationship Group - Wholesale banking for north in Axis Bank. Post his superannuation in July 2017, he re-joined Axis Capital on a 2 year contract [renewed in 2019 for another 3 years (2+1)].

During his tenor as investment banker, Shri Kapur has worked with Companies both in private and public sectors as these companies prepared to list on public markets. In addition he has been engaged in advising companies on strategic initiatives, M&A, reorganization, business/corporate restructuring etc. Shri Kapur has very closely worked during this period with Department of Investment & Public Asset Management (DIPAM), Ministry of Finance to manage initial listings and further divestments in listed public sector companies in accordance with Government's directives/ decisions on the subject.

During his career positions with different organizations Shri Kapur has worked on number of international assignments including for USAID and World Bank in Sri Lanka and Ghana. He also served on committees set up by SEBI/Government of India - Ministry of Finance to examine ADR/GDRs as well as Bonds regulations. He is currently serving on the Board of Companies including HDFC Education and Development Services Private Limited (HEADS), a 100% subsidiary of HDFC Bank Limited, Greenlam Industries Limited, Kirloskar Oil Engines Limited, Arka Fincap Limited, Arka Financial Holdings Private Limited, ASK AUTOMOTIVES Limited and on the Board of SSIPL Retail Limited a multi-brand retailer of footwear and apparel as also contract footwear manufacturer.

Shri Kapur is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 (the Act) and not debarred from holding the Office of Director pursuant to any SEBI Order. He has given his consent to act as Director alongwith declaration(s) that he meets with the criteria of independence as prescribed under Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). Further, he has also given a declaration affirming that he has registered himself with the Indian Institute of Corporate Affairs and his name is appearing in the Independent Director's data bank.

In the opinion of the Board, Shri Kapur fulfills the conditions for appointment as an Independent Director as specified in the Act as well as in the Listing Regulations and is independent of the management. The Board of Directors at its meeting on the recommendation of the Nomination & Remuneration Committee, considered that given to his knowledge and experience, his association would be of immense benefit to the Company and it is desirable to appoint Shri Kapur as an Independent Director. It is therefore, proposed that Shri Kapur be appointed as an Independent Director for first term of 5 (Five) consecutive years from 26th August, 2023 to 25th August, 2028.

A copy of the draft letter for appointment of Shri Kapur as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members electronically on the basis of the request being sent to the Company through email at cs@ricoauto.in. The information/details about Shri Kapur as required by the Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings are given in Annexure-A.

Except Shri Kapur, being an appointee and his relatives (to the extent of their shareholding, if any), none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

The Board, therefore, recommends the Special Resolution as set out at Item No.5 of this Notice for your approval.

By Order of the Board
for **Rico Auto Industries Limited**

B.M. Jhamb
Company Secretary
FCS No. 2446

Place : Gurugram
Date : August 25, 2023

Annexure-A

Disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings

Name of the Director	**Shri Samarth Kapur**	**Shri Yogesh Kapur**
DIN	01525517	00070038
Date of Birth	30/03/1988	23/07/1957
Date of First Appointment on the Board	26/08/2022	26/08/2023
Qualifications	B.Com. from GGDSD College, Chandigarh and Masters in Global Business Management from The University of Manchester, U.K.	Chartered Accountant from ICAI
Expertise in Specific Functional Area	Managerial, Industrial and Administrative experience in the Automotive and Engineering Industry and is well versed in all aspects of general administration.	As detailed in the explanatory statement at Item No.5
Terms and Conditions of Appointment	Re-appointment consequent to retirement by rotation	Appointed as Independent Director of the Company for a period of five years from 26th August, 2023 up to 25th August, 2028.
List of Directorships in other Companies	1. Rico Jinfei Wheels Limited 2. Mirah Belle Naturals Private Limited 3. Mirah Belle Naturals & Apothecary Private Limited	1. Greenlam Industries Limited 2. Greenlam South Limited 3. Arka Fincap Limited 4. Ask Automotive Limited 5. Arka Financial Holdings Private Limited 6. Kirloskar Oil Engines Limited 7. SSIPL Retail Limited 8. HDFC Education and Development Services Private Limited
Chairman/Member of the Committee of the Board of Directors of Public Companies	**Rico Auto Industries Limited** 1. CSR Committee - Member 2. Stakeholders Relationship Committee - Member 3. Finance Committee - Member **Rico Jinfei Wheels Limited** 1. Finance Committee - Member	**Greenlam Industries Limited** 1. Audit Committee - Chairman 2. Stakeholders Relationship Committee - Member 3. Risk Management Committee - Member **Arka Fincap Limited** 1. Audit Committee - Chairman 2. Stakeholders Relationship Committee - Chairman 3. CSR Committee - Member 4. Asset Liability Committee - Member **Kirloskar Oil Engines Limited** 1. Audit Committee - Member 2. Stakeholders Relationship Committee - Member **Ask Automotive Limited** 1. Risk Management Committee - Chairman 2. Audit Committee - Member 3. Nomination and Remuneration Committee - Member **SSIPL Retail Limited** 1. Audit Committee - Chairman 2. Nomination and Remuneration Committee - Chairman
Shareholding in the Company	194800 (0.14%) Equity Shares of ₹1/- each	Nil
Remuneration Last drawn (During the year 2022-23	Details mentioned in the Corporate Governance Report forming part of Director's Report	Shall be paid sitting fee and commission on net profit, if any
Relation with other Directors/Key Managerial Personnel of the Company	Nephew of Shri Arvind Kapur, Chairman, CEO & MD	He is not related to any Director of the Company
No. of Board Meetings Held/Attended during the year 2022-23 after his appointment.	Board Meetings held - 2 Attended - 2	Not applicable

RICO AUTO INDUSTRIES LIMITED

CIN : L34300HR1983PLC023187
Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

Attendance Slip

(To be presented at the entrance)

I hereby record my presence at the 40th Annual General Meeting of the Company held on Friday, the 29nd day of September, 2023 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana.

Folio No. .... DP ID No... Client ID No. .... No. of Shares Held ....

Name of the Member...Signature ....

Name of the Proxyholder...Signature ....

1. Only Member/Proxyholder can attend the Meeting.
2. Signature of Member/Proxyholder should be as per specimen registered/recorded with the Company/RTA/Depository.

RICO AUTO INDUSTRIES LIMITED

CIN : L34300HR1983PLC023187
Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

Proxy Form (MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :...
Registered Address :...
E-mail ID :...
Folio No. :...DP ID No. :.. Client ID No. :..
I/We, being the Member(s) of Rico Auto Industries Limited, holding ....Shares hereby appoint:

1. Name :...E-mail ID :..
   Address :...
   .... Signature :..., or failing him/her
2. Name :...E-mail ID :..
   Address :...
   .... Signature :..., or failing him/her
3. Name :...E-mail ID :..
   Address :...
   .... Signature :...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Friday, the 29nd day of September, 2023 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2023 together with the Reports of Directors' and Auditor's thereon.		
2.	To declare the dividend on Equity Shares for the financial year ended 31st March, 2023. The Board has recommended 75 percent Dividend i.e. ₹0.75 (Seventy Five Paise) per Equity Share of ₹1/- each.		
3.	To appoint a Director in place of Shri Samarth Kapur (DIN:01525517), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4.	Ratification of Remuneration payable to Cost Auditors M/S. MM & Associates, Cost Accountants Firm Registration No.000454		
5.	Appointment of Shri Yogesh Kapur (DIN: 00070038) as an Independent Director.		

Signed this..day of 2023

Signature of the Member ....

Signature of Proxyholder(s)...

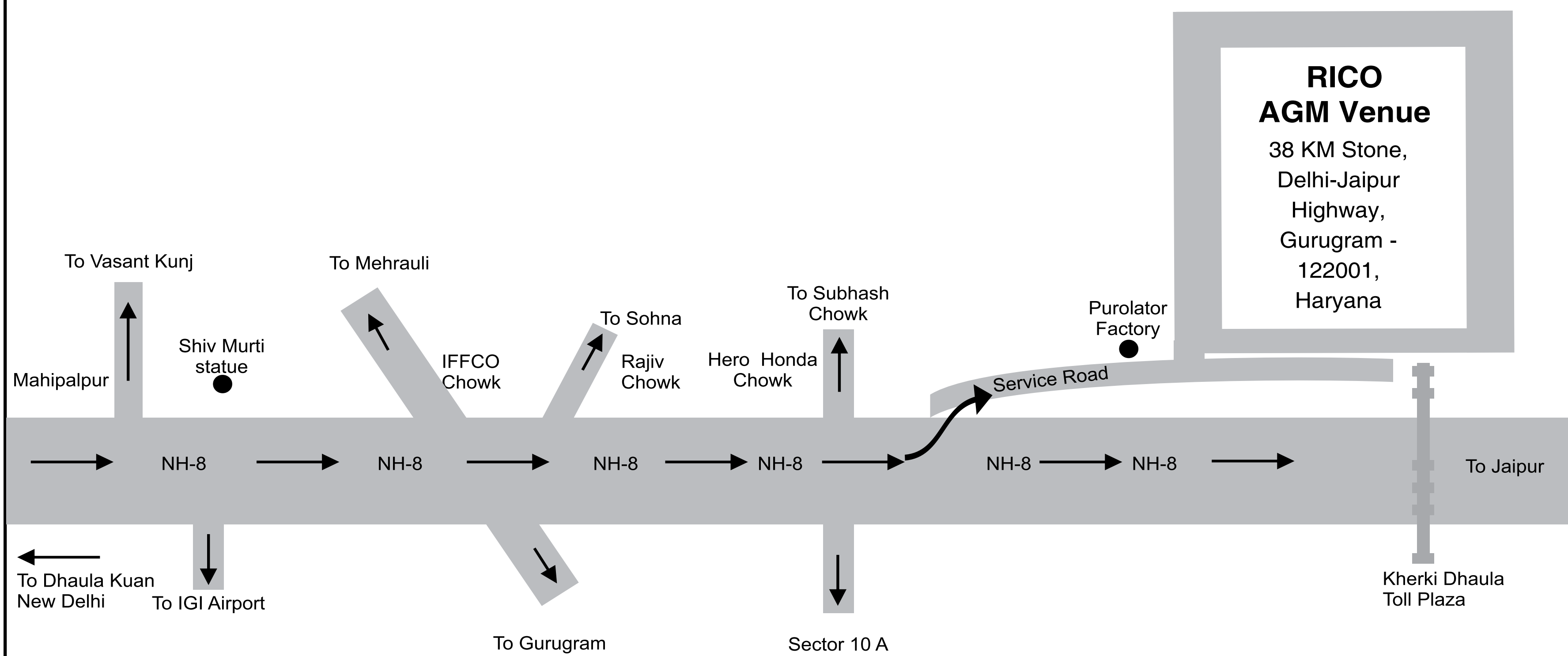
Affix Revenue Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting (by 12.00 Noon on 27th September, 2023).
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 40th Annual General Meeting.
3. *It is optional to put a tick (√) mark in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission to the Company.

ROUTE MAP

SHOWING DIRECTION TO REACH THE VENUE OF 40TH AGM



(Refer Note 10 of the Notice of 40th AGM)

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

As you may be aware that with effect from 1st April, 2020, Dividend Distribution Tax u/s 115-O of the Income Tax Act, 1961 ("the IT Act") payable by domestic Companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1st April, 2020.

Please take note of the below TDS provisions and information/document requirements for each Shareholder:

Section 1: For all Members - Details that should be completed and/or updated, as applicable.

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 22nd September, 2023. Please note that these details as available on Book Closure Date will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

I. Valid Permanent Account Number (PAN)

II. Residential status as per the Act i.e. Resident or Non-Resident for FY 2023-24.

III. Category of the Member:

   i. Mutual Fund

   ii. Insurance Company

   iii. Alternate Investment Fund (AIF) Category I and II

   iv. AIF Category III

   v. Government (Central/State Government)

   vi. Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company

   vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)

   viii. Individual

   ix. Hindu Undivided Family (HUF)

   x. Firm

   xi. Limited Liability Partnership (LLP)

   xii. Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person (AJP)

   xiii. Trust

   xiv. Domestic Company

   xv. Foreign Company

IV. E-mail Address

V. Address

Section 2: TDS provisions and documents required, as applicable for relevant category of Members.

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by 22nd September, 2023 for their respective category, in order to comply with the applicable TDS provisions.

I. **For Resident Members:**

   i. **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

   ii. **Insurance Companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.

   iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

   iv. **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

v. **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.

viii. **Government (Central/State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.

ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

x. **Other Resident Members:**

a) TDS is required to be deducted at the rate of 10% u/s 194 of the IT Act.

b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹5,000/- (Rupees Five Thousand only). Normal dividend/s declared in the preceding financial year 2021-22 would be considered as the basis to determine applicability of the said threshold for the entire financial year.

c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).

d) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.

e) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

f) TDS shall be deducted at the rate of 20% u/s 206AA of the IT Act, if the shareholder is a specified person within the meaning of Sec. 206AB(3). However, in term of Circular No. 11 of 2021 dated 21st June, 2021, if the specified person files a valid return of income (filed & verified) for Assessment Year 2021-22 or 2022-23 during the financial year 2023-24 before the Book Closure date, then he will not be treated as specified person and tax shall be deducted @10%.

II. **For Non-resident Members:**

i. **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.

ii. **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

iii. **Other Non-resident Members:**

a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.

b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder as modified by Multilateral Instrument ('MLI') on furnishing the below specified documents:

1) Self-attested copy of PAN;

2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;

3) Self-declaration in Form 10F; and

4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication).

c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided, except in case of FII and FPI whose TDS is to be effected u/s 196(D).

d) In case of FII and FPI, copy of SEBI registration certificate.

Details and/or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered e-mail address of the Member with PAN being mentioned in the subject of the e-mail to reach by 22rd September, 2023. Please note that no communication this regard, shall be accepted post 22rd September, 2023.

Section 3: Other general information for the Members:

I. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent/accepted by e-mail, the Member undertakes to send the original document/s on the request by the Company.

II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

III. Shareholders holding Equity Shares under multiple accounts under different status/category and single PAN, may note that higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

IV. TDS deduction certificate will be sent to the Members' registered email address in due course

V. Surcharge will be levied as per rates applicable for the financial year 2022-23.

VI. Normal dividend/s declared in the preceding financial year 2021-22 would be considered as the basis to determine applicability of the surcharge rate.

VII. Health and Education Cess of 4% is applicable for financial year 2021-22 for non-residents.

VIII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

IX. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

X. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Refer Section 2(II)(iii)(b)(4) of above Communication on TDS on Dividend Distribution)

ANNEXURE 1

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:…………..

To,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram-122001, Haryana
E-mail: cs@ricoauto.in

Subject: Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of .... (mention country of tax residency) ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below:

1. 1. I/We, (Full name of the shareholder), having Permanent Account Number (PAN) under the Indian Income Tax Act, ... (mention PAN), and holding ....

.... (mention number of shares held) number of shares of the Company under demat account number/folio number .... as on the Cut off date 22nd September, 2023, am/are a tax resident of.. (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income Tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for .... (period), which is valid as on the Book Closure Date, is attached herewith.

2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and entitled to claim treaty benefits including but not limited to the Principal Purpose Test (PPT), Limitation of Benefit Clause (LOB), Simplified Limitation of Benefits (SLOB), period of holding of shares etc. as applicable. I/We specifically confirm that my/our affairs were not arranged such that the main purpose for the principal purpose thereof was to obtain tax benefits available under the applicable tax treaty.
3. I/We am/are the legal and beneficial owner of ……… [No. of Shares] shares held in the Company. Further, I/We am/are the beneficial owner of dividend income to be received from the Company in respect of aforementioned shares.
4. I/We am/are tax resident of (mention country of tax residency) and assessed therein as a tax resident and I/We am/are not a fiscally transparent entity.
5. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to me/us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
6. I/We do not have a PE in a third country and the amounts paid/payable to me/us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
7. I/We do not have a Business Connection in India according to the provisions of section 9(1)(i) of the Act and the amounts paid/payable to me/us, in any case, are not attributable to business operations, if any, carried out in India..
8. We do not have a Place of Effective Management [under section 6(3) of the IT Act] in India (if shareholder is a Company).

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/We in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/we will be responsible to pay and indemnify such income tax demand (including interest, penalty etc.) and provide the Company with all information/documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

For .... (Mention the name of the payee)

Authorised Signatory

(Name of the person signing)

(Designation of the person signing)

DIRECTORS' REPORT

To the Shareholders,

Your Directors present the 40th Annual Report of your Company, together with the Audited Financial Statements for the year ended 31st March, 2023.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Current Year 2022-23	Previous Year 2021-22*	**Current Year 2022-23**	Previous Year 2021-22*
Total Revenue	**1896.65**	1625.59	**2321.54**	1881.26
Profit before Interest, Depreciation and Exceptional Items	**201.04**	153.09	**240.61**	177.20
Interest and Financial charges	**43.42**	36.41	**54.07**	43.79
Profit before Depreciation, Exceptional Items and Tax	**157.62**	116.68	**186.54**	133.41
Depreciation	**96.50**	80.96	**111.82**	91.28
Profit before Exceptional Items and Tax	**61.12**	35.72	**74.72**	42.13
Exceptional Items	**1.12**	6.15	**1.12**	6.15
Profit/(Loss) before Tax (PBT)	**60.00**	29.57	**73.60**	35.98
Tax Expense	**17.83**	10.45	**22.57**	12.26
Profit after Tax	**42.17**	19.12	**51.03**	23.72
Other Comprehensive Income (net of tax)	**1.78**	4.13	**3.84**	5.27
Total Comprehensive Income	**43.95**	23.25	**54.87**	28.99

* Restated the figures for the financial year 2021-22 pursuant to Scheme of Amalgamation

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company has recorded a Total Revenue of ₹1896.65 crores in the year under report as against ₹1625.59 crores in the previous year with a growth of 16.67 per cent. Your Company has earned a profit after tax of ₹42.17 crores during the year under report over the previous year's profit of ₹19.12 crores.

EXPORTS

The export turnover of your Company during the year under review was ₹503.90 crores as against ₹455.08 crores in the previous year.

Your Company has been one of the pioneers in exporting critical components based on the established quality systems and delivery experience of over 25 years. The Company has established a network of warehousing and local business representatives to support and manage its overseas customers. Since 2018, the Company has been focusing on the emerging **Electric Vehicles** and **Hybrid Vehicle** Components and have started supplying to BMW and STELLANTIS (PSA).

Further details as regards efforts of your Company on this front have been dealt within the Management Discussion and Analysis section of this report.

DIVIDEND

Your Directors are pleased to recommend for your approval a Dividend @ 75 percent i.e. ₹0.75 per Equity Share of ₹1/- each for the financial year 2022-23 amounting to ₹10.15 crores on the equity share capital of ₹13.53 crores as against a dividend of 40 percent i.e. ₹0.40 per Equity Share of ₹1/- each amounting to ₹5.41 crores in the previous year on the same Equity Share Capital. The dividend payout is as per Dividend Distribution Policy which is available on the website of the Company at https://ricoauto.com/files/Dividend%20Distribution%20Policy.pdf

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the Reserves.

SHARE CAPITAL

The Paid-up Share Capital as on 31st March, 2023 was ₹13,52,85,000/- divided into 13,52,85,000 equity shares of ₹1/- each. During the year under review, your Company has neither issued shares with Differential Voting Rights nor granted Stock Options or Sweat Equity. The Authorised Share Capital of your Company stands increased to ₹270.00 Crores from ₹54.00 Crores consequent to merger of the three Subsidiary Companies namely Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited.

OUTLOOK FOR CURRENT YEAR

Your Company anticipate good growth in the business of the Company over the next few years driven by the increase in demand of components for Electric Vehicles as well as for ICE Engines both for Domestic and Export market. We are confident that our commitment to quality and excellence will lead us to our vision of becoming the preferred supplier across the globe especially for **Electric Vehicles**, **Electrified Vehicles** and **ICE Engines**.

The first quarter ended 30th June, 2023, recorded a total revenue of ₹437.37 crores as against the total revenue of ₹474.13 crores in the corresponding quarter of the previous year. Consequently, the profit after tax stood at ₹5.59 crores for the first quarter as against the profit of ₹8.13 crores in the corresponding quarter of the previous year. The Company is confident to improve the turnover and margin during the remaining part of the year.

PLANTS AND FACILITIES

The Company continues its efforts towards expansion of its domestic and overseas customer base by optimizing utilization of existing available capacities that have been set-up, expansion of existing facilities and setting up new facilities, wherever required, to enhance the Customer reach. The Company is using its geographical spread to strategically locate its operations for de-risking.

ELECTRIC VEHICLES (EV)

Your Company is a major supplier of high technology components to BMW, TOYOTA, STELLANTIS (PSA), RENAULT, AISIN and MUSASHI for Motor and Transmissions.

The details of Plants and Facilities are given in the Corporate Governance Report.

SUBSIDIARY COMPANIES

Your Company has Seven (7) Subsidiaries.There was no material change in the nature of the business of any Subsidiary Company. Pursuant to SEBI (LODR) Regulations, 2015, Rico Jinfei Wheels Limited is material subsidiary of the Company.

NOTES ON SUBSIDIARY COMPANIES

A. Rico Auto Industries Inc., USA

This Company is engaged in the business of trading of Auto Components and providing warehousing, logistics and last mile support to our OEM and Tier-I Customers in North America, Mexico and Brazil for goods manufactured by your Company. The Company has recorded a total turnover of ₹238.22 crores during the financial year ended 31st March, 2023 as against ₹168.89 crores in the previous year.

The Company earned a net profit after tax of ₹1.71 crores in the financial year ended 31st March, 2023 as against ₹1.23 crores in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2023.

This Subsidiary has achieved a total turnover of ₹49.00 crores for the first quarter ended 30th June, 2023 as against ₹58.47 crores in the corresponding quarter of the previous year. The Company earned a profit after tax of ₹0.29 crore for the first quarter ended 30th June, 2023 as against a profit after tax of ₹0.76 crore in the corresponding quarter of the previous year. During the financial year and period under review, your Company has not made additional investment in this Subsidiary.

The Subsidiary is expecting a moderate growth during the current financial year.

B. Rico Auto Industries (UK) Limited, U.K.

This Company is engaged in the business of trading of Auto Components and providing warehousing, logistics and last mile support to our OEM and Tier-I Customers for the European Markets for goods manufactured by your Company.

There is a change of Business Model where Rico Auto has started direct supplies to many of the European Customers. As a result of which sales from this Company has reduced substantially.

The Company has recorded a total turnover of ₹0.43 crore during the financial year ended 31st March, 2023 as against ₹5.20 crores in the previous year. The Company incurred a loss of ₹0.28 crore in the financial year ended 31st March, 2023 as against loss of ₹0.22 crore in the previous year.

This Subsidiary has not made any sales in the first quarter ended 30th June, 2023 as against ₹0.16 crore in the corresponding quarter of the previous year. The Company incurred a loss of ₹0.13 crore for the first quarter ended 30th June, 2023 as against loss of ₹0.01 crore in the corresponding quarter of the previous year. During the financial year and period under review, your Company has not made additional investment in this Subsidiary.

C. AAN Engineering Industries Limited

AAN Engineering Industries Limited (AAN), an AS 9100D Certified Company, which defines it as a “Manufacturer of Precision Machined Components & Assemblies” for the Aerospace and Defence Industry.

AAN offers an extensive array of services for the manufacture of components/sub-systems within the Defence & Aerospace Industry. These include Design & Development of Tooling, Casting, Machining and Assembly, supported by CAD, CAM, CAE and R&D testing facilities. AAN works with a wide range of Raw Materials - namely Aluminium Alloy, Alloy Steel & High Manganese Steel & Raw Material/Castings as required by Client.

AAN currently manufactures machined metal components for Mechanical and Electronic Fuse Assembly. In the current year the Company has been marked and shortlisted as a new supplier by BEML to bid for supply of Track Link Assembly for T-72 tanks. This particular technical engagement places the Company favorably for manufacturing and servicing this specific need for Ministry of Defence over next several years. The Company is also one of the shortlisted engineering firms by DRDO lab for the key Make in India program for indigenization of Inflatable Decoy for Indian Defence forces. AAN Engineering has inked a transfer of technology agreement with Global leader of Inflatable Decoy manufacturer for the same.

AAN Engineering as part of consortium has partnered with a leading OEM of Containerized Shooting Ranges and is one of the key shortlisted company by Ministry of Defence permitted to participate in the tender which are being handled through Fast Track Process (FTP).

The Company is also in consideration as one of the shortlisted Indian companies for supply of power train components for Tatra Truck to India Army Central Ordnance Depot (COD).

In the current year the Company has signed Memorandum of Understanding (MOU) with Global Vehicle OEM for Assembly and Supply of Special Mobility Vehicle (SMV) to the Infantry wing of Indian Army. This particular technical engagement for Make In India procurement places the company as a preferred OEM for Indian Army.

AAN is empaneled and registered with the Special Products division of Electronics Corporation of India Limited (ECIL), Hyderabad, Bharat Electronics Limited (BEL), Pune, Bharat Earth Movers Limited (BEML), Bangalore, Engine Divisions of Hindustan Aeronautical Limited (HAL) (Bangalore, Nasik and Koraput), Heavy Vehicles Factory (HVF) Avadi, Army Base Workshop and Army Directorate of Indigenization and various Ordnance Factories.

AAN embodies your Company’s Defence Outfit and a Strategic Investment. With the mission Atma Nirbhar Bharat, more involvement with Defence Sector is foreseen.

During the year under review, the Company has recorded a total revenue of ₹15.73 crores as against ₹11.65 crores in the previous year. During the year, the Company has earned a profit of ₹1.30 crores as against a loss of ₹0.60 crore in the previous year.

This Subsidiary has recorded a total revenue of ₹4.13 crores in the first quarter ended 30th June, 2023 as against ₹4.01 crores in the corresponding quarter of the previous year. The Company earned a profit after tax of ₹0.47 crore for the first quarter ended 30th June, 2023 as against ₹0.10 crore in the corresponding quarter of the previous year.

During the financial year and period under review your Company has not made additional investment in this Subsidiary.

D. Rico Fluidtronics Limited

This Company, during the year under review, has recorded a total revenue of ₹138.29 crores as against ₹68.01 crores in the previous year. This Company has earned a profit after tax of ₹8.16 crores in the financial year ended 31st March, 2023 as against profit after tax of ₹5.92 crores in the previous year.

Your Company has received a dividend of ₹7.60 crores (18 per cent) of ₹1.80 per Equity Share of ₹10/- each for the financial year 2022-23 as against dividend of ₹4.22 crores in the previous year on the same Equity Share Capital.

This Company has recorded a total revenue of ₹45.17 crores for the quarter ended 30th June, 2023 as against ₹23.92 crores in the corresponding quarter of the previous year. The Company has earned a profit after tax of ₹4.86 crores for the quarter ended 30th June, 2023 as against profit after tax of ₹1.01 crores in the corresponding quarter of the previous year.

With reference to previous year's business realization, development of MSIL Engine K15C Oil Pump & Water Pumps have been completed and these products have been launched in serial production from March, 2022 onwards.

During the financial year and period under review your Company has not made additional investment in this Subsidiary.

E. Rico Jinfei Wheels Limited (Subsidiary and Joint Venture)

This Company has now become a direct Subsidiary after merger of its holding Company namely Rico Investments Limited with your Company.

This Company has recorded a total turnover of ₹302.81 crores during the financial year ended 31st March, 2023 as against ₹232.92 crores in the previous year. This Company has incurred a loss of ₹0.20 crore in the financial year ended 31st March, 2023 as against the profit after tax of ₹0.78 crore in the previous year.

Further, this Company has recorded a total turnover of ₹77.37 crores for the quarter ended 30th June, 2023 as against ₹72.54 crores in the corresponding quarter of the previous year. The Company has earned a profit of ₹0.74 crore for the quarter ended 30th June, 2023 as against a loss of ₹0.87 crore in the corresponding quarter of the previous year.

Rico Jinfei Wheels Limited (RJWL), has in its Board Meeting held on 26th July, 2021 approved the Scheme of Amalgamation ("Scheme") for merger of Rico Castings Limited ("Transfer or Company") with RJWL, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 1st April, 2021. The Hon'ble NCLT after necessary statutory and regulatory approvals including the shareholders and creditors of the respective Companies have approved the Scheme of Amalgamation, consequently the Transferor Company has been dissolved without winding-up.

During the financial year and period under review your Company has not made additional investment in this Subsidiary.

F. Rico Friction Technologies Limited

This Company has recorded a total turnover of ₹3.97 crores during the financial year ended 31st March, 2023 as against ₹3.03 crores in the previous year. This Company has earned a profit after tax of ₹0.60 crore in the financial year ended 31st March, 2023 as against the profit after tax of ₹0.39 crore in the previous year. This Company has not recommended any dividend for the financial year 2022-23.

Further, this Company has recorded a total turnover of ₹0.79 crore for the quarter ended 30th June, 2023 as against ₹1.01 crores in the corresponding quarter of the previous year. The Company has earned a profit after tax of ₹0.06 crore for the quarter ended 30thJune, 2023 as against the profit after tax of ₹0.20 crore in the corresponding quarter of the previous year.

During the financial year and period under review your Company has not made additional investment in this Subsidiary.

G. Rico Care Foundation

Your Company's investment in this Company stands at ₹2,99,000/- (59.80% of the total paid-up capital) as on 31st March, 2023 after merger of its Subsidiary Companies with itself. The Company is registered under Section 8 of the Companies Act, 2013 and will undertake Corporate Social Responsibility (CSR) activities on behalf of Rico Group Companies.

NOTES ON ASSOCIATE COMPANIES

A. Roop Ram Industries Private Limited

As per the terms and conditions of Power Purchase Agreement (PPA) for solar power, your Company, on 23rd August, 2021, invested an amount of ₹2.43 crores by way of purchase of 24,34,640 fully paid-up equity shares of ₹10/- each (26% of the total paid-up capital) of M/s. Roop Ram Industries Private Limited and from 17th February, 2022, your Company started procuring 1.40 crore units per year of solar power from the said Company resulting in an approximate savings of ₹1.80 crores annually.

The financials of the aforesaid Associate Company has not been considered for consolidation in the accounts of your Company.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with rules made thereunder the appended Audited Consolidated Financial Statements of the Subsidiaries and the Joint Venture Company forms part of the Annual Report.

A Statement containing salient features of the financial statements of Subsidiaries and Joint Venture Company has been provided in Form AOC-1 which is annexed and forms part of this Report.

Further, audited financial statements of the Subsidiaries and Joint Venture Company have also been placed on the website link of the Company **https://www.ricoauto.in/investor-relation.html.**

The Company will make available these documents upon request by any member of the Company interested in obtaining the same.

MATERIAL CHANGES AND COMMITMENTS

There was no change in the nature of the business of the Company.

As reported last year, the Hon'ble National Company Law Tribunal, Bench at Chandigarh ("NCLT") have considered and approved the Scheme of Amalgamation ("Scheme") for merger of the Subsidiary Companies namely Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited ("Transferor Companies") with your Company, with effect from Appointed Date i.e. 1st April, 2021. Consequently the Transferor Companies have been dissolved without winding-up process.

There were no other material changes and commitments affecting the financial position of the Company occurring between 31st March, 2023 and the date of this Report.

CREDIT RATING

CRISIL Ratings Limited, Credit Rating Agency has assigned its 'CRISIL A/Stable/CRISIL A1' ratings to the bank facilities of Rico Auto Industries Limited based on a consolidated view of the Company and its Subsidiaries business on the back of their similar business profile, Common Treasury and Management Team and the instrument wise rating actions are given below:

Total Bank Loan Facilities Rated	Rs.615.00 Crores
Long Term Rating	CRISIL A/Stable (Assigned)
Short Term Rating	CRISIL A1 (Assigned)

Above specified ratings being latest one are published on 6th July, 2023.

The above credit ratings are being reviewed at regular intervals.

FIXED DEPOSITS

The Company has not accepted deposits from the public during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, MDA is annexed which forms part of this Report.

RISK MANAGEMENT

Business risk evaluation and its management is an ongoing process within the Company. The same is further discussed in Management Discussion and Analysis, which forms part of this Report.

Details of the Risk Management Committee are given in the Corporate Governance Report. The policy is available on the website link of the Company **https://ricoauto.in/files/Key%20Policies.pdf**.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The adequacy of Internal Financial Controls is discussed in Management Discussion and Analysis, which forms part of this Report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance containing General Shareholders information, along with the Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as a part of this Report

AUDIT COMMITTEE

Your Company has an Audit Committee to meet the requirements of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of the Audit Committee are given under the Corporate Governance Report. There are no recommendations of the Audit Committee which were not accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has in place a duly constituted Nomination and Remuneration Committee to meet the requirements of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Nomination and Remuneration Committee are given under the Corporate Governance Report.

The Board has framed (i) Policy on Board Diversity; and (ii) Nomination & Remuneration Policy which lays down a framework in relation to the remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. This Policy is placed on the website link of the Company **https://ricoauto.in/files/Key%20Policies.pdf.**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013, after adjusting the amount of CSR required to be spent by Subsidiary Companies amalgamated with your Company (₹27.02 lakhs) and the excess amount spent by your Company in the previous year (₹23.00 lakhs) the amount to be spent during the financial year 2022-23, worked out to be ₹4.02 lakhs. The Company has spent an amount of ₹4.31 lakhs including ₹0.29 lakhs on voluntary basis towards the CSR activities/projects as specified in CSR policy of the Company during the financial year 2022-23. The CSR activities of the Company are being monitored by the CSR Committee. The focus area of CSR activities is as per Schedule VII of the Companies Act, 2013.

The details about the policy on Corporate Social Responsibility ("CSR") including initiatives taken on CSR, the annual report on CSR activities and the composition of CSR Committee are annexed and forms part of this report. The Policy is available on the website link of the Company **https://ricoauto.in/files/Key%20Policies.pdf.**

VIGIL MECHANISM

The Company has established Vigil Mechanism/Whistle Blower Policy for Directors, Employees, Clients, Vendors, Suppliers and Contractors as an avenue to report concerns including unethical behavior, actual or suspected, frauds or violation of the Company's code of conduct. The same meets the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is available on the website link of the Company **https://ricoauto.in/files/Key%20Policies.pdf**. During the year under review, no matter has been received under this policy.

RELATED PARTY TRANSACTIONS AND MATERIAL SUBSIDIARIES

The Company has duly approved policies for determining the Material Subsidiaries and Material Related Party Transactions.

These Policies are available on the website link of the Company **https://ricoauto.in/files/Key%20Policies.pdf**. All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and prior approval of the Audit Committee was sought for entering into related party transactions. No material related transactions were entered during the financial year under report, accordingly there are no particulars to report in Form AOC-2 which is annexed and forms part of this Report. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a return has been filed with BSE/NSE. Please also refer note 38 to the standalone financial statements for related party disclosures.

LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing Fees have been paid for the financial year 2023-24.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2023 is available on the website link of the Company **https://ricoauto.in/files/Annual%20Return.pdf**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of investments made, loans and guarantees given are provided in the standalone financial statements. (Please refer to note 7, 8 and 36 of the standalone financial statements).

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Companies Act, 2013, Shri Samarth Kapur (DIN:01525517), Executive Director of the Company will retire by rotation at the forthcoming AGM and who being eligible, has offered himself for re-appointment. A brief resume of Shri Samarth Kapur is given in the Notice of the AGM.

Shri Yogesh Kapur (DIN:00070038), has been appointed as an Additional Director in the category of Independent Director w.e.f. 26th August, 2023 and the resolution for regularization of his appointment for five years has been proposed for your approval at this AGM.

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

All Independent Directors of the Company have given declarations confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations, 2015 and they have further confirmed compliance with the code for Independent Directors as prescribed in the Schedule IV of the Companies Act, 2013.

Further a declaration has been received from all Independent Directors pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, affirming that they have registered themselves with the Indian Institute of Corporate Affairs in the Independent Director's Data Bank. In the opinion of the Board, all the Independent Directors are proficient and have requisite experience and expertise to undertake the responsibilities conferred on them.

BOARD MEETINGS

During the year under review, five Board Meetings were held and one separate meeting of Independent Directors was held, the details of which forms part of Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have carried out the annual evaluation of its own performance, the Individual Directors including the Chairman as well as the evaluation of the working of its Committees. The evaluation of Board as a whole and Non-Independent Directors including Chairman was done by the Independent Directors in their meeting held on 24th March, 2023. The manner, in which the evaluation has been carried out, has been explained in the Corporate Governance Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Business Responsibility and Sustainability Report (BRSR) as prescribed by the SEBI Listing Regulations, 2015 has been prepared and forms part of this Annual Report for the financial year 2022-23.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors confirm that:

i) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed and there are no material departures.

ii) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit for the year 1st April, 2022 to 31st March, 2023;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

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

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

vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) were appointed as Statutory Auditors of your Company at the 39th Annual General Meeting (AGM) held on 30th September, 2022, to hold office for a term of five consecutive years till the conclusion of 44th AGM to be held in the year 2027.

The Company has received a certificate from M/s. B S R & Co. LLP, Chartered Accountants confirming their eligibility to continue as Auditors of the Company.

As required under Regulation 33 of the SEBI (LODR) Regulations, 2015, the Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Reports given by the Statutory Auditors on the financial statements (Standalone and Consolidated) of the Company for the financial year 2022-23 are forming parts of this Annual Report. The said Reports are unmodified and there are no qualifications, reservations, adverse remarks or disclaimer.

INTERNAL AUDITORS

M/s. Protiviti India Member Private Limited, the Internal Auditors (CIN:U93000HR2009PTC057389) retired on completion of Internal Audit for the financial year 2022-23. The Board places on record its appreciation for valuable contribution made by them during their association with the Company.

The Board on the recommendation of the Audit Committee has appointed M/s. Grant Thornton Bharat LLP (LLPIN: AAA-7677) as the Internal Auditors of the Company for the Financial Year 2023-24.

APPOINTMENT OF COST AUDITORS AND MAINTENANCE OF COST RECORDS

The cost records as required under section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 are being prepared and maintained by the Company in order to ensure proper compliance.

The Board, on the recommendation of Audit Committee, has re-appointed M/s. MM & Associates, Cost Accountants (Firm Registration No.000454) as Cost Auditors to carry out the cost audit of the Company for the financial year 2023-24. In terms of Section 148 of the Companies Act, 2013 and the rules made thereunder, remuneration of Cost Auditors is to be ratified by members of the Company. Accordingly, a resolution is included in the Notice of ensuing Annual General Meeting for your approval. The Cost Audit Report for the financial year 2022-23 would be filed with the Ministry of Corporate Affairs, Delhi within the stipulated time.

SECRETARIAL AUDITORS

The Secretarial Audit Report for the financial year ended 31st March, 2023 is enclosed and forms part of this report. There is no secretarial audit qualification for the year under review.

The Board has approved re-appointment of Shri Vimal Chadha of M/s. Vimal Chadha & Associates, Company Secretaries (C.P. No.18669, FCS No. 5758), as Secretarial Auditors to carry out the Secretarial Audit of the Company for three financial years from 2022-23 to 2024-25.

SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

The Secretarial Audit of Rico Jinfei Wheels Limited, Material Subsidiary of the Company for the Financial Year 2022-23 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Reports of the Subsidiary do not contain any qualification, reservation or adverse remark or disclaimer. The report is annexed to this report.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges timely for the Financial Year 2022-23.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

The Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

TRANSFER OF UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) and other applicable provisions of the Companies Act, 2013 (the Act), read with rules made thereunder, the declared dividends, which remained unpaid/unclaimed (₹0.23 crore) for a consecutive period of seven years have been transferred by the Company to the IEPF established by the Central Government pursuant to Section 125 of the Act.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules) a Company is required to transfer to the DEMAT Account of IEPF Authority all shares in respect of which dividends have not been paid or claimed for seven consecutive years or more. In accordance with the aforesaid provisions of the Act read with the rules, your Company, during the financial year 2022-23, had transferred 26017 shares pertaining to the financial year 2014-15 to the Demat Account of IEPF Authority within the stipulated time period.

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

The relevant information as required by the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given in the Annexure forming part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed against the Company by the regulators or courts or tribunals during the financial year 2022-23 impacting the going concern status and Company's operations in future.

APPLICATION/PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (IBC) and there is no proceeding pending under IBC.

ONE-TIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION

There was no instance of one-time settlement with any Bank or Financial Institution.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has in place an Internal Complaint Committee to redress the complaints and circumstances regarding the behavior of sexual harassment at workplace. The Policy for the same is placed on the intranet for the benefit of its employees. There were no complaints received from any employee during the year under review.

PERSONNEL

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and forming part of this Report for the year ended 31st March, 2023 are set out in the Annexure of this Report.

However, the Annual Report, excluding the Annexure is being sent to the Members of the Company in terms of the provisions of Section 136 of the Companies Act, 2013. A Member who is interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

During the year under report, the Industrial relations with personnel remained cordial, at all Plants.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by Banks & Financial Institutions and various departments of Central & State Governments. Your Directors acknowledge with gratitude the encouragement and support extended by Company's valued shareholders, customers, business associates and other stakeholders. The Directors also place on record their appreciation of the sincere and unstinted support provided to the Company by its employees at all levels.

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 25, 2023

INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

A. CONSERVATION OF ENERGY

i) **Steps taken or impact on the conservation of energy**

Energy Conservation measures taken:

Energy Conservation is an ongoing process, taken as a challenge. The various measures taken by your Company are:

a) Installation of HT Capacitor for improving power factor near to unity.

b) Installation of variable speed drives in fan motors for the reduction in energy consumption.

c) Reduced energy consumption through:

– Reduction in Compressed Air consumption by plugging leakages in Die Casting Machines.

– Water feed and circulation pumps has been replaced with new high efficiency pumps.

With the implementation of the various energy conservation measures, the energy cost is expected to be reduced which consequently will result in cost saving.

ii) **Steps taken by the Company for utilizing alternate sources of energy**

Power Purchase Agreement for Roof Top Solar Installation has been signed and installation of equipments is in progress at Chennai, Bawal, Manesar and Pathredi Plants. Also exploring other Solar Energy Suppliers.

iii) **Capital Investment on Energy Conservation Equipment**

No capital investment has been made during 2022-23.

B. Technology Absorption

i) **Efforts made towards technology absorption**

a) Implementation of IOT for monitoring real time data to improve Capacity utilization, Energy analysis & Process improvement.

b) Robotic Automation incorporated for casting & machining operations in several projects.

c) Use of latest technologies such as Artificial intelligence, Machine learning and data acquisition for in-house manufacturing of special purpose machine for reliability and consistency of equipment.

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution**

a) IOT implementation has benefitted in improving equipment uptime, productivity and quality.

b) Use of robotic automation benefitted us to reduce manpower cost and improvement in quality and productivity.

c) Adoption of latest technologies such as Artificial intelligence, Machine learning and data acquisition has help us to manufacture highly reliable and consistent equipment.

iii) **Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year) -** Not Applicable

a) The details of technology imported : N.A.

b) The year of import : N.A.

c) Whether the technology been fully absorbed : N.A.

d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof : N.A.

iv) **Expenditure incurred on Research and Development**

a)	Capital Expenditure (Net of Sale/Disposal) including CapitalWork-in-Progress as on 31.03.2023	–	₹38.97 crores
b)	Capital Expenditure during the year 2022-23	–	₹1.36 crores
c)	Capital Work-in-Progress during the year 2022-23	–	₹2.98 crores
d)	Recurring Expenditure	–	₹11.42 crores
e)	Depreciation	–	₹1.81 crores
f)	Total (b to e)	–	₹17.57 crores
g)	Total R&D expenditure as percentage to total turnover	–	0.94%

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

(₹ in Crores)

Particulars	**2022-2023**	2021-2022
i) Expenditure in foreign currency	**114.78**	70.33
ii) Foreign Exchange earned	**496.82**	446.54

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 25, 2023

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

1. ECONOMIC OVERVIEW

1.1 Global Economic Overview

The global economy appears to be on a mending path, witnessing gradual revival from the powerful blows of the pandemic and geopolitical crisis. Supply-chain disruptions and hiccups are alleviating. However, economic recovery from the dent will be slow, coupled with added challenges and difficulties.

The global growth outlook suggests a decline from about 3.5% in 2022 to roughly 3.0% in 2023 and 2024, with central bank policy rates impacting economic activity. Inflation is predicted to decrease from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024, while core inflation adjusts gradually.

Recent resolutions of the US debt ceiling and banking stability actions have reduced immediate financial risks, but downside risks to growth persist. Elevated inflation and potential shocks like conflict and extreme weather could tighten monetary policies. China's recovery might slow due to challanges in the real estate, impacting other economies. Upside potential exists if inflation recedes faster, and domestic demand remains resilient. Across economies, priorities include sustained disinflation and financial stability. Central banks need to focus on price stability and financial oversight. Countries should provide liquidity for market strains, build fiscal buffers with targeted support, and enhance economic supply for smoother inflation control.

Outlook

The global economic outlook reflects a slow recovery from the dual impacts of the pandemic and the Ukraine-Russia conflict. Supply chains have improved, but challenges like high inflation, tightened central bank policies, and limited credit availability persist. Q1 2023 showcased resilience in services, but manufacturing weakened, highlighting uncertainties and low productivity growth. Elevated inflation and central bank responses shape the landscape, with global growth projected to decline from 3.5% in 2022 to 3.0% in 2023 and 2024, led by advanced economies, while emerging markets maintain stability with regional variations.

Source:https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023

1.2 Indian Economic Scenario

The Indian economy encountered a brew of favorable and complicated conditions in 2022. Recent statistics suggest that Indian economy has fared better than previously believed, despite continuing global uncertainties.

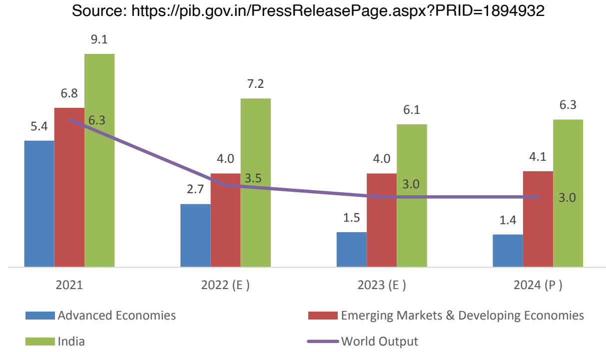
The Economic Survey of 2022-23 outlines India's economic outlook, projecting a GDP growth of 6.0-6.8% for FY24. The economy is set to achieve 7% growth by March 2023 after 8.7% increase in the previous year. Strong credit growth for MSMEs and increased government capital expenditure have been pivotal. While inflation may slightly exceed targets, housing market inventory improved, and export growth fueled production. Private consumption rose to 58.4% of GDP, supported by resurging contact-intensive services. Global trade growth is expected to slow from 3.5% in 2022 to 1.0% in 2023, reflecting global challenges.

However, our Government has launched several initiatives like 'Make in India,' which not only promote, but also strengthen our manufacturing and infrastructure sector. Heading in this direction, India is emerging stronger with its robust start-up ecosystem, and 54 tech giants are expected to bloom under the created ecosphere. The economy is indeed on an upward growth trajectory by navigating between challenges and available opportunities. Overall outlook for Indian economy looks quite promising and remains on a positive track.

Outlook

The Economic Survey's outlook for FY24 highlights India's rapid post-pandemic recovery, propelled by strong domestic demand and increased capital investment. The emergence of a new private sector capital formation cycle, combined with significant Government capital expenditure, underscores a positive trend. Structural reforms like the Goods and Services Tax, and the Insolvency and Bankruptcy Code have enhanced economic efficiency and transparency. Despite a global economic slowdown predicted by IMF and the World Trade Organisation, India's growth is poised to be supported. However, risks such as commodity prices, export growth, and inflation could impact the current account balance and currency depreciation. The likelihood of sustained higher borrowing costs due to inflation might contribute to subdued global growth. Notably, there are bright spots including lower oil prices and improved current account prospects for India, contributing to overall external stability.

Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1894932



In both 2023 and 2024, India's projected growth rates (6.1% and 6.3% respectively) are significantly higher than those of advanced economies (1.5% and 1.4%). This indicates that India's economy is expected to continue to grow at a much faster pace compared to the more mature economies of advanced nations.

Source: https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023

2. INDUSTRY STRUCTURE AND DEVELPOMENT

2.1 Global Automobile Industry

The automotive industry will remain vulnerable to global headwinds in 2023, including the energy crisis, slower global demand and continued supply-chain disruptions. The only bright spot will be the electric vehicles market, with sales of fossil-fuel cars and commercial vehicles remaining a challange. The future of mobility seems optimistic, however there will be challenges. The continued resilience of the industry will be critical and manufacturers will need to simultaneously innovate for the future, while also reacting and adapting to present-day challenges. It is abundantly clear that 2023 is going to be a year of substantial change. Old "box on wheels" technologies will be supplanted by new smart-vehicle technologies. The switch to EVs is rapidly reaching critical mass and the influence of environmental demands will further boost the move to greener personal transport.

2.2 Indian Automobile Industry

The Indian automobile sector holds a pivotal spot for determining economic growth of the country. Technological advancements fuelled by new trends, such as Hybrids/ Electrification of vehicles, has further expanded the horizon of this transforming industry. India is also rising strong with high export growth expectations for the near future.

Indian Government is striving to put forth every effort to accelerate the auto industry's growth. Several initiatives, such as the Automotive Mission Plan 2026, scrappage policy, and production-linked incentive scheme, have been launched in the Indian market to support the automobile industry.

Automobile Sales and Production Trends

FY23 can truly be marked as a strong revival year for the Indian automobile industry. Bouncing back and achieving stabilisation from the disruptions evoked by the pandemic, down-casted demand and supply chain constraints contributed to a turbulent journey. Technological advancements made in the industry have helped India emerge as a global leader, ranking first in two-wheeler and tractor manufacturing, second in bus manufacturing, third in heavy truck manufacturing and fourth in passenger vehicle market. Our industry contributes 8% to the country's total exports and accounts for 7.1% of its GDP.

According to SIAM, in FY23, domestic automobile industry registered substantial growth in production of 12.55 percent, sale of passenger vehicles and commercial vehicles surged by 26.73 percent and 34.32 percent respectively. Further the industry noted considerable increase of 86.99 percent in sales of three-wheelers and 16.89 percent in sales of two-wheelers. A surge in growth has been witnessed in the mass-market as well as the medium-to-high-end segments. Despite the headwinds related to high borrowing cost, and the uncertainties in inflation, the industry is expected to perform well across segments.

Automobile Production Trends (in units) (In Numbers)

Catagory	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	3,047,582	3,288,581	3,377,389	2,773,519	2,711,457	3,069,499
Commercial Vehicles	8,95,448	1,112,405	7.56,725	6,24,939	8,05,527	10,35,626
Three Wheelers	1,022,181	1,268,833	1,132,982	6,14,613	7,58,669	8,55,696
Two Wheelers	23,154,838	24,499,777	21,032,927	18,349,941	1,78,21,111	1,94,59,009
Quadricycle	1,713	5,388	6,095	3,836	4,061	2,897
Grand Total	**29,094,447**	**3,09,14,874**	**26,353,293**	**2,26,55,609**	**2,30,40,066**	**2,59,31,867**

(Source: SIAM)

Domestic Sales Trends (in units) (In Numbers)

Catagory	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	3,288,581	3,377,389	2,773,519	2,711,457	3,069,523	3,890,114
Commercial Vehicles	8,56,916	1,007,311	7,17,593	5,68,559	7,16,566	9,62,468
Three Wheelers	6,35,698	7,01,005	637,065	2,19,446	2,61,385	4,88,768
Two Wheelers	20,200,117	21,179,847	17,416,432	15,120,783	13,570,008	15,862,087
Quadricycle	0	627	942	-12	124	725
Grand Total	**24,981,312**	**26,266,179**	**21,545,551**	**18,620,233**	**17,617,606**	**2,1204,162**

(Source: SIAM)

Automobile Exports Trends

According to IBEF reports, the Government of India expects the automobile industry to attract US$ 8-10 billion in local and foreign investments by 2023. The industry attracted Foreign Direct Investment equity inflow (FDI) worth US$ 33.53 billion between April 2000-June 2022, accounting for 5.54% of the total equity FDI during the period. This is because India has significant cost advantages, as automobile firms save 10-25% on operations vis-a-vis Europe and Latin America. The Indian automotive industry is targeting to increase export of vehicles by five times during 2016-26. According to SIAM, in FY23, overall automobile exports witnessed a slight dip by 15.21 percent but passenger vehicles export continues to maintain the growth by showing an upward trend of 14.71 percent from prior period.

The Government of India is making every move to encourage foreign investment in the sector by implementation of policies, such as semiconductor policy, National Policy on Biofuels, battery-swapping policy, and so on. Production-linked incentives (PLI) is yet again part of Government's plan to increase local vehicle manufacturing and attract new investment.

Automobile Exports Trends (In Numbers)

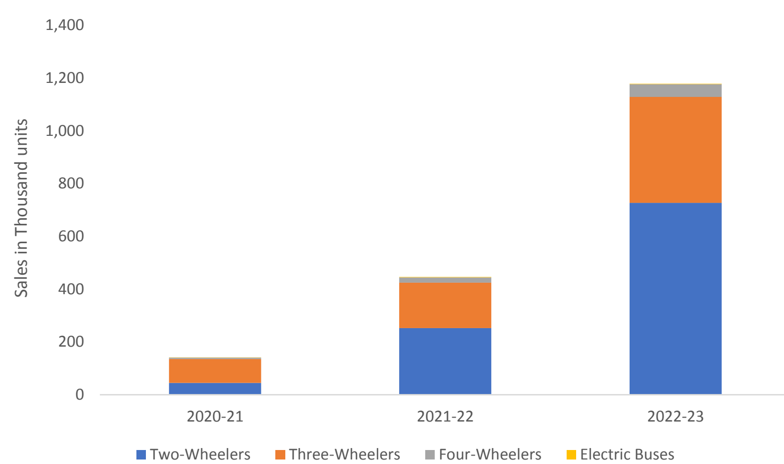
Catagory	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	7,48,366	6,76,192	6,62,118	4,04,397	5,77,875	662891
Commercial Vehicles	96,865	99,933	60,379	50,334	92,297	7,86,45
Three Wheelers	3,81,002	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549
Two Wheelers	2,815,003	3,280,841	3,519,405	3,282,786	4,443,131	3,652,122
Quadricycle	**1,605**	**4,400**	**5,185**	**3,529**	**4,326**	**2,280**
Grand Total	**4,042,841**	**4,629,049**	**4,748,738**	**4,134,047**	**5,617,246**	**4,761,487**

(Source: SIAM)

Emerging Electric Vehicles Dynamics

In the fast-evolving Indian automotive market, Electric Vehicles (EVs) are proving to be the new-age, future-ready and agile transport options available for achieving a sustainable transport sector. The EVs will not only facilitate zero carbon emissions, but also enable the diversification of transportation sector's fuel mix, while addressing energy security concerns. EVs' efficiency has proven its mettle, as compared to conventional combustion engine models.

The global electric market is evolving at a rapid pace and slowly capturing attention across the globe as the most sustainable mode of transport, which helps in reduction of emissions and depletion of natural resources. Currently, it is witnessed that limited choices and high price points of the EVs have become an obstacle in market penetration due to which, their share in total vehicle sales stands at just 1.5% in FY23. But Government initiatives with innovative campaigns and increased consumer awareness are likely to bring positive results in future. If we focus on Indian market, as per India Energy Storage Alliance (IESA), the Indian EV industry is expected to expand at a CAGR of 36%. NITI Aayog aims to achieve EV sales penetration of 70% for all commercial cars, 30% for private cars, 40% for buses and 80% for two and three-wheelers by 2030. This is in line with the goal to achieve net zero carbon emission by 2070.



(Source: Statista 2023)

The EV push in India opens plenty of business opportunities across three key segments – mobility, infrastructure and energy. These include opportunities in EV franchising, EV OEM market, battery infrastructure, solar vehicle charging and battery swapping technology, among others. According to the Ministry of Skill Development and Entrepreneurship (MSDE), the EV industry could add 10 million direct jobs by 2030, which would create 50 million indirect jobs in the sector. The Government of India has always been active in framing policies that would support or strengthen EV industry, such as the Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India (FAME) scheme, launched by the Government in 2015 for promoting growth of hybrid and electric vehicles in the country and which has been extended until 2024. Another key scheme introduced is Production Linked Incentive for Advanced Chemistry Cell Battery Storage (PLI-ACC) scheme. The scheme is expected to boost India's battery infrastructure. As per the Union Budget, the total outlay for the scheme is US$ 2.45 billion (₹18,100 crore), which would be disbursed to beneficiaries over five years once the manufacturing facility is set up. Not only schemes like these, but also initiatives, such as tax exemption of up to ₹1,50,000 (US$ 1,960) under section 80EEB of income tax while purchasing an EV (2W or 4W) on loan, reduction of customs duty on nickel ore (key component of lithium-ion battery) from 5% to 0% etc., would certainly drive to achieve the target of a 100% EV adoption by 2030.

2.3 Indian Auto Component Industry

In the recent past, India's auto component industry has been on a steady growth trajectory, further amplifying macro economic growth and employment opportunities. The segment has contributed 2.3% of the Gross Domestic Production (GDP) and employed around 3 million people directly and indirectly.

As per the Automotive Component Manufacturers Association of India (ACMA) Industry Performance Review Report 2023, the auto component industry has demonstrated its best ever performance in FY23, owing to significant vehicle sales in the country, a robust aftermarket and steady exports.

The component industry sized-up to ₹5.60 lakh crore (USD 69.7 billion), registering 32.8% growth, thus outpacing its highest ever turnover of ₹4.20 lakh crore in FY22. Exports grew by 5.2% to ₹1.61 lakh crore (USD 20.1 billion), while imports grew by 10.9% to ₹1.63 lakh crore (USD 20.3 billion). The Aftermarket, estimated at ₹85,333 crore, also witnessed a steady growth of 15%. Component sales to OEMs in the domestic market grew by 39.5% to ₹4.76 lakh crore.

EVs accounted for 62% of total registrations, posting sales of 11,71,944 units, marking a robust 155% year-on-year increase on FY22's 458,746 units. This upswing has been achieved on the back of surge in consumer demand for EVs, in the face of stiff petrol and diesel prices as well as CNG.

Segment-wise Performance FY23:

Sales to Domestic OEMs: Auto component sales to OEMs in the domestic market, at ₹4.76 lakh crore (USD 59.3 billion), grew 39.5% compared to the previous year. Consumption of increased value-added components and shift in market preference towards larger and more powerful vehicles have been the driving factors for the increased turnover of the auto components sector.

Exports: There has been a steady growth in exports despite recessionary trends in Europe and the US, which are key export destinations for the auto components industry. The key export items included drive transmission and steering, engine components, body/chassis, suspension and braking, etc. Exports of auto components witnessed growth of 5.2% to ₹1.61 lakh crore (USD 20.1 billion) in FY23 in contrast to Rs.1.41 lakh crore (USD 19.0 billion) in FY22. North America accounting for 32% of exports, saw a growth of 8%, while Europe, accounting for 31% and Asia for 26%, grew 3% and 4% respectively.

Imports: Traction in the domestic market also reflected on imports of component into India. Component imports grew by 10.9% in FY23 to ₹1.63 lakh crore (USD 20.3 billion) from ₹1.36 lakh crore (USD 18.3 billion) in FY22. Asia accounted for 66% of imports followed by Europe and North America at 26% and 6% respectively. Imports from Asia grew 12%, while those from Europe by 6% and from North America by 23%.

Aftermarket: Increased movement of vehicles post pandemic and surge in demand for used vehicles led to buoyancy in the aftermarket across all segments. The turnover of the aftermarket in FY23 stood at ₹85,333 crore (USD 10.6 billion) compared to ₹74,203 crore (USD 10.0 billion) in the previous year.

Outlook

The world is still recovering from geopolitical disruptions and the shock waves of the last three fiscals. Taking this into account, Governments across the globe are putting together concerted efforts to strengthen the world economy.

The transportation industry is witnessing a paradigm shift in terms of the industry moving towards electric, electronic, and hybrid vehicles that are more efficient, safe, and dependable. In addition, India is also aggressively investing in EV infrastructure. Government has provided enhanced impetus to this sector by rolling out numerous favourable initiatives, such as Make in India, the Automotive Mission Plan 2026 and the National Electric Mobility Mission Plan (NEMMP) 2020.

As per ACMA, despite the pandemic-induced headwinds in the automotive value-chain, vehicle sales, especially in the PV, CV and tractor segments, have now bounced back to pre-pandemic levels. Also, the two-wheeler industry has recovered well. With significant mitigation in the supply-side issues of availability of semi conductors, input raw material costs and logistics, the vehicle industry is expected to continue to perform well in FY24, which augurs well for the auto components sector. That apart, exports and growth in domestic aftermarket continue to remain robust.

At RICO, we are well-positioned to capitalise on new opportunities coming our way. Our commitment to staying ahead of the curve, while inspiring excellence, is instrumental in accomplishing our vision of being the preferred supplier across the globe. We will continue to strive with our team to pursue and excel in all challenges with deftness, agility, resilience and a sense of deep responsibility towards all our stakeholders.

FINANCIAL PERFORMANCE (STANDALONE)

1. **Revenue**

   Total revenue of ₹1,896.65 crore was recorded in FY23 as against revenue of ₹1,625.59 crore in the previous year.The total revenue for FY23 includes export revenue of ₹503.90 crore as against ₹455.08 crore in the previous year, a growth of 10.73 per cent in export.

2. **Profits**

   The Company has earned Profit before Interest, Depreciation and Tax (PBIDT) of ₹201.04 crore during FY23 over the previous year's PBIDT of Rs.153.09 crore. The Profit before Tax of ₹60.00 crore, and Profit after Tax of ₹42.17 crore, were recorded in FY23. In order to address the impact of interest rate, material cost, energy cost, availability of power and volatility in foreign exchange, the Company is taking appropriate measures to improve the profitability for sustained growth.

3. **Earnings Per Share (EPS)**

   The Basic and Diluted EPS of ₹1/- paid-up share is ₹3.12 for FY23. The previous year's Basic and Diluted EPS was ₹1.41 on Re.1/- paid-up share.

4. **Dividend**

   The Company's Directors have recommended a Dividend @75 percent i.e. ₹0.75 per Equity Share of ₹1/- each for FY23 amounting to ₹10.15 crore on the equity share capital of ₹13.53 crore as against a dividend of 40 percent i.e. ₹0.40 per Equity Share of ₹1/- each amounting to ₹5.41 crore in the previous year on the same Equity Share Capital.

5. **Reserves & Surplus**

   The reserves and surplus of the Company stood at ₹620.27 crore as against ₹581.73 crore in the previous year.

6. **Loan Funds**

   Total debt outstanding as on 31st March, 2023 stands at Term Loan & Buyers Credit of Rs.399.61 crore and Working Capital Loan of ₹198.62 crore, aggregating to ₹598.23 crore as against Term Loan & Buyers Credit of ₹269.41 crore and Working Capital Loan of ₹241.05 crore, aggregating to ₹510.46 crore in the previous year. Low cost funds have substituted high cost loans, improving the finance cost.

Key Financial Ratios (Standalone)

Key Financial Ratios are given below:

Ratio	Measurement unit	As at 31st March, 2023 Ratio	As at 31st March, 2022 Ratio	Change	Remarks
Current ratio	Times	0.94	0.80	17%	N.A.
Debt-equity ratio	Times	0.94	0.86	10%	N.A.
Debt service coverage ratio	Times	1.39	1.11	24%	N.A.
Return on equity ratio	Percentage	6.86%	3.27%	110%	Increase in return on equity ratio is on account of increase in net profit after tax during the current year.
Inventory turnover ratio	Times	4.90	4.18	17%	N.A.
Trade receivables turnover ratio	Times	5.32	4.62	15%	N.A.
Trade payables turnover ratio	Times	2.85	2.41	18%	N.A.
Net capital turnover ratio	Times	-43.84	-9.81	347%	Increase in net capital turnover ratio is on account of increase in revenue from operations during the year.
Net profit ratio	Percentage	2.25%	1.19%	89%	Increase in net profit ratio is on account of increase in net profit during the current year.
Return on capital employed	Percentage	8.35%	5.98%	40%	Increase in return on capital employed is on account of increase in earnings before interest and tax during the current year
Return on investment	Percentage	12.32%	10.64%	16%	N.A.

INDIAN ACCOUNTING STANDARDS (Ind AS)

The Company, its Subsidiaries and Joint Venture are complying with the applicable Ind AS issued by the Ministry of Corporate Affairs (MCA) from time to time.

RICO EXECUTIVE COMMITTEE (REC)

The Company has constituted a Rico Executive Committee (REC) to look after the day to day affairs. It reports to the Managing Director and Board of Directors. The major functions (covering the following) of REC are to set a strategic direction, ensure speedy operational decisions, good internal controls, statutory compliances and risk management.

RISKS & CONCERNS

The Risk Management Committee has been constituted on 31st May, 2021 to look after risks and concerns of the Company. The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automotive Industry and the cyclical nature of the industry affects us. General economic conditions impact the automotive industry and in turn our operations as well.

To counter these risks, we continue to broaden our product portfolio, increase our customer profile and geographic reach. The Company is exposed to strong competitive pressures, both domestic and overseas. The Company's established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives us a competitive edge. We are also exposed to financial risks from changes in interest rates, foreign exchange rates and commodity prices. We are fully aware of risks and are therefore implementing a structured risk management system. The Company is taking steps to ensure the effective risk management including risk identification and its mitigation through proper insurance covers and other strategies.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency to ensure compliance of applicable laws and regulations. The internal audit process reviews the in-system checks, covering significant operational areas regularly. The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

HUMAN RESOURCES

Our people are our strength and have always been our most valued resource and their development is our prime focus. We support our people with continuous in-house and external trainings and DOJO Center boost their morale & performance through employee engagement activities like Kaizen Awards, Quality Circle, Family Connect Program, Sports Activity & Town Hall meetings etc.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety (OHS) is the set that studies and implements the practical aspects of maintaining Health and Safety at occupation. In simple terms, we as organization ensuring that activities of our employees do not cause any harm to anyone.

The Company is committed to continuous improvement in OHS Systems in the organization and ensuring compliance with all the applicable legal and customer requirements. We are focusing on behavior based S=safety and inculcate safe working culture in all our plants. We provide regular safety trainings to our employees to enhance OHS awareness among our employees on various aspects of occupational health and safety. Training covers new-hire induction and periodic refresher training for all our employees and contractor employees / service providers. We also encourage our employee's family to participate in various Environment Health and Safety (EHS) events to create awareness beyond RICO.

We encourage employees to report near miss, unsafe condition/act and to take proactive, preventive actions for the same. This strategy will help us to improve OHS performance indicators e.g., reduction in Lost Time Injury (LTI) Frequency Rate and Severity Rate. We believe that health is wealth, so regular health camps and awareness sessions are incorporated in the EHS plan. We are committed for continual improvement in the ISO 14001 and ISO 45001 Systems. We verify adherence to the OHS system through internal and external audits.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Environmental, Social, and Governance (ESG) is a framework used to assess business practices and performance on various sustainability and ethical issues. It also provides a way to measure business risks and opportunities in those areas.

"The focus of Rico has always been and would continue to strike the balance amongst the activities falling within the triple bottom approach of ESG. As a short term ESG gliding path for next three years, Rico would strengthen its processes to move towards in the direction of carbon neutrality, product innovations, water management, waste management, supply chain management, health and safety, community engagement, diversity and inclusion"

RICO is committed to reduce its carbon footprints and aims to achieve carbon neutrality by 2050. Further, the Company's goal has always been to integrate and comply with its initiatives within the ESG framework, however, from this year onwards, the Company has started reorganizing and rebuilding most of its projects within specific ESG ambit. The Company has already started its ESG journey and is developing an Environment, Social, and Governance (ESG) Roadmap with defined commitments, goals, and targets, wherein it has identified and will be working regularly on following ESG initiatives under 3 pillars of ESG. Further, we are also committed to implement and continually improve ISO 14001 Environment Management Systems and ensure widely known ESG metrics (5Ps) Peace, Partnership, Planet, People and Prosperity in all our business processes, including our supply chain.

Environmental: For Environment initiatives, the Company's focus is on reducing its greenhouse gas emissions, improving energy efficiency, preparing climate change strategy, achieving waste management, including waste reduction, reducing biodiversity loss, reducing water consumption, complying with the corporate climate policies, reducing pollution and natural resource conservation etc.

Social: For social initiatives, the Company's priority is on enhancing the skills and capabilities of its employees through regular training programs, through fair pay and living wages, equal employment opportunity, other employee benefits, work place Health & Safety, community engagement, striking a balance between Diversity & Inclusion and responsible supply chain management etc.

Governance: For Governance initiatives, the Company aims to strengthen corporate governance, risk management, compliance, ethical business practices, avoiding conflicts of interest, being accountable for integrity and transparency, board diversity, executive compensation and compliance with corporate policies etc.

Our ESG initiatives will not only help us in improving our operational efficiency but will also provide more reliance to our Overseas and Domestic Customers in doing sustainable business with us. These initiatives would also contribute to broader business sustainability efforts that aim to position the company for long-term success based on responsible corporate management and business strategies.

RESEARCH AND DEVELOPMENT (R&D)

Research and Development (R&D) is necessary for sustenance of business and meeting continuously enhanced customer requirements. Rico R&D team is continuously working on development of new products and processes to meet customer requirements.

R&D Team is providing solutions to customers, from concept to mass production, in-house Special Purpose Machine (CNC) Design & Development, in-house Die Design & Manufacturing, Automation, Quality control and Continuous improvement, making RICO a supplier of choice.

R&D Team has successfully developed various components for EV and Hybrid Vehicles, such as Transmission Housings, Cases and Covers, Electric Motor Housing and Differential Cases. For ICE Engine, team has developed components such as Oil pumps, Oil pans, Fly Wheels and Engine carriers. R&D Team has also developed complete manufacturing process to produce Paper Based Friction Material for Clutch Application.

A lot of work is happening in Industry 4.0. Hopefully by the end of 2024 we would have totally implemented it.

INFORMATION TECHNOLOGY

We are continually acquiring state-of-the-art technology and information resources. Continuous improvement in terms of availability and security of information is our priority. Several initiatives are taken to improve automation, process performance & controls. Technologies like Disaster recovery site, Private Cloud and Cloud Storage are helping us to protect vital information in the event of any disaster. To provide robust security features to protect our data and safeguard your privacy. Features like Multi-Factor Authentication (MFA), Data Loss Prevention (DLP), and Advanced Threat Protection (ATP) adopted. Team Collaboration tools are implemented that allows users in different locations to hold real-time face-to-face meetings with collaborative way.

The Company is moving more towards generating business intelligence reports using IT Infrastructure & implementing collaboration technology to improve productivity through Predictive Analytics, Virtual Reality (VR) and Augmented Reality (AR), and Internet of Things (IOT). The Company operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 certified by KVQA. We are in process to update it to ISO/IEC 27001:2022.

CAUTIONARY NOTE

This report contains certain forward-looking statements. All such statements are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

[Under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L34300HR1983PLC023187
2.	Name of the Listed Entity	Rico Auto Industries Limited (The "Company")
3.	Year of incorporation	1983
4.	Registered office address	38 KM Stone, Delhi-Jaipur Highway, Gurugram, Haryana - 122001
5.	Corporate address	38 KM Stone, Delhi-Jaipur Highway, Gurugram, Haryana - 122001
6.	E-mail id	cs@ricoauto.in
7.	Telephone	0124-2824000
8.	Website	www.ricoauto.in
9.	Financial Year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 13.53 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri BM Jhamb, Company Secretary, 0124-2824221 bmjhamb@ricoauto.in
13.	Reporting boundary	Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)-The disclosure under this report have been made on Consolidated basis (including only Indian Subsidiaries).

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Motor Vehicles, Trailers, Semi-Trailers and Other Transport Vehicles	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing of Auto Components for Motor Vehicles such as Clutches, Panel, Housing etc.	29301	90%+

III. Operations

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

Location	Number of plants	Number of offices	Total
National	11	1	12
International	0	2	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	5
International (No. of Countries)	2

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

21.70% of the total turnover of the Company is contributed through export.

c. A brief on types of customers.

Rico Auto Industries Limited is a world-class engineering company supplying a wide range of high precision fully machined aluminum and ferrous components and assemblies to automotive Original Equipment Manufacturers (OEMs) across the globe. The Company's integrated services include design, development, tooling, casting, machining and assembly across ferrous and aluminum products. The Company's renowned and prestigious clientele includes BMW, Hero, Maruti, Toyota, Renault, Nissan, Tata Cummins etc. .

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)#	823	800	97.2%	23	2.8%
2.	Other than Permanent (E)	20	18	90%	2	10%
3.	**Total employees (D + E)**	**843**	**818**	**97.03%**	**25**	**2.97%**
			WORKERS			
4.	Permanent* (F)	1,617	1,576	97.5%	41	2.5%
5.	Other than Permanent (G)	4,086	4,020	98.38%	66	1.62%
	Total workers (F + G)	**5,703**	**5,596**	**98.12%**	**107**	**1.88%**

*Includes 1 permanent worker, whose details are included in point no. 18(b) as well.

Includes Directors and KMPs as well.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers F + G)**	**1**	**1**	**100%**	**0**	**0%**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel*	6	0	0%

*Includes 1 Managing Director and 3 Executive Directors who are considered in Board of Directors as well.

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

	FY 2022-2023 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	28%	30%	28%	19%	13%	19%	15%	13%	14%
Permanent Workers	8%	0%	8%	8%	0%	8%	10%	0%	10%

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

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

S.No.	Name of the holding/ subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	AAN Engineering Industries Limited	Subsidiary	100%	Yes
2	Rico Fluidtronics Limited	Subsidiary	100%	Yes
3	Rico Friction Technologies Limited	Subsidiary	70%	Yes
4	Rico Auto Industries Inc., USA	Foreign Subsidiary	100%	No
5	Rico Auto Industries (UK) Limited	Foreign Subsidiary	100%	No
6	Rico Jinfei Wheels Limited	Subsidiary	72.38%	Yes
7	Roop Ram Industries Private Limited**	Associate	26%	No

* For the purpose of BRSR disclosure, only the Indian Subsidiaries have been taken into consideration.

** During the last financial year, the Company had bought this Company's shares as strategic investment to procure solar power at subsidized rates through a Power Purchase Agreement ('PPA'). Therefore, this Company is not an associate in normal parlance from ESG perspective. Therefore, it is not considered for consolidation in BRSR of the Company with other group companies.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (**Yes/No**)-Yes
(ii) Turnover (in ₹)- ₹ 2,302.37 Crores
(iii) Net worth (in ₹)- ₹ 691.61 Crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	–	0	0	–
Investors (other than shareholders)	Not Applicable	Not Applicable	Not Applicable	–	Not Applicable	Not Applicable	–
Shareholders	Yes	3	0	–	1	0	–
Employees and workers	Yes	10	2	Day to day operational issues	0	0	–
Customers	Yes	234	0	–	315	0	–
Value Chain Partners (Direct Suppliers)	No	0	0	–	0	0	–
Other (please specify)	No	No	No	–	No	No	–

Customers, Suppliers, Employees/ Workers, Business Partners, Board of Directors, Promoters, Government, Institution/ Industry Bodies, Community, Society, and Investors are the stakeholders in the Company. The Company has a strong Grievance Redressal Mechanism in place through numerous policies and procedures that extends to all of the Company's operations. For instance, the Company has a robust Vigil Mechanism/Whistle-Blower Policy, Anti-Bribery Policy (available on Company's Intranet) and Policy on Prevention of Sexual Harassment of Women at Workplace for all of its women employees, which can be accessed at https://www.ricoauto.com/investor-relation.html. Furthermore, the Company's Legal and Secretarial Department assists in handling the complaints of the other stakeholders, in consultation with the management.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk and Opportunity	Climate change poses a significant risk on the Company. The Company's commercial activities generate large overhead costs, one of which is energy usage and heat generation, resulting into adverse impact on climate changes. A robust energy management system that incorporates renewable energy is critical for us to lower operating energy costs, heat generation and carbon footprints.	The Company is developing systems to track and minimise energy consumption, heat generation in all of its plants.	Negative/ Positive
2	Stakeholder engagement	Opportunity	The company has a well-defined process for continuous engagement with stakeholders.	–	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste management	Risk and Opportunity	Waste handling and disposal pose a risk. Waste reduction, in conjunction with improved circular economy and performance, provides a chance for further environmental advantages.	Disposal of waste through authorized recyclers.	Negative/ Positive
4	Water management	Opportunity	Reduction in water consumption from all the sources in the Company's business processes through various initiatives.	–	Positive
5	Employee health and Safety	Risk and Opportunity	Safety and health management is an essential component of running a Company's business. Therefore, the Company must conduct a risk assessment to identify hazards and risks in their workplace(s) and implement actions to successfully control them. The Company's commitment to continual development in health and safety best practices around the world in accordance with its global SHE policy for all employees and workers.	Several initiatives and programs covering all aspects of health and safety management have been implemented and are being constantly monitored for continual improvement.	Negative/ Positive
6	Women Empowerment and Employee Engagement	Opportunity	Employing a significant number of motivated and Committed female employees.	–	Positive
7	Products and Innovation	Opportunity	Product improvement, variety, and value addition in line with market trends. Environmental factors are also be taken into account while designing products.	–	Positive
8	Emissions	Risk	Roadmap for addressing Scope 1, 2 and 3 GHG emissions in connection to value chain partners.	A roadmap for Scope 1 and 2 GHG emissions is being developed with timelines. Furthermore, collaboration on specific strategies for tracking Scope 3 GHG emissions for the Company's complete supply chain will aid in addressing the issue in a progressive manner.	Negative
9	Community engagement	Opportunity	Rico Auto Industries Limited has always been committed to Corporate Social Responsibility (CSR). The Company's objective is to support meaningful socio-economic sustainable development and enable a larger number of people to participate and benefit in country's economic progress. The Company through its various CSR initiatives provide necessary support to the local communities.	–	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Responsible supply chain Management	Risk and Opportunity	Global supply chain systems have been significantly affected as a result of present geopolitical conditions and the impact of the pandemic. This provides us with an opportunity to develop alternative models and obtain a competitive advantage in the market.	Risk being not full control on supply chain for multiple factors like quality, timely delivery, emissions, ESG compliances etc.	Negative/Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	The policies as per the SEBI Regulations are approved by the Board of Directors and rest of the policies are approved by the Committees as designated by the Board of Directors.								
c. Web Link of the Policies, if available	Policies stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the Companies Act, 2013 are posted on the Company's website, which can be accessed via the URL provided below: https://www.ricoauto.com/investor-relation.html Additionally, the Company's intranet hosts a number of internal policies that are available to internal stakeholders.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Some of the Company's policies extend to certain value chain partners as well.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fair trade, Rain forest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO-9001 • IATF-16949 • ISO-14001 • ISO-45001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has selected some of the environmental and social Key Performance Indicators (KPIs), and is establishing an Environment, Social, and Governance (ESG) roadmap with clear commitments, goals, and targets, as mentioned below: • Evaluation of GHG Emissions under Scope 1, 2 and 3; • Implementing zero liquid discharge mechanism across the Company's plants; • Promoting diversity and inclusion; • Enhancing learning environment for the workforce; • Water management; • Waste management; • Supply chain management; • Stakeholder Engagement; • Employee health and safety; • Products Innovation; • Community Engagement.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company's goal has always been to integrate and comply with its initiatives within the ESG framework. However, from this year onwards, the Company has also started reorganising and rebuilding most of its projects within specific ESG limits. As a result, the Company would initiate reporting the entity's performance against specific commitments, goals and targets from the next year onwards.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	This report has been prepared in accordance with the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGRBCs). This outlines our sustainability performance, which we have worked to accomplish and is supported by the strong foundation of our essential values. It also explains our interventions that are in line with our commitment to ESG related challenges, targets and achievements. We at Rico Auto Industries Limited reiterate our continuing commitment to contribute to the economic development while improving the quality of life of the local community and society at large. We firmly believe that it is important to operate in ways that lead to inclusive growth of Society, Economy and the Environment. We are constantly working on enhancing environmental sustainability; promoting basic formal education and skill development to enhance the employability of youth in remote and rural areas. The Company is concerned about the global environmental issues. In support to this, the Company has plans to use solar power in its plants to save global warming and environmental issues. The Company through its various CSR initiatives have taken special steps towards supporting and developing disadvantaged and marginalized stakeholders. The Company is supporting in education of differently abled children and also promoting employability by skill development of weaker section of the society. Our efforts towards the environment and society are supported by strong governance that upholds our core values of integrity, accountability, and transparency. We take pride in meeting legal compliance standards and ensuring that policies and procedures supporting responsible business practices are followed in their entirety. This is critical for us as we strive to create a future-ready Company that achieves operational excellence while producing long-term environmental and social value.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Kaushalendra Verma and Shri Rajiv Kumar Miglani, Executive Directors are responsible for implementation and oversight of the Business Responsibility policy(ies).								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Shri Kaushalendra Verma and Shri Rajiv Kumar Miglani, Executive Directors are responsible for decision making on sustainability related issues, ESG related challenges and preparation of Reports highlighting the relevance of sustainability of the Company.								

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Halfy early/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and followup action	On a periodic basis or as needed, the Specific Committee/Board of Directors review the Company's policies. During this review, the effectiveness of the policies is evaluated, and any necessary changes to the policies are made																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all the currently applicable Laws and Regulations																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?(Yes/No).If yes, provide name of the agency.	The Company is currently assessing and evaluating the working of its policies internally. However, in due course, the Company may also get these reviewed by an external agency in terms of efficient working of these.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies ons pecified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	• Accounting Updates • Auditing Updates • Companies Act, 2013, SEBI (LODR) Updates • Tax Updates	100%
Key Managerial Personnel	4	• Accounting Updates • Auditing Updates • Companies Act, 2013, SEBI (LODR) Updates • Tax Updates	100%
Employees other than BoDs and KMPs	660	**Health and Safety** • Fire Fighting • Aspect Impact & Hazardous Waste Management • First Aid Training • Safety Awareness **Skill Upgradation** • Advanced Product Quality Planning (APQP) - Process Flow Diagram –(PFD), Control Plan (CP) • Process Failure Mode Effects Analysis (Quality Training) • IATF 16949 (International Automotive Task Force) Basics of Applicability (Quality Training) • Statistical Process Control, Seven Quality Control(7-QC) Tools, Control Charts (Quality Training) • Managerial Skills • Time Management • Presentation Skills • Supervisory Skills • Interpersonal Skills • Measurement Statistical Analysis (MSA) Overview (Quality Training) • Production Part Approval Process (PPAP) (Quality Training) • Design Failure Mode Effect Analysis (DFMEA) and Process Failure Mode Effect Analysis (PFMEA) and Control Plan (Quality Training) • Problem Solving Techniques (Why Why Analysis, Eight Disciplines Methodology (8D)& Rejection Analysis and Handling Customer Complaints, Control Charts) • MS Excel (MIS Preparation) • Machining Process Control • Hydraulics and Fittings • SAP Awareness • Die Maintenance System and Techniques • Die Assembly and Matching Technique • Basics of Casting Process Control • Root Cause Analysis • Rejection Analysis • Measuring & Gauging Techniques • Training on Employee Self Service (ESS) Portal • Prevention of Sexual Harassment (POSH) • ESG Awareness Session - Basic Level • ESG Awareness Session - Advance Level • Performance Management	70%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Workers	690	**Health and Safety** • Fire Fighting • Aspect Impact & Hazardous Waste Management • First Aid Training • Safety Awareness • Safe Forklift Driving (Basic Functioning of Fork Lifters) **Skill Upgradation** • Advanced Product Quality Planning (APQP)– Process Flow Diagram (PFD), Control Plan (CP) (Quality Training) • Process Failure Mode Effects Analysis (Quality Training) • Statistical Process Control, Seven Quality Control (7-QC) Tools, Control Charts (Quality Training) • Time Management • Supervisory Skills • Interpersonal Skills • Quality Management Basics • Production Part Approval Process (PPAP) (Quality Training) • Problem Solving Techniques (Why Why, Eight Disciplines Methodology (8D)&Rejection Analysis and Handling Customer Complaints, Control Charts) (Quality Training) • Computer Numerical Control (CNC) Programming/Basics of CNC • Machining Process Control • Hydraulics and Fittings • Die Maintenance System and Techniques • Die Assembly and Matching Technique • Basics of Casting Process Control • Root Cause Analysis • Rejection Analysis • Training on Employee Self Service (ESS) Portal • POSH	70%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	No material fines / penalties /punishment/ award/ compounding fees/ settlement amount were paid in proceedings by the Company or by directors / KMPs during the current financial year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

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

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

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

   Yes, the Company has an Anti-Corruption and Bribery Policy that is available on the Company's Intranet, accessible by all the employees of the Company.

   Rico Auto Industries Limited is committed to upholding the highest ethical and integrity standards in its business operations. The Company does not tolerate any form of bribery by, or of, its employees or any persons or Companies acting for it or on its behalf.

   The objective of this Policy is to develop proper measures to prevent the Company from becoming involved in any activity involving bribery, corruption or facilitation payments.

   The Policy applies to all the employees and Business Partners of the Company, who work on behalf of the Company.

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

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

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

   Not Applicable, as there were no cases of corruption and conflicts of interest which were reported during the year.

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
No such formal awareness programmes were conducted during the Financial Year 2022-23. However, informally the value chain partners are informed and educated about the Company's governing policies and ethical business conduct, while doing business with the Company. Furthermore, from the next financial year i.e., Financial Year 2023-24, the Company will start hosting such awareness sessions for its value chain partners.		

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

   Yes, the Company have processes in place to avoid/manage conflict of interests involving members of the Board. The Company has a detailed 'Code of Conduct for its Directors and Senior Management', which includes extensive instructions and a reporting process for instances that can lead to a potential conflict of interest.

   The Policy is available on the Company's website: https://www.ricoauto.com/investor-relation.html

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

Essential Indicators

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

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	18%	22%	The Company is continuously spending money on research and development activities on innovating the friction material used in the manufacturing of auto parts. The Company expects to improve the usability of these parts for the end users.This would further help reduce the dependency on the corresponding imported components used so far, thereby making the Company independent and reducing the carbon footprints through manufacturing these products indigenously.
Capex	0.15%	1%	During the last financial year, the Company had invested in Roop Ram Industries Private Limited by way of purchase of its equity shares as a strategic investment to procure solar power at subsidized rates through a PPA. Though this is an investment in an associate; however, this has been done as an alternative to capital expenditure in Company's owned solar plants as an initiative to renewable energy. The Company has invested in Chimney Scrubber in one of its plants. This will help improve the air quality used through Company's operations.

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

   Yes, the Company has procedures in place for sustainable sourcing. The Company considers the Social, Ethical and Environmental performance factors in the process of selecting suppliers. The Company's supplier selection, assessment and evaluation process includes elements of Sustainability, this process also includes initial supplier survey, continuous risk evaluations and periodic audits and assessment.

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

   Around 30% of the input material were sourced sustainably. The Social, Ethical and Environmental performance factors are considered by the Company while initial screening and selecting the suppliers. The Company's supplier selection, assessment and evaluation process includes elements of Sustainability, thereby indulging the essential elements of the process, including initial supplier assessment, constant risk evaluations and regular audits and evaluation.

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

   As a manufacturer of automobile components, there is no scope for product reclamation for further processing. The Company's products are directly supplied to the OEM's as per their requirements, hence the Company has very limited scope for reclaiming it at the end of its life cycle. However, the Company has processes in place to safely recycle Plastics (including packaging), e-waste, hazardous waste and other waste.

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

   No, Extended Producer Responsibility (EPR) is not applicable to the Company's activities

Leadership Indicator

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
The Company has not yet conducted the Life Cycle Perspective/ Assessments for any of its products. However, the Company is planning to carry out such assessments in the coming years.					

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

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable, as currently, the Company is not conducting any Life Cycle Assessment for any of its products.		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Aluminium and Iron	Recycled or reused raw material used as an input material for the production constitutes around 20% to 25% of the total material.	Recycled or reused input raw material used as an input material for the production constitutes around 20% to 25% of the total material.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable, as there is very limited scope for reclamation at the end of the life of the products because the Company's products are being supplied directly to the OEMs.					
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable, as there is very limited scope for reclamation at the end of the life of the products because the Company's products are being supplied directly to the OEMs.

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits*		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent Employees											
Male	800	800	100%	800	100%	0	0%	37	5%	0	0%
Female	23	23	100%	23	100%	23	100%	0	0%	0	0%
Total	**823**	**823**	**100%**	**823**	**100%**	**23**	**3%**	**37**	**4%**	**0**	**0%**
Other than Permanent Employees											
Male	18	18	100%	18	100%	0	0%	1	6%	0	0%
Female	2	2	100%	2	100%	2	100%	0	0%	0	0%
Total	**20**	**20**	**100%**	**20**	**100%**	**2**	**10%**	**1**	**5%**	**0**	**0%**

* Extended to employees of one of the plants.

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

Category	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits*		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent workers											
Male	1,576	1,576	100%	1,576	100%	0	0%	12	1%	0	0%
Female	41	41	100%	41	100%	41	100%	0	0%	0	0%
Total	**1,617**	**1,617**	**100%**	**1,617**	**100%**	**41**	**3%**	**12**	**1%**	**0**	**0%**
Other than Permanent workers											
Male	4,020	4,020	100%	4,020	100%	0	0%	0	0%	0	0%
Female	66	66	100%	66	100%	66	100%	0	0%	0	0%
Total	**4,086**	**4,086**	**100%**	**4,086**	**100%**	**66**	**2%**	**0**	**0%**	**0**	**0%**

* Extended to employees of one of the plants.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI#	100%	100%	Yes	100%	100%	Yes
Others-please specify	Nil	Nil	–	Nil	Nil	–

* Applicable to all the employees and workers, except for advisors and retainers (the employees who are working on continued employment terms post-retirement)

Applicable to 100% employees and workers as per the threshold limit prescribed under the Employees State Insurance Act, 1948.

3. Accessibility of work places

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

   Presently, majority of the Company's premises / offices are accessible to differently abled employees and workers, with the exception of a few manufacturing facilities/ places/ locations/ due to safety concerns and unique design and structure of some locations.

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

   Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016, which is available on Company's Intranet.

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

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

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

	Yes/No **(If yes, then give details of the mechanism in brief)**
Permanent Workers	Yes, Rico Auto Industries Limited is committed to offering a safe and supporting work environment to its employees and workers, wherein the employees and workers are given access to multiple mechanisms through which, they may discuss the grievances (if any), which they are facing at their work, such as: • Grievance Boxes are being installed at various common places. • Online Grievance Register is being maintained. • Union and its representative may raise their concerns via several committees. • Periodic meetings are being held at Shop Floors. • Employees can share their concerns with their Reporting Managers or the members of the senior management and can also reach out independently to the Human Resource Department, if they so choose to. In addition, the Company has formulated various other policies such as the Whistle blower Policy, Prevention of Sexual Harassment at Workplace Policy etc. to allow its employees to report any type of suspected or actual misconduct within the organization.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

	FY 2022-2023 (Current Financial Year)			**FY 2021-2022 (Previous Financial Year)**		
Category	**Total employees / workers in respective category (A)**	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category I**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	**823**	**0**	**0%**	**1,015**	**0**	**0%**
Male	800	0	0%	991	0	0%
Female	23	0	0%	24	0	0%
Total Permanent Workers	**1,617**	**646**	**40%**	**1,283**	**659**	**51%**
Male	1,576	606	38%	1,242	619	50%
Female	41	40	98%	41	40	98%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A) No. (E)**	**% (E/D)**	**No. (F)**		**% (F/D)**	
Employees										
Male	818	588	72%	576	70%	1,003	702	70%	688	69%
Female	25	18	72%	17	68%	24	15	63%	16	67%
Total	**843**	**606**	**72%**	**593**	**70%**	**1,027**	**717**	**70%**	**704**	**69%**
Workers										
Male	1,576	1,131	72%	1,105	70%	1,242	866	70%	853	69%
Female	41	29	71%	27	66%	41	29	71%	28	68%
Total	**1,617**	**1,160**	**72%**	**1,132**	**70%**	**1,283**	**895**	**70%**	**881**	**69%**

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	**No. (B)**	**% (B)/(A)**	**Total (C)**	**No. (D)**	**%(D)/(C)**
Employees						
Male	800	800	100%	991	991	100%
Female	23	23	100%	24	24	100%
Total	**823**	**823**	**100%**	**1,015**	**1,015**	**100%**
Workers						
Male	1,576	1,576	100%	1,242	1,242	100%
Female	41	41	100%	41	41	100%
Total	**1,617**	**1,617**	**100%**	**1,283**	**1,283**	**100%**

10. Health and safety management system:

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

Yes. Rico Auto Industries Limited is ISO 45001:2018 Occupational Health and Safety (OHS) Management System certified throughout all business and locations. The Company's EHS Policy expresses its perspective and dedication to the management of essential EHS elements.The system aids in the assessment of risks and the provision of controls for health and safety hazards in the operations and activities of the Company. Further, regular assurance processes are also being carried out, and appropriate actions are being taken, wherever required.

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

The Company has a well-defined safety monitoring system in place, as well as hazard identification and risk assessment procedures. As part of the ISO 45001:2018 Occupational Health and Safety Management System, all activities, both routine and non-routine, in each area are selected and a hazard assessment is performed to identify significant hazards. Further, for all the significant risks, control measures are defined to mitigate those risks. Some of the activities undertaken at the Group's level to identify work-related hazards and assess risks on a routine and non-routine basis includes:

- Hazard Identification & Risk Assessment (HIRA)
- Job Safety Analysis
- Work Permit
- Audits
- Safety Observation System
- Safety Leadership and accountability with OH&S Objective Planning
- Operational planning and control
- Observation reporting & Investigation and Learning
- Measurement, monitoring and review
- Fire Detection Protection System Management
- Review of safety performance across all the locations by the Steering Committee on a quarterly basis.

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

Yes. The Company has the process for workers to report the work-related hazards and to remove themselves from such risks such as incident management process and incident reporting system to ensure that all work-related incidents (which include accidents, unsafe conditions and unsafe acts) are reported and closed after taking necessary corrective actions.

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

Yes, All the employees and workers of the Company have access to non-occupational medical and healthcare services.

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

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.72	0.36
Total recordable work-related injuries	Employees	0	0
	Workers	4	2
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

All of the Company's units and locations have ISO 45001-Certified Occupational Health and Safety Management Systems. The Company believes that the protection of its personnel and providing them a safe and healthy environment is one of its prime responsibilities.The Company undertakes the following measures to ensure a safe and healthy workplace such as:

- Regular site reviews, inspections, and audits to check safety readiness.
- Conduct regular trainings on OHS aspects to sensitize its employees and instill a culture of safety.
- Organise employee engagement campaigns on health and safety topics such as fire safety, road safety, emergency evacuation, ergonomics, and others.
- Regular emergency mock drills and fire fighting drills are also being conducted.
- Organise free medical camps for its employees and workers at frequent intervals.

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

	FY 2022-23 Current Financial Year			FY 2022-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	–	Nil	Nil	–
Health & Safety	Nil	Nil	–	Nil	Nil	–

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety practices	100% of the plants and offices were assessed internally or either by the external qualified & certified auditors / third parties
Working Conditions	100% of the plants and offices were assessed internally or either by the external qualified & certified auditors / third parties

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

No major safety-related incidents happened and no significant risks /concerns had arisen from assessments of health & safety practices and working conditions.

However, the Company prioritizes workplace safety as one of its top concerns. We have always prioritized creating a culture of safety while emphasizing individual accountability. Work permits, training, LOTO (lockout / tagout), safety inspections, operational controls, monitoring, audits and evaluations, and other systems have been implemented. Any gaps, learnings, deviations, or results are noted, and controls are applied and tracked for effective closure.

There is an incident management mechanism in place, which includes incident reporting, investigation, and the implementation of relevant corrective measures. Employees and contractual members are obligated to report any incidences, including near-misses and potential risks, as well as accidents. Mechanisms for reporting events have been put in place.

In plants, occupational health and safety committees have been formed. The committees are chaired by the different center heads, and employees, senior management, and cross-functional teams are represented. Employees are represented equally on the committees.

The OH&S committees are in charge of investigating reported events, supporting in the creation and implementation of OH&S best practices to reduce risks, and giving an opportunity to raise concerns and recommend solutions for a variety of OH&S-related issues.

Leadership Indicators

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

   Yes, the Company extends compensatory packages in the event of death of employees and workers for most of its plants.

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

   The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full through a process of periodic audits and other alternative controls.

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

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

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

   Yes, the Company provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. In the majority of cases, an annual contract is executed with them, which is then renewed based on their performance and the further vacancies in the Company.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	100% of all direct suppliers
Working conditions	100% of all direct suppliers

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

   Not Applicable, as there were no significant risks / concerns which have arisen from assessments of health and safety practices and working conditions of value chain partners.

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

Essential Indicators

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

   Stakeholders are essential for the Company's progress as a whole. Key Stakeholders are identified as all the individuals, group of individuals, organisations and institutions who are associated with the Company and have material influence on the Company or how they are materially influenced by the Company's corporate decisions and the results of those decisions.

2. List stakeholders groups identified as key for our Company and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Phone calls, SMS, Meetings, Notice Board	Regularly	Employee engagement activities, Company policies, Organisational structure, Trainings programmes, Other important developments
Shareholders	No	Email, Meetings, Newspaper, Company website, Stock exchanges, other Statutory Authority	Quarterly and need based	Compliance, Governance practices, Financial and Operational performance related
Board of Directors	No	Board meetings, one-to-one meetings	Quarterly and need based	Compliance of law, major decisions, day-to-day functioning
Customers	No	Email, Meetings, Websites, Phone calls, Social Media	Need based	Business/Project related, Feedback on product
Suppliers and Service Providers	No	Email, Meetings, Phone calls, Websites, Plant audits, Inspection	Need based	Product related, Price negotiations etc.
Institutions/Industry Associations	No	Joint research, studies, working groups, conferences, events, assistance, Emails and meetings	Need based	Industrial development related
Regulatory Bodies	No	Offcial communication channels, Regulatory audits/ inspections Compliances	Need based	Applicable laws and regulations
Communities	Yes	Community meetings with local people, NGOs, Government Departments, etc, CSR activities	Need based	CSR Initiatives

Leadership Indicators

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

   In order to effectively convey the Company's strategy and performance at every level, the Company maintains a continuous and proactive engagement with its key stakeholders, wherein the appropriate Company's personnel, business leaders, and key process or department heads conduct stakeholder consultations and discuss the economic, environment and social topics in the Board meeting, take their feedback and communicate to management and Board of Directors about the activity of engagement and feedback received. Based on feedback from all stakeholders, the Board of Directors revisits various developments on a regular basis.

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

   Yes, the Company has determined important social and environmental issues after consulting with stakeholders. Following the completion of the materiality evaluation, a list of material topics that are most pertinent and useful to the Company were determined. Additionally, the Company ensures that the suggestions made by stakeholders are taken into account when creating the Company's processes and policies.

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

   The Company provide necessary support to the vulnerable/marginalised community through its CSR initiatives. For further details, refer CSR Section of the Annual Report – 2022-23.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

	FY 2022-2023 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	823	584	71%	1,015	712	70%
Other than permanent	20	5	25%	12	3	25%
Total Employees	**843**	**589**	**70%**	**1,027**	**715**	**70%**
Workers						
Permanent	1,617	1,153	71%	1,283	899	70%
Other than permanent	4,086	1,656	41%	3,835	1,534	40%
Total Workers	**5,703**	**2,809**	**49%**	**5,118**	**2,433**	**48%**

*These trainings covered only training on POSH as one of the fundamental human rights provided to the employees and workers.

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

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	**823**	**0**	**0%**	**823**	**100%**	**1,015**	**0**	**0%**	**1,015**	**100%**
Male	800	0	0%	800	100%	991	0	0%	991	100%
Female	23	0	0%	23	100%	24	0	0%	24	100%
Other than permanent	**20**	**0**	**0%**	**20**	**100%**	**12**	**0**	**0%**	**12**	**100%**
Male	18	0	0%	18	100%	11	0	0%	11	100%
Female	2	0	0%	2	100%	1	0	0%	1	100%
Workers										
Permanent	**1,617**	**0**	**0%**	**1,617**	**100%**	**1,283**	**0**	**0%**	**1,283**	**100%**
Male	1,576	0	0%	1,576	100%	1,242	0	0%	1,242	100%
Female	41	0	0%	41	100%	41	0	0%	41	100%
Other than permanent	**4,086**	**1,075**	**26%**	**3,011**	**74%**	**3,835**	**1,277**	**33%**	**2,558**	**67%**
Male	4,020	1,051	26%	2,969	74%	3,781	1,223	32%	2,558	68%
Female	66	24	36%	42	64%	54	54	100%	0	0%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	5	1,33,75,011.6	0	0
Key Managerial Personnel**	7	1,33,75,011.6	0	0
Employees other than BoD and KMP	793	7,50,769.68	23	7,55,997.24
Workers	1,576	4,37,740.2	41	5,80,633.56

* Out of these 5 Directors, 1 of them is not considered for the purpose of Median Remuneration because he is not Board Member as at 31 March 2023.

** Out of 7 KMP's, 1 of them is not considered for the purpose of Median Remuneration because he is not KMP as at 31 March 2023.

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

   Yes.The HR Department of the Company is responsible for addressing human rights impacts or issues caused or contributed to the employees and workers of the Company. Further more, the different Department Heads are accountable for their respective business connect for addressing human rights impacts or issues caused or contributed to by the business.

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

   Respect for human rights is one of the Company's fundamental and core principles, and it works to defend, protect, and promote human rights in order to ensure fair and ethical business and employment practices. The Company has the following internal mechanisms in place to redress grievances related to human rights issues which includes:

   - Grievance Redressal Policy
   - POSH Policy
   - Vigil Mechanism/Whistle Blower Policy
   - Grievance Boxes are being installed at various common places.
   - Online Grievance Register is being maintained.
   - Union and its representative may raise their concerns via several committees.
   - Weekly meetings are being held at Shop Floor.
   - Employees can share their concerns with their Reporting Manager or the members of the senior management and can also reach out independently to the Human Resource Department, if they so choose to.

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

	FY 2022-23 Current Financial Year			**FY 2021-22 Previous Financial Year**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	Nil	Nil	–	Nil	Nil	–
Discrimination at workplace	Nil	Nil	–	Nil	Nil	–
Child Labour	Nil	Nil	–	Nil	Nil	–
Forced Labour/ Involuntary Labour	Nil	Nil	–	Nil	Nil	–
Wages	Nil	Nil	–	Nil	Nil	–
Other human rights related issues	Nil	Nil	–	Nil	Nil	–

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

   The Company assures that the complainants in discrimination and harassment cases are fully safeguarded against retaliation, punishments or any other form of action for raising legitimate concerns in good faith. There are specific clauses w.r.t. confidentiality of complainant in the Company's Grievance Redressal Policy, Whistle Blower Policy and POSH Policy, which states that all the reports/ records associated with complaints together with the information exchanged during a particular process/investigation would be considered as confidential and access of the same would be restricted to the authorized personnel as designated by the management of the Company.

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

   In spirit, the Company strives to include fundamental human rights into all of its business agreements and contracts. These rights are also explicitly contained in the majority of the Company's Business agreements/contracts. The Company is further examining and modifying these agreements/contracts in order to establish a formal structure for periodical revision and to improve this practice.

9. Assessments for the year:

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

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

    Not applicable.

Leadership Indicators

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

   No significant grievances received during the year on account of Human Rights.

   Human rights are generally reinforced across the Company's business processes as a matter of practice through the Code of Conduct, as well as other policies and procedures. The Company provides all of its employees and workers with the necessary training on a regular basis and keeps its Code of Conduct and other policies and procedures up to date based on risks/concerns that develop and feedback received throughout the year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

   As stated in point 1 above, the Company continues to take measures throughout the year to integrate human rights into its Company culture at all levels.

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

   Presently, majority of the Company's premises / offices are accessible to differently abled vistors, with the exception of a few manufacturing facilities/ places/ locations/ due to safety concerns and unique design and structure of some locations.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No such assessments were conducted during the FY 2022-23. However, the Company is planning to perform such assessments in the near future.
Discrimination at workplace	
Child labour	
Forced/ Involuntary labour	
Wages	
Others- please specify	

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

   Not Applicable, as no such assessments were conducted during the FY 2022-23.

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

Essential Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)- (Giga Joules) (Non- Renewable Sources)	4,58,314	4,17,892
Total Fuel consumption (B) - (Giga Joules)	35,644	44,277
Energy consumption through other sources (C)- (Giga Joules) (From Non-Renewable and Renewable Sources)- Purchased from third party	57,478	63,999
Total energy consumption (A+B+C) - (Giga Joules)	5,51,435	5,26,169
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000240	0.0000283
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

   Not Applicable, as the Company does not have any sites / facilities identified as DCs under the PAT Scheme of the Government of India.

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

Parameter	**FY 2022-23 (Current Financial Year)**	**FY 2021-22 (Previous Financial Year)**
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,60,975.5	1,23,355.5
(iii) Third party water	89,901	46,531
(iv) Seawater/Desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,50,876.5**	**1,69,886.5**
Total volume of water consumption (in kilolitres)	**2,50,851**	**1,69,861**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001	0.00001
Water intensity(optional) – the relevant metric may be selected by the entity	–	–

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

   Yes, the Company has installed Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) to treat the wastewater at most of its plants, wherein the Company reuses the treated water for gardening and other non-potable purposes.

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)*	FY 2021-22 (Previous Financial Year)*
NOx	µg/m	134.3	119.2
Sox	µg/m	67.4	54.9
Particulate matter (PM)	µg/m	198.5	194.1
Persistent organic pollutants (POP)	–	–	–
Volatile organic compounds (VOC)	–	–	–
Hazardous air pollutants (HAP)	–	–	–
Others-please specify	–	–	–

* To the extent available.

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

<table>
<tr><th>Parameter</th><th>Unit</th><th>FY 2022-23 (Current Financial Year)</th><th>FY 2021-22 (Previous Financial Year)</th></tr>
<tr><td>Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</td><td>Metric tonnes of CO2 equivalent</td><td colspan="2" rowspan="4">Currently, the details of GHG emissions (Scope 1 and Scope 2 emissions) are not available with the Company. However, the Company has initiated the necessary procedures to gather this data in near future.</td></tr>
<tr><td>Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</td><td>Metric tonnes of CO2 equivalent</td></tr>
<tr><td>Total Scope 1 and Scope 2 emissions per rupee of turnover</td><td></td></tr>
<tr><td>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</td><td></td></tr>
</table>

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

Not Applicable, as no independent assessment/ evaluation/assurance has been carried out by an external agency.

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

   As stated in response to question no. 6 above, while the details of GHG emissions are not currently available to the Company, however, as a responsible business owner and to improve resource efficiency, the Company has undertaken the following projects related to reducing its Green House Gas emission:

   - Installation of LED lights at all the units
   - Installation of solar power project
   - Air and water pollution control devices like ETPs, STPs etc.
   - Tree Plantation
   - Further, in the Financial Year 2023-24, the Company initiated the strategy for carbon neutrality and the Company would start reporting these parameters from next financial year onwards.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	51.34	46.51
E-waste (B)	1.28	0
Bio-medical waste (C)	0.04	0.03
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	4.12	2.42
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G) (ETP Sludge, STP Sludge, Paint Sludge, Used Oily Cloths, Empty Contaminated Barrels, Used Oil, Metal waste such as Cadmium, Lead, Nickel, Zinc, Magnesium, Waste Dust Solid, Iron)	99.45	81.54
Other Non-hazardous waste generated (H). Please specify, if only (Aluminium Chips, Aluminium Parts Scrap, Corrugation paper plastic bag, Empty Drums, Steel Bearing, Steel Hub pulley impeller, Wooden Scrap, Corrugated Box, Metal waste such as Aluminium runner raisers,Non-aluminium waste metal, Garden Trimmings, Food Waste, CI Turning& Boring Scrap, Plastic Bins, Cans and Drums, Poly Bags)	4021.11	4013.02
Total (A+B + C + D + E + F + G + H)	**4177.35**	**4143.52**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	380	340
(ii) Re-used	6	4
(iii) Other recovery operations	0	0
Total	**386**	**344**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	4.1	3.9
(ii) Land filling	0	0
(iii) Other disposal operations	3787.25	3795.61
Total	**3791.35**	**3799.51**

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

The Company has implemented a robust waste management system that aids in business operations and promotes the proper source-segregation of waste and adoption of recycling strategies, wherein the Company has detailed operating control procedures for collection, handling, transportation and storage of ETP Sludge along with the instructions for disposal for various categories of waste. Further, the Company follows the guidelines as issued by the State Pollution Control Boards (SPCBs)/ Central Pollution Control Boards (CPCBs) w.r.t waste management. Furthermore, all the major plant locations of the Company have Waste water Treatment Plants. The other waste reduction measures adopted by the Company includes reusing packaging material.

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

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant web link
No environmental impact assessment of projects was undertaken by the Company during the current Financial Year. Hence, this requirement is not applicable.					

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

Yes, the Company is compliant with all the applicable environmental laws/ regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not Applicable, since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India.			

Leadership Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable resources		
Total electricity consumption (A) (Giga Joule)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C) - Purchased from third party	50,032	5,347
Total energy consumed from renewable sources (A+B+C)(Giga Joule)	**50,032**	**5,347**
From non-renewable resources		
Total electricity consumption (D)	4,58,314	4,17,892
Total fuel consumption (E)	35,644	44,278
Energy consumption through other sources (F) - Purchased from third party	7,445	58,652
Total energy consumed from non-renewable sources (D+E+F) (Giga Joule)	**5,01,403**	**5,20,822**

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Provide the following details related to water discharged*:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) To Ground water	4,200	3,515
- No treatment	–	–
- With treatment – Treated through ETPs	4,200	3,515
(iii) To Sea water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third-parties	22,149	15009
- No treatment	–	–
- With treatment – Treated through STPs	22,149	15009
(v) Others- Gardening	–	–
- No treatment	–	–
- With treatment – Treated through ETPs and STPs	–	–
Total water discharged (in kilolitres)	**26,349**	**18,524**

*To the extent available.

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

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

(i) Name of the area: Gurugram, Bawal

(ii) Nature of operations: Manufacturing of auto components.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	–	–
(ii) Ground water	1,02,381	82,232
(iii) Third party water	22,048	24,140
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres)	**1,24,429**	**1,06,372**
Total volume of water consumption (in kilolitres)	**1,24,429**	**1,06,372**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001	0.00001
Water intensity (optional) – the relevant metric may be selected by the entity	–	–
Water discharge* by destination and level of treatment (in kilolitres)		
(i) Into Surface water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) Into Ground water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iii) Into Sea water	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third parties	–	–
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(v) Others - Gardening	–	–
- No treatment	–	–
- With treatment – Treated through ETPs and STPs	–	–
Total water discharged (in kilolitres)	–-	–

*To the extent available.

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

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Scope-3 emissions are not considered by the Company presently. The Company is in the process of laying down the roadmap in the near future.	
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent		
Total Scope 3 emission intensity(optional) – the relevant metric may be selected by the entity			

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

Not Applicable, as no independent assessment/ evaluation/assurance has been carried out by an external agency.

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

Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary	Outcome of the initiative
1.	Energy Conservation Initiatives	1. Installed LED Lights across all the units.	1. Saving in energy consumption.
2.	Investment for the purpose of procuring renewable energy.	2. During the last financial year, the Company had invested in Roop Ram Industries Private Limited by way of purchase of its equity shares as a strategic investment to procure solar power at subsidized rates through a PPA. Though this is an investment in an associate; however, this has been done as an alternative to capital expenditure in Company's owned solar plants as an initiative to renewable energy. The Company has invested in Chimney Scrubber in one of its plants. This will help improve the air quality used through Company's operations.	2. Reduction in energy consumption.
3.	Installation of ETPs and STPs	3. ETPs and STPs have been installed to treat waste water.	3. The treated water is re-used for gardening and other non-potable purposes.
4.	Waste Management Initiatives	4. All the hazardous waste and hazardous waste generated at the plants are disposed of through authorised vendors.	4. Effective Waste management.
5.	Tree plantation	5. Tree plantation is done in and around the premises of the plants which helps in carbon sequestration as well as maintaining greenery around the premises.	5. Reduction in carbon footprints of the Company

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

   The Company has a Business Continuity Policy and an Onsite Emergency Plan in place. The objective of establishing such a Policy and Plan is to ensure that, in the case of an incidence that could disrupt or damage the Company, all business operations can be kept running at normal or nearly normal performance levels.

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

   In the current Financial Year 2022-23, the Company has not evaluated its value chain partners on the basis of environmental impact. However, the Company is in the process of developing a detailed evaluation checklist encompassing various parameters of environment, social and governance perspective to ascertain the compliance of its suppliers with the Company's Supplier Code of Conduct. Accordingly, such assessment of the value chain partners will be done in the near future.

   As a matter of practice, every supplier is required to sign and abide by the Supplier's Code of Conduct. The Suppliers of the Company are expected to adhere to the compulsory Code of Conduct and further make attempt to inculcate the principles of the said Code of Conduct further in its supply chain.

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

   Majority of the Company's direct suppliers were assessed for environmental impacts through a formal evaluation checklist at the time of onboarding and as annual exercise.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

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

   The Company is affiliated with 7 trade and industry chambers/associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to;

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industries (CII)	National
2.	Automotive Components Manufacturers' Association (ACMA)	National
3.	PHD Chamber of Commerce and Industry	National
4.	Gurgaon Chamber of Commerce and Industries (GCCI)	State
5.	Rewari Chamber of Commerce & Industry	State
6.	Industrial Waste Management Association	State
7.	Engineering Export Promotion Council (EEPC)	National

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable,as the Company has not received any adverse orders from any regulatory authorities.		

Leadership Indicators

1. Details of public policy positions advocated by the entity;

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others – please specify)	Web Link, if available
The Company makes a number of recommendations w.r.t. the industry in general and its activities in particular, either directly or through various trade/industry bodies and other associations.					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable, as there were no projects that required SIA based on applicable laws in the current year.					

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

S. No.	Name of Project for which R&R isongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable, as there were no projects requiring an R&R.						

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

   The Company has various mechanisms to receive and redress grievances of the community, which include one-on-one and group meetings with the beneficiaries, thereby allowing enough opportunity to receive and address the intended beneficiaries' grievances. Further, the Company engages in a variety of CSR initiatives to meet the requirements of the communities in and around its plant locations and resolves their complaints (if any.)

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

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	52%	27%
Sourced directly from within the district and neighbouring districts	Currently, the details w.r.t. percentage of input material sourced directly from suppliers within the district and neighbouring districts are not available with the Company. However, the Company has initiated the necessary procedures to gather this data in near future.	

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable, as there were no projects that required SIA based on applicable law in the current year.	

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

S. No.	State	Aspirational District	Amount spent (In INR)
The Company has not undertaken any CSR projects in designated aspirational districts as identified by government bodies during the current financial year.			

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

   No, the Company does not have a preferential procurement policy where it give preference to purchase from suppliers comprising marginalised/vulnerable groups.

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

   Not Applicable.

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

   Not Applicable

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

S. No.	Intellectual property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
The Company is continuously spending money on research and development activities on innovating the friction material used in the manufacturing of auto parts. The Company expects to improve the usability of these parts for the end users. This would further help reduce the dependency on the corresponding imported components used so far, thereby making the Company independent and reducing the carbon footprints through manufacturing these products indigenously. In the current Financial Year 2022-23, the Company has spent ₹ 2.86 crores on R&D activity (capitalised as Intangible under Development) out of which ₹0.57 crores has been capitalised as intangibles during the year.				

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as there were no any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Refer CSR Section of the Annual Report for the Financial Year 2022-23, pursuant to Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 as amended)	The benefits of the initiatives are extended to the entire community, however, the exact number of persons benefitted are not available.	The Company has always made an effort to make the CSR resources available to the most needy/ deprived/under privileged individuals and group of people. In that process for all the projects undertaken during the year under evaluation, the coverage of the beneficiaries from vulnerable and marginalized groups was 100% on an overall basis.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

   One of the Company's key success criteria is the customer feedback and satisfaction. The Company interacts with its customers on a variety of platforms to learn about their expectations. For a seamless experience, there is a committed team that concentrates on meeting the diverse needs of the Company's clients. Further, the Company regularly monitors complaints and responds appropriately within the internally set target timelines.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable, as the Company is in B2B business, and the products do not reach end customers directly.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY2022-23 (Current Financial Year)		Remarks	FY2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	–	Nil	Nil	–
Advertising	Nil	Nil	–	Nil	Nil	–
Cyber-security	Nil	Nil	–	Nil	Nil	–
Delivery of essential services	Nil	Nil	–	Nil	Nil	–
Restrictive Trade Practices	Nil	Nil	–	Nil	Nil	–
Unfair Trade Practices	Nil	Nil	–	Nil	Nil	–
Other (from OEMs)	234	0	–	315	0	–

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

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

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

   Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, which is available on the Company's intranet.

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

   Not Applicable, as neither any complaints with respect to advertising, delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls were received during the reporting period nor any penalties were paid to, or actions were taken by regulatory authorities on account of safety of products / services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
   The Information on products and services of the Company can be accessed at the Company's website www.ricoauto.in.

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

   The Company has a limited scope for informing and educating the consumers (end-users) about safe and responsible usage of products and/or services, as the Company supplies its products on B2B basis to OEMs.

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

   Not Applicable, since the Company is not providing any essential services.

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

   Not applicable, as the Company sell its products to OEMs who in turn use them as raw material for their final products.

   Furthermore, because the Company places a high priority on customer satisfaction, it uses a variety of strategies to achieve it. Direct or indirect customer feedback is gathered to identify any complaints, and then appropriate corrective procedures are developed and put into action. The management of the Company also compiles, reviews, and keeps track of the summary of customer satisfaction patterns.

5. Provide the following information relating to data breaches:

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

      No Instances were identified pertaining to data breach.

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

      No data breaches were identified related to personally identifiable information of customers.

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company's philosophy of Corporate Governance aims to maximize long-term stakeholders value. It is a combination of many factors to achieve the objectives of transparency, full disclosure, a system of checks and balances between the Shareholders, Directors, Auditors and the Management. Your Company's Board comprises of Promoter Directors, professionally competent Executive Directors, Non-Executive and Independent Directors who have effective control over the affairs of the Company. The Board on a continuous basis monitors implementation of decisions taken and at the same time provides the management and employees a stable environment to plan and execute strategy.

The Company is in compliance with the requirements of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the compliance report for the period from 1st April, 2022 to 31st March, 2023 on the Corporate Governance is given below:

1. COMPOSITION OF BOARD

Rico Auto's Board consists of Twelve Directors - Four Executive Directors and Eight Non-Executive Independent Directors including one Woman Independent Director. They all have with them considerable experience in their respective fields. The Chairman of the Board is an Executive Director.

Particulars of Directors of the Company and their Directorship in other Companies, Membership/Chairmanship in Committees across all Companies in which they are Directors and shareholding in the Company as on 31st March, 2023 are as follows:

Name of the Director/Category	DIN	Number of Committees		Number of other Directorship held*	Shareholding as on 31/03/2023
		Membership held*	Chairmanship held*		
Non-Executive Independent Directors					
Shri Kanwal Monga	00153473	–	–	1	Nil
Dr. Amarjit Chopra	00043355	1	5	4	Nil
Dr. Ashok Seth	00050540	–	–	–	25000
Shri Satish Sekhri	00211478	–	1	4	1900
Shri Rajeev Kapoor	02051466	2	–	1	Nil
Shri Vinod Kumar Nagar	02487061	1	1	–	Nil
Ms. Sarita Kapur	08848507	–	–	–	Nil
Shri Hemal Bharat Khandwala**	05241590	–	–	–	133400
Executive Directors					
Shri Kaushalendra Verma**	02004259	1	–	4	Nil
Shri Rajiv Kumar Miglani**	06873155	–	–	5	Nil
Shri Samarth Kapur**	01525517	1	–	1	194800
Non–Executive Director					
Smt. Upasna Kapur***	00327461	–	–	1	3453384
Executive & Promoter Directors					
Shri Arun Kapur, Joint Managing Director***	00100270	–	1	1	8770849
Shri Arvind Kapur, Chairman, CEO & MD	00096308	3	–	5	14118043

* Excluding Private Limited Companies, Foreign Companies and LLPs.

** Appointed as Directors on 26th August, 2022.

*** Shri Arun Kapur ceased to be Joint Managing Director w.e.f. 25th August, 2022 and Smt. Upasna Kapur ceased to be Director w.e.f. 30th September, 2022.

- Except Shri Arvind Kapur, Shri Arun Kapur, Smt. Upasna Kapur and Shri Samarth Kapur being related to each other, no other Directors are inter-se related.

There are no pecuniary relationship or transactions of Independent Directors vis-à-vis the Company. Only two Committees viz. the Audit Committee and Stakeholders Relationship Committee are considered for the purpose of ascertaining the membership and chairmanship of the Directors. None of the Director is either a member of more than ten aforesaid Board Committees or Chairman of more than five such Committees.

List of Core Skills/Expertise/Competencies identified by the Board of Directors

Chart of core skills/expertise/competencies identified by the Board of Directors in context of the Company's Business and sector for it to function effectively and actually available with the Board:

Name of Director	List of Core Skills/Expertise/Competencies
Shri Kanwal Monga	Management, Business Advisory, Project Management, Strategy and Finance.
Dr. Amarjit Chopra	Strategy, Management, Accounting, Auditing, Taxation, Budgeting, Costing, Investment, Corporate Laws, Corporate Banking and Finance.
Dr. Ashok Seth	Management, CSR and Human Resource Management.
Shri Satish Sekhri	Engineering, Operation, Strategy, Manufacturing, Management, Budgeting, Costing, Investment, Sales and Marketing.
Shri Rajeev Kapoor	Operation, Engineering, Manufacturing, Management, Marketing, Budgeting, Costing, Investment, Project Management, Performance Analysis, Project Financing, Corporate Banking and Risk Management.
Shri Vinod Kumar Nagar	Project Financing, Strategy, Planning & Resources, Budgeting, Costing and Corporate Banking.
Ms. Sarita Kapur	Legal Advisory Services, Contractual and Commercial matters, Public and Private International laws, Employment laws, Personal laws, Succession and trusts. Practicing Mediator affiliated with Samadhan, Delhi High Court, Accredited by the Ministry of Corporate Affairs and the Chartered Institute of Arbitrators, UK.
Shri Hemal Bharat Khandwala	Financial Management, Business Strategy and decision making, Valuations and Macroeconomics.
Shri Kaushalendra Verma	Profit Centre Management, Business Development, Technology Transfers, Greenfield Projects, Program Management, Manufacturing Engineering, Manufacturing and Quality Assurance and possesses strong leadership skills in planning, organizing, systematic analysis, people management, and team building.
Shri Rajiv Kumar Miglani	Industrial and Administrative experience in the Automotive and Engineering Industry and is well versed in all aspects of general administration.
Shri Samarth Kapur	Managerial, Industrial and Administrative experience in the Automotive and Engineering Industry and is well versed in all aspects of general administration.
Shri Arvind Kapur	Management, Project Management, Purchase and Supply Chain Management, Strategy, Budgeting, Finance, Operations, Marketing, Production, Costing, Investment and Human Resource Management.

The name of listed entities (including this Company), where the Directors of the Company as on 31st March, 2023, hold directorship and the category thereof are furnished below:

Name of Director	Name of listed entity in which Directorship held	Category of Directorship
Shri Kanwal Monga	Rico Auto Industries Limited	Independent
Dr. Amarjit Chopra	Rico Auto Industries Limited	Independent
Dr. Ashok Seth	Rico Auto Industries Limited	Independent
Shri Satish Sekhri	Rico Auto Industries Limited	Independent
Shri Rajeev Kapoor	Rico Auto Industries Limited Lumax Industries Limited	Independent Independent
Shri Vinod Kumar Nagar	Rico Auto Industries Limited	Independent
Ms. Sarita Kapur	Rico Auto Industries Limited	Independent
Shri Hemal Bharat Khandwala	Rico Auto Industries Limited	Independent
Shri Kaushalendra Verma	Rico Auto Industries Limited	Executive
Shri Rajiv Kumar Miglani	Rico Auto Industries Limited	Executive
Shri Samarth Kapur	Rico Auto Industries Limited	Executive
Shri Arvind Kapur	Rico Auto Industries Limited Sandhar Technologies Limited Subros Limited	Executive Independent Independent

A. Managing Director and Whole-time Directors

The Company has one Managing Director and three Whole-time Directors designated as Executive Directors who are responsible for overall management, planning, policy, strategy, operations, marketing, production, sales subject to the superintendence, control and direction of the Board of Directors. The Directors are being paid remuneration as prescribed under the Companies Act, 2013. The remuneration being paid is recommended by the Nomination and Remuneration Committee followed by the approval from the Board and Shareholders. No sitting fee is being paid to them.

B. Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken by way of circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The attendance of Directors at the Board Meetings and at the last Annual General Meeting is as under:

Name of the Director	Number of Board Meetings		Attended Last
	Held	Attended	AGM*
Shri Kanwal Monga	5	5	Yes
Dr. Amarjit Chopra	5	5	Yes
Dr. Ashok Seth	5	1	No
Shri Satish Sekhri	5	5	Yes
Shri Rajeev Kapoor	5	5	Yes
Shri Vinod Kumar Nagar	5	5	No
Ms. Sarita Kapur	5	5	Yes
Shri Hemal Bharat Khandwala**	2	2	Yes
Shri Kaushalendra Verma**	2	2	Yes
Shri Rajiv Kumar Miglani**	2	2	Yes
Shri Samarth Kapur**	2	2	Yes
Smt. Upasna Kapur***	3	3	Yes
Shri Arun Kapur***	3	3	Yes
Shri Arvind Kapur	5	5	Yes

* 39th Annual General Meeting (AGM) held on 30th September, 2022 at the Registered Office of the Company through Video Conferencing.

** Appointed as Directors on 26th August, 2022

*** Shri Arun Kapur ceased to be Joint Managing Director w.e.f. 25th August, 2022 and Smt. Upasna Kapur ceased to be Director w.e.f. 30th September, 2022.

The Board met five times during the financial year 2022-23. The meetings were held on 30/05/2022, 08/08/2022, 25/08/2022, 09/11/2022 & 14/02/2023. The interval between any two meetings was well within the maximum period of 120 days.

C. Post Meeting Follow-up

The Board has an effective post meeting follow-up procedures. At every Board Meeting a status statement pertaining to the decisions taken by the previous Board Meetings is discussed keeping in view the action taken or to be taken.

D. Familiarisation Programme for Independent Directors

The Company from time to time familiarises the Independent Directors about the Company, its product, business and the ongoing events relating to the Company through presentations. The appointment of an Independent Director is formalised by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.

The Executive Director of the Company also provides a brief of the development in the industry and business operations of the Company to the Directors at the Board Meetings on regular basis. The details of familiarization programmes imparted to Independent Directors is available on the website of the Company viz. https://www.ricoauto.in/investor-relation.html.

E. Board Evaluation

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

- The Board as a whole.
- Committees of the Board.
- Individual Directors including the Chairman of the Board.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations and the Guidance Note of Board Evaluation issued by SEBI in January, 2017, your Company has carried out Performance Evaluation in respect of above for the financial year ended 31st March, 2023.

During the year, the Board adopted the process of evaluation through circulation of evaluation forms, discussions and also made an oral assessment of its functioning in accordance with the requirements of the Companies Act, 2013, the Listing Regulations and the goal of the Company. The members of the Board during the year also availed opportunities of interaction through virtual mode which helped them in making assessment of the functioning of the Board. Further in the like manner, the functioning of the Committees were also evaluated. The Independent Directors also interacted amongst themselves and with the Chairman. The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. Based on the aforesaid Performance Evaluation, your Board decided to continue the terms of appointment of the Chairman, Independent Directors, Executive Directors and the Non-Executive Directors.

F. Independent Directors

Independent Directors of the Company met separately on 24th March, 2023, without the presence of Non-Independent Directors and members of Management. Except Dr. Amarjit Chopra and Dr. Ashok Seth, all the Independent Directors were present at the meeting through virtual mode. In accordance with the provisions of Listing Regulations and the Companies, Act, 2013, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
- Assessment of the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2. COMMITTEES OF THE BOARD

The Board of Directors have constituted Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed and their scopes are defined with approval of the Board. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board on regular basis.

The Board has the following Committees:

A. AUDIT COMMITTEE

The Company has an Audit Committee since 1996 and is fully operational. The Committee consists of three Independent Directors and one Executive Director as on 31st March, 2023. The Chairman is a Chartered Accountant and other being well qualified and experienced in the field of accounting matters, financial reporting and internal controls. The Composition, quorum, power, role and scope of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and provisions of Regulation 18 of the Listing Regulations which include amongst others:

- Reviewing of financial reporting system, internal controls system, discussion on financial results and interaction with auditors;
- Recommendation for the appointment of Auditors and their remuneration;
- Reviewing of internal audit reports and significant related party transactions; and
- Reviewing the function of Vigil Mechanism/Whistle Blower Policy. The composition and attendance of the Audit Committee is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Dr. Amarjit Chopra	Chairman	5	5
Shri Rajeev Kapoor	Member	5	5
Shri Vinod Kumar Nagar	Member	5	5
Shri Arvind Kapur	Member	5	5

The Audit Committee met five times during the financial year 2022-23. The meetings were held on 10/05/2022, 30/05/2022, 08/08/2022, 09/11/2022, and 14/02/2023.

Besides the Chief Financial Officer, both Statutory Auditors and Internal Auditors regularly attend the Audit Committee Meetings and the Audit Committee discuss with them various issues.

The Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

The Minutes of each Audit Committee Meeting are placed before the Meetings of the Board. The Company Secretary acts as Secretary to the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The scope of the Committee include amongst others:

- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management.
- Fixation of salary, perquisites etc. of all Executive Directors of the Company at the time of their appointment/re-appointment.
- Deciding commission payable to Executive Directors and Non-Executive Directors.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director.

- Identify persons who qualify to become Director and who may be appointed in Senior Management and recommend to the Board for their appointment.
- Formulate the criteria for effective evaluation of performance of Board, its committees and individual directors.
- Devising a policy on diversity of the Board of Directors.

i) **Composition & Attendance**

The Nomination and Remuneration Committee consists of three Independent Directors and one Executive Director as on 31st March, 2023. The Committee Meetings were held on 30/05/2022, 08/08/2022, 25/08/2022 and 14/02/2023 during the financial year 2022-23. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Kanwal Monga	Chairman	4	4
Dr. Amarjit Chopra	Member	4	3
Shri Rajeev Kapoor	Member	4	4
Shri Arvind Kapur	Member	4	4

The Minutes of each Committee Meeting are placed before the Meetings of the Board. The Company Secretary acts as Secretary to the Committee.

ii) **Performance Evaluation Criteria for the Board, its Committees and Individual Directors**

The Committee has formulated evaluation criteria for Board, its Committees and Individual Directors which is broadly based on knowledge & expertise to perform the role, competency & professional experience, board engagement & time commitment and integrity & honesty.

iii) **Remuneration to Directors**

The Non-Executive Directors are entitled to sitting fee and commission based on Net Profit of the Company, as per provisions of the Companies Act, 2013 to be divided among them as may be determined by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company.

Remuneration to the Managing Director, Joint Managing Director and Executive Director is governed by resolutions passed by the Nomination and Remuneration Committee, Board of Directors and Shareholders of the Company, which cover the terms of appointment and payment of remuneration. The remuneration is by way of salary, perquisites, allowances (fixed components) and commission (variable components) on net profits of the Company subject to overall ceiling of 10 per cent as stipulated in Section 197 & 198 of the Companies Act, 2013 read with Regulation 17(6)(d) of the Listing Regulations. The details and terms of appointment and remuneration are as covered under the resolutions passed by the Shareholders.

Besides the above, there are no other pecuniary relationships or transactions with the Company. Managing Director and Executive Director not received any remuneration or commission from any of the Company's Subsidiaries, except Shri Samarth Kapur, Executive Director receiving remuneration from M/s. Rico Jinfei Wheels Limited, Subsidiary Company.

(₹in Lakhs)

Name of the Director	Sitting Fees	Salary	Perks	Commission	Total
Non-Executive Directors					
Shri Kanwal Monga	3.75	N.A.	N.A.	7.84	11.59
Dr. Amarjit Chopra	7.50	N.A.	N.A.	7.84	15.34
Dr. Ashok Seth	0.75	N.A.	N.A.	7.84	8.59
Shri Satish Sekhri	3.75	N.A.	N.A.	7.84	11.59
Shri Rajeev Kapoor	7.50	N.A.	N.A.	7.84	15.34
Shri Vinod Kumar Nagar	7.50	N.A.	N.A.	7.84	15.34
Ms. Sarita Kapur	3.75	N.A.	N.A.	7.84	11.59
Shri Hemal Bharat Khandwala*	1.50	N.A.	N.A.	4.68	6.18
Smt. Upasna Kapur**	2.25	N.A.	N.A.	3.94	6.19
Executive Directors					
Shri Kaushalendra Verma*	N.A.	33.97	0.40	N.A.	34.37
Shri Rajiv Kumar Miglani*	N.A.	54.31	4.40	N.A.	58.71
Shri Samarth Kapur***	N.A.	59.40	–	N.A.	59.40
Shri Arun Kapur**	N.A.	139.31	–	Nil	139.31
Shri Arvind Kapur	N.A.	909.43	82.03	Nil	991.46

* Appointed as Directors on 26th August, 2022.

** Shri Arun Kapur ceased to be Joint Managing Director w.e.f. 25th August, 2022 and Smt. Upasna Kapur ceased to be Director w.e.f. 30th September, 2022.

*** Appointed as Director on 26th August, 2022 and he receives the remuneration from M/s. Rico Jinfei Wheels Limited, Subsidiary Company.

iv) **Remuneration Policy**

The Company has adopted a policy relating to the remuneration for Directors, Senior Management, Key Managerial Personnel and other Employees of the Company. The same is available on the website of the Company viz. https://www.ricoauto.in/investor-relation.html

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

v) **Stock Option**

At present the Company has no stock option plans.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of two Independent Directors and one Executive Director. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Vinod Kumar Nagar	Chairman	4	4
Dr. Amarjit Chopra	Member	4	2
Shri Arun Kapur*	Member	2	2
Shri Samarth Kapur**	Member	2	2

* Shri Arun Kapur was ceased to be Member w.e.f. 25th August, 2022.

** Shri Samarth Kapur was appointed as a Member on 26th August, 2022.

The Stakeholders Relationship Committee met four times during the financial year 2022-23. The meetings were held on 30/05/2022, 08/08/2022, 09/11/2022 and 14/02/2023. The Committee deals in matters relating to redressing of investors complaints such as non-receipt of shares, non-receipt of dividends and other related matters.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee and is also the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2023 were Three (3). There were no pending complaints as on 31st March, 2023.

D. SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of two Independent Directors and two Executive Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Arvind Kapur	Chairman	9	8
Shri Rajeev Kapoor	Member	9	9
Shri Vinod Kumar Nagar	Member	9	7
Shri Arun Kapur*	Member	5	5
Shri Kaushalendra Verma**	Member	4	3

* Shri Arun Kapur was ceased to be Member w.e.f. 25th August, 2022.

** Shri Kaushalendra Verma was appointed as a Member on 26th August, 2022.

The Share Transfer Committee met Nine (9) times during the financial year 2022-23. The meetings were held on 20/04/2022, 27/04/2022, 12/05/2022, 09/06/2022, 18/07/2022, 01/12/2022, 12/12/2022, 14/02/2023 and 17/03/2023. The Committee deals in matters relating to transmission and transposition of shares, issue of duplicate share certificates, transfer of shares to IEPF Authority, review of dematerialized and rematerialized shares.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

E. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 consisting of three Independent Directors and one Executive Director. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Rajeev Kapoor	Chairman	4	4
Dr. Ashok Seth	Member	4	1
Shri Vinod Kumar Nagar	Member	4	4
Shri Arun Kapur*	Member	2	2
Shri Samarth Kapur**	Member	2	2

* Shri Arun Kapur was ceased to be Member w.e.f. 25th August, 2022.

** Shri Samarth Kapur was appointed as a Member on 26th August, 2022.

The terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy and its review from time to time;
- Ensure effective implementation and monitoring of the CSR activities as per approved policy, plans and budget; and
- Ensure compliance with law, rules and regulations governing CSR and to periodically report to the Board.

The CSR Committee met four times during the financial year 2022-23. The meetings were held on 30/05/2022, 08/08/2022, 09/11/2022 and 14/02/2023.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

The Company has CSR Policy which is available at Company website **https://www.ricoauto.in/investor-relation.html**. The CSR Report for the financial year 2022-23 is annexed with the Directors' Report.

F. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of the Companies Act, 2013 consisting of three Independent Directors and three Executive Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Rajeev Kapoor	Chairman	4	4
Shri Kanwal Monga	Member	4	4
Dr. Amarjit Chopra	Member	4	1
Shri Kaushalendra Verma*	Member	1	1
Shri Rajiv Kumar Miglani*	Member	1	1
Shri Arvind Kapur	Member	4	4

* Appointed as Member on 26th August, 2022.

The scope of the Committee includes amongst others:

- Formulation of Risk Management Policy;
- Appointment, removal and terms of remuneration of the Chief Risk Officer;
- Appointment of consultant or professional to frame Risk Management Plans including policy and for subsequent monitoring and evaluation thereof;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; and
- To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

The Risk Management Committee met four times during the financial year 2022-23. The meetings were held on 30/05/2022, 01/07/2022, 08/08/2022 and 09/11/2022.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

The Company has Risk Management Policy which is available at Company website **https://www.ricoauto.in/investor-relation.html**

3. DETAILS OF GENERAL BODY MEETINGS

Financial Year	Type of Meeting	Location/Mode of Meeting	Date	Time
2019-2020	37^{th} AGM	Through Video Conferencing	12/11/2020	12.00 Noon
2020-2021	38^{th} AGM	Through Video Conferencing	30/09/2021	12.00 Noon
2021-2022	39^{th} AGM	Through Video Conferencing	30/09/2022	12.00 Noon

The following Special Resolutions were taken up in the AGMs held during the last three financial years and were passed with the requisite majority:

37^{th} AGM (12/11/2020)

1. Payment of Commission to Non-Executive Directors.
2. Re-appointment of Shri Arun Kapur (DIN:00100270), Joint Managing Director and payment of Remuneration.

38^{th} AGM (30/09/2021)

No Special Resolution(s) was passed at this Meeting.

39^{th} AGM (30/09/2022)

1. Appointment of Shri Hemal Bharat Khandwala as an Independent Director.
2. Appointment of Shri Kaushalendra Verma as Whole-time Director designated as “Executive Director”.
3. Appointment of Shri Rajiv Kumar Miglani as Whole-time Director designated as “Executive Director”.
4. Appointment of Shri Samarth Kapur as Whole-time Director designated as “Executive Director”.
5. Approval of payment of Remuneration to Shri Arvind Kapur, Chairman, CEO & Managing Director.

Postal Ballot

During the financial year 2022-23, no resolution was passed through Postal Ballot.

4. DISCLOSURES

i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interests of the Company at large. All Related Party Transactions are presented to the Audit Committee and Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company

ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to the capital markets, during the last three years:**

No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or by any Statutory Authorities, on any matter relating to capital markets, during the last three years.

iii) **Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

Pursuant to section 177(9) of the Companies Act, 2013 and in compliance with the SEBI Regulation the Audit Committee of the Company has approved the policy/mechanism on dealing with Whistle Blowers. The Audit Committee reviews the same as and when required. The said policy/mechanism is also available on Company’s website at **https://ricoauto.in/files/Key%20Policies.pdf**. During the financial year under review, no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

iv) **Risk Management:**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures.These procedures are subject to review to ensure that management controls risks through means of a properly defined framework. The compliance statements regarding the insurance policy, coverage and settlement of claims thereof is presented to the Audit Committee on quarterly basis.

v) **Disclosure of Accounting Treatment:**

The Company has prepared its financial statement as per the Indian Accounting Standards (IndAS) prescribed by Institute of Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment.

vi) **Preferential Issue:**

During the financial year 2022-23, no Preferential Issue was made.

vii) **Management Discussion and Analysis (MDA):**

A MDA Report which forms part of the Annual Report is given by means of a separate annexure attached to the Directors’ Report.

viii) **Compliance with Mandatory Requirements:**

The Company has obtained a Certificate from the Company Secretary in Practice to the effect that the Company has complied with the conditions of the Corporate Governance. The same is annexed and sent along with the Annual Report of the Company to the Shareholders and to the Stock Exchanges.

ix) **Adoption of the Non-Mandatory Requirements:**

The Compliance Status of the Non-Mandatory requirements of the Regulation 27(1) of the Listing Regulations is as under:

a) **The Board**

Maintenance of Chairman Office - As the Company has an Executive Chairman, disclosure is not required.

b) **Shareholder Rights**

The Company regularly publishes its quarterly results in the newspapers. These results are also available on Company's website at **https://www.ricoauto.in/investor-relation.html**. A half-yearly declaration of financial performance including summary of significant events is presently not being sent to each household of shareholders.

c) **Audit Qualifications**

During the financial year under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

d) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee on quarterly basis.

x) **Related Party Transactions:**

The Company has adopted policies on material subsidiaries and dealing with related party transactions which are available on the website of the Company viz. **https://www.ricoauto.in/investor-relation.html**

xi) **Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:**

The Company manages its Commodity Price Risks by Linked Indexation with its customers which are settled quarterly as per bench mark reference. Similarly on Foreign Exchange Risk, the Company has Robust Exports and enjoys a Natural Hedge over the Imports/Borrowings denominated in Foreign Currency. It has an elaborate Forex Policy which is approved by the Board. The details of the Foreign Currency Exposure as on 31st March, 2023 are disclosed in notes of the Standalone Financial Statements.

5. MEANS OF COMMUNICATION

i) Quarterly/Annual Results are published in the following Newspapers:
   a) Business Standard (English Newspaper) Delhi & Mumbai
   b) Veer Arjun (Hindi Newspaper) Delhi

ii) Quarterly/Annual Results and Shareholding Pattern are displayed on Company's website at **https://www.ricoauto.in/investorrelation.html** and all important/price sensitive information are submitted to the BSE/NSE where the shares of the Company are listed and these Stock Exchanges display these announcements on their respective websites.

iii) The Company's official press releases and any presentation made to the Institutional Investors or/and Analysts are displayed on website of the Company viz.**https://www.ricoauto.in/investor-relation.html**

iv) The Shareholder Information Section forms part of the Report.

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Shri K.K. Sachdeva of M/s. K.K. Sachdeva & Associates, Company Secretaries (CP No.4721, FCS No.7153) carried out Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital as on 31st March, 2023 is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Report is being submitted to the Stock Exchanges and is also placed before the Board Meetings from time to time for confirmation.

7. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

Pursuant to SEBI (Prohibition of Insider Trading Regulations), 2015, the Company has a Board approved Code of Conduct to regulate, monitor and report trading by insiders ('Code of Conduct') and a Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information ('Code of Fair Disclosure').

The Company has also approved Policy and Procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

8. DIVERSITY ON THE BOARD OF THE COMPANY

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Board of the Company has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company considers a number of factors, including but not limited to skills, industry experience, background and business acumen. Policy on Board Diversity is displayed on website of the Company viz.**https://www.ricoauto.in/investor-relation.html**

9. DIRECTORS AND OFFICERS INSURANCE

The Company has undertaken Directors and Officers Liability Insurance Policy (D and O Insurance) for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Company.

10. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2022-23.

11. CREDIT RATINGS

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2022-23.

12. CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO) AND COMPLIANCE OFFICER

Shri Arvind Kapur, Chairman & Managing Director is Chief Executive Officer. Shri Rakesh Kumar Sharma is Chief Financial Officer. Shri B.M. Jhamb, Company Secretary is Compliance Officer.

13. REQUIREMENTS OF CORPORATE GOVERNANCE

The Company has complied with Corporate Governance requirements as specified in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) of the Listing Regulations.

14. CODE OF CONDUCT

The Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code of Conduct has also been posted on the website of the Company at https://www.ricoauto.in/investor-relation.html. The code has been circulated to all the Directors and Senior Management.

The Declaration by the Chief Executive Officer (CEO) of the Company concerning compliance with the Code of Conduct for Board Members and Senior Management is given below:

I hereby confirm that:

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the Board Members and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management in respect of the financial year ended 31st March, 2023.

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : May 29, 2023

15. COMPLIANCE CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:

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

   ii) These financial statements and other financial information included in the report, present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations

b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2023 are fraudulent, illegal or violative of the Company's code of conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee that there are no deficiencies in the design or operation of internal controls.

d) We have indicated to the Auditors and the Audit Committee:

   i) that there has not been any significant changes in internal control over financial reporting during the year under report;

   ii) that there has not been any significant changes in accounting policies; and

   iii) that we are not aware of any instances during the year under report of any fraud with involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurugram
Date : May 29, 2023

Rakesh Kumar Sharma
Chief Financial Officer

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

GENERAL SHAREHOLDERS' INFORMATION

1.	**Annual General Meeting (AGM)** Day, Date, Time, Venue and Mode	:	40th AGM will be held on Friday, the 29th day of September, 2023 at 12.00 Noon at the Registered Office of the Company is also providing the facility to attend the AGM through Video Conferencing ('VC')/Other Audio-Visual Mean ('OAVM').
2.	**Financial Calendar**		
	Financial Year	:	1st April to 31st March
	For the year 2022-23, Results were announced on		
	First quarter ended 30th June, 2022	:	8th August, 2022
	Second quarter and half year ended 30th September, 2022	:	9th November, 2022
	Third quarter ended 31st December, 2022	:	14th February, 2023
	Fourth quarter and year ended 31st March, 2023	:	29th May, 2023
	For the year 2023-24, Results will be announced on (Tentative)		
	First quarter ended 30th June, 2023 (announced)	:	11th August, 2023
	Second quarter and half year ending 30th September, 2023	:	November, 2023
	Third quarter ending 31st December, 2023	:	February, 2024
	Fourth quarter and year ending 31st March, 2024	:	May, 2024
3.	**Dates of Book Closure**	:	23rd September, 2023 to 29th September, 2023 (both days inclusive)
4.	**Dividend Payment Date**	:	Dividend @ ₹0.75 per share would be paid within 30 days of declaration by the Shareholders in the Annual General Meeting.
5.	**Registered Office**	:	38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana) India
6.	**Registrar and Transfer Agent** (Common for Physical Transfer as well as Dematerialisation of Shares)	:	M/s. MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase I, New Delhi - 110020, India

7. **Plant Locations**

Gurugram Plant : Aluminium
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Gurugram Plant : Ferrous
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Haridwar Plant : Aluminium
Plot No.1 & 2, Industrial Park IV, Village Begumpur
Distt. Haridwar - 249403 (Uttarakhand) India

Chennai Plant : Aluminium (ICE)
Plot No.A9, SIPCOT Industrial Growth Centre
Oragadam, Chennai - 602105 (Tamilnadu) India

Chennai Plant : Aluminium (EV & Hybrid)
Plot No.A9, SIPCOT Industrial Growth Centre
Oragadam, Chennai - 602105 (Tamilnadu) India

Bawal Plant: Aluminium (Low Tonnage)
Plot No.21, Sector-5, HSIIDC, Phase-II
IMT Bawal - 123501, Distt. Rewari (Haryana) India

Bawal Plant: Aluminium (High Tonnage)
Plot No.22-23, Sector-5, HSIIDC, Phase-II
IMT Bawal - 123501, Distt. Rewari (Haryana) India

Pathredi Plant : Ferrous
Plot No.SP3 800 & 801, Industrial Area Pathredi
Distt. Alwar - 301019 (Rajasthan) India

Halol Plant : Aluminium
Plot No.1602/A, GIDC
Halol - 389350, Gujarat (India)

Dharuhera Plant
69 KM Stone, Delhi-Jaipur Highway
Dharuhera, Distt. Rewari - 123110 (Haryana) India

Sanand Plant
Plot No.D2, Tata Motors Vendor Park, Village Sanand,
P.O. Viroch Nagar, Ahmedabad - 382170 (Gujarat) India

Subsidiary Companies:

Rico Jinfei Wheels Limited : Aluminium
Plot No.397, Sector–8, IMT Manesar,
Gurugram - 122050 (Haryana) India

Rico Fluidtronics Limited
Plot No.11, Sector-8, IMT Manesar,
Gurugram - 122050 (Haryana) India

AAN Engineering Industries Limited (Defence)
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Rico Friction Technologies Limited (Friction Material)
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

8. Share Transfer System

Physical

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at **https://www.ricoauto.com/files/form%20ISR-1-2-3-and-SH-13-14.pdf** and on the website of the Company's RTA at **https://www.mcsregistrars.com**. It may be noted that any service request can be processed only after the folio is KYC compliant.

The transmission, transposition, remat, split of share certificate and issue of duplicate share certificate are approved by the Share Transfer Committee. This Committee normally meets as and when required to complete the transfer related works within the stipulated period.

Pursuant to the amendment in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent notification(s) issued by SEBI, w.e.f. 1st April, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. All the requests received from shareholders for transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or in any other applicable law.

Demat

Requests for dematerialization/re-materialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) directly by the Registrar and Share Transfer Agent. The Annual Custody Fees for the Financial Year 2023-24 have been paid to the Depositories.

9. Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Annual Listing Fees for the Financial Year 2023-24 have been paid to the Exchanges:

Name & Address of Stock Exchanges	Stock Codes/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	520008	INE209B01025
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	RICOAUTO	

10. Dematerialisation of Shares and Liquidity

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 for all investors. The ISIN Number of both NSDL and CDSL is INE209B01025. The Equity Shares of the Company are regularly traded on BSE Limited and National Stock Exchange of India Limited.

Break-up of Shares in Physical and Demat segment as on 31st March, 2023

Segment	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Physical	545	0.80	272351	0.20
Demat	67681	99.20	135012649	99.80
Total	**68226**	**100.00**	**135285000**	**100.00**

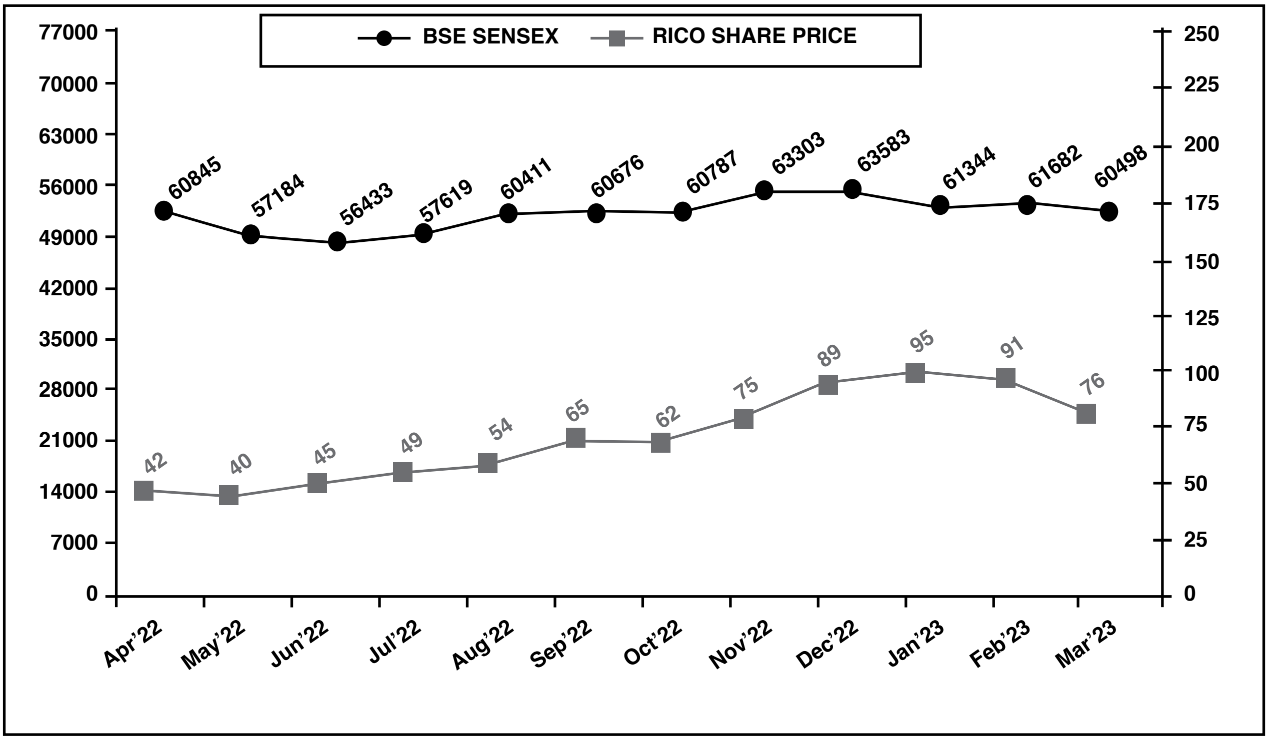
11. Stock Market Data

The closing price as on 31st March, 2023 of the Equity Shares at BSE and NSE is ₹67.43 & ₹67.25 respectively. Monthly high & low price and volume of shares of ₹1/- each traded at BSE and NSE for 2022-23 are as under:

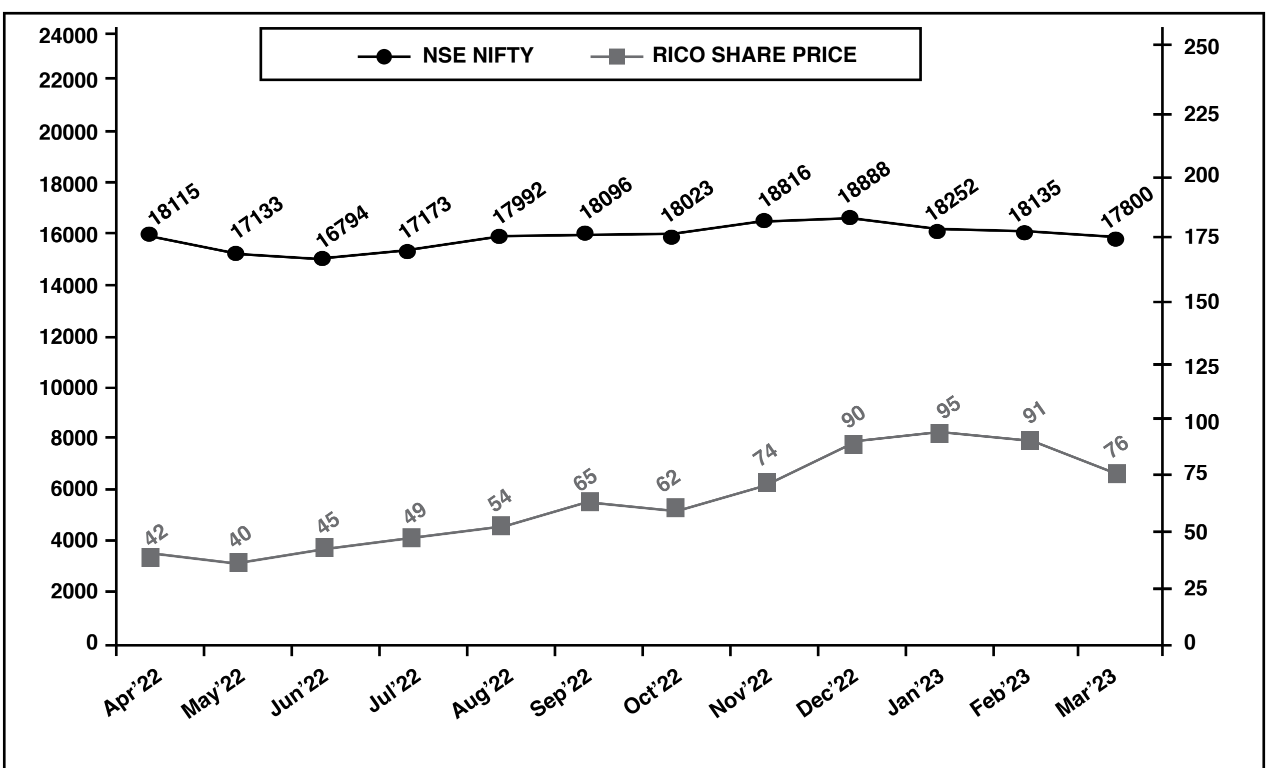
Month/Year	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April, 2022	41.95	32.00	2111015	41.95	31.80	16834398
May, 2022	39.50	31.90	841707	39.50	31.90	5042976
June, 2022	45.45	33.50	1454532	45.45	33.50	14232873
July, 2022	48.85	42.00	1619732	48.90	42.15	13946079
August, 2022	53.82	45.35	2535299	53.90	45.35	22178593
September, 2022	64.60	52.15	4042910	64.60	52.15	33438070
October, 2022	62.35	53.60	1586266	62.40	53.60	13714856
November, 2022	74.50	55.35	3108608	74.45	55.50	30173891
December, 2022	89.40	68.40	4533361	89.50	68.75	53375542
January, 2023	95.00	76.85	5748685	94.85	76.70	50365589
February, 2023	90.85	68.25	2498763	90.95	68.10	18353666
March, 2023	76.21	63.00	1343432	76.35	62.95	10566272

12. Stock Performance of Rico Auto Industries Limited Vs. Stock Exchange Indices

INDEX COMPARISON – RICO SHARE PRICE VS. BSE SENSEX (HIGH)



INDEX COMPARISON – RICO SHARE PRICE VS. NSE NIFTY (HIGH)



13. Distribution of Shareholding as on 31st March, 2023

No. of Equity Shares held	No. of Shareholders	Percent of Shareholders	No. of Shares	Percent of Shareholding
1 – 5000	66680	97.73	24034815	17.77
5001 – 10000	819	1.20	6142024	4.54
10001 – 20000	362	0.53	5310020	3.93
20001 – 30000	116	0.17	2891677	2.14
30001 – 40000	67	0.10	2385252	1.76
40001 – 50000	49	0.07	2312388	1.71
50001 – 100000	61	0.09	4258828	3.15
100001& Above	72	0.11	87949996	65.01
Total	**68226**	**100.00**	**135285000**	**100.00**

14. Shareholding Pattern as on 31st March, 2023

Category of Shareholders	No. of Shares (Demat Mode)	No. of Shares (Physical Mode)	Total No. of Shares	Percent of Shareholding
Promoter and Promoter Group	68096246	–	68096246	50.34
Foreign Institutional Investors	1541999	–	1541999	1.14
Bodies Corporate	6138338	–	6138338	4.54
NRI	1649977	–	1649977	1.22
Trusts & Foundations	5195	–	5195	0.00
IEPF Authority	1343514	–	1343514	0.99
Indian Public	56237380	272351	56509731	41.77
Total	**135012649**	**272351**	**135285000**	**100.00**

15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

16. Unclaimed Dividends

Pursuant to the provisions of Sections 124 & 125 of the Companies Act, 2013 the amount of dividend which remains unpaid/unclaimed for a period of Seven (7) years is required to be transferred to the “Investor Education and Protection Fund” (IEPF), constituted by the Central Government. Member(s) who have not yet encashed their dividend warrant(s) is/are requested in their own interest to write to the Company for claiming outstanding dividend declared by the Company. The amount of unpaid or unclaimed dividend relating to the financial year ended 31st March, 1995 to 31st March, 2016 (Interim Dividend) have already been transferred to the Investor Education and Protection Fund (IEPF). During the year, the aggregate unclaimed final dividend amount of ₹37,81,812/- for the financial year 2014-15 and interim dividend amount of ₹11,79,804/- relating to financial year 2015-16 was transferred to IEPF.

Date for Transferring Unclaimed Dividend to the IEPF Authority

Year	Rate of Dividend (percent)	Date of Declaration	No. of Shareholders	Amount of Dividend (₹)	Amount of Unclaimed Dividend (₹)	Unclaimed Dividend (Percent)	Due date for transfer to IEPF
2016	Final – 10	23/09/2016	46216	13528500.00	246597.60	1.82	23/10/2023
2017	Final – 75	22/09/2017	49679	101463750.00	2665020.75	2.63	22/10/2024
2018	Interim – 40	09/02/2018	60956	54114000.00	884369.60	1.63	09/03/2025
2018	Final – 40	29/09/2018	66168	54114000.00	825024.00	1.52	29/10/2025
2019	Interim – 40	11/02/2019	67887	54114000.00	589606.00	1.09	11/03/2026
2019	Final – 40	30/09/2019	63614	54114000.00	561518.40	1.04	30/10/2026
2020	Final – 30	12/11/2020	72960	38271054.03	466678.29	1.15	12/12/2027
2021	Final – 20	30/09/2021	75486	25062918.61	235901.76	0.94	30/10/2028
2022	Final – 40	30/09/2022	71142	54114000.00	305203.24	0.61	30/10/2029

17. Shares transferred to IEPF Authority

Section 124(6) of the Companies Act, 2013 and IEPF Rules, mandates Companies to transfer the shares of Members whose dividend remain unpaid/unclaimed for a consecutive period of seven (7) years to the Demat Account of IEPF Authority. In view of the same, during the year, the Company has transferred 8959 and 17058 equity shares of the face value of ₹1/- each in respect of 49 and 142 shareholders to the Demat Account of IEPF Authority and filed the Form IEPF-4 with MCA on 26th April, 2022 and 7th December, 2022 respectively. During the year, dividend aggregating to ₹5,30,582.40 was also remitted to IEPF Authority, in respect of shares held in the Demat Account of IEPF Authority. Details of such shareholders, whose shares are transferred to IEPF Authority and their unpaid dividends for subsequent years are available on the website of the Company at https://www.ricoauto.in/investor-relation.html.

As provided under these rules, the shareholders shall be allowed to claim such shares transferred to IEPF Authority by following the required procedure given on website of IEPF http://www.iepf.gov.in/IEPF/refund.html.

18. National Automated Clearing House (NACH) system

In order to facilitate the transfer of dividends to the shareholders, the Company is using a National Automated Clearing House (NACH) system introduced by the Reserve Bank of India.

19. Nomination Facility

Shareholders holding shares in physical form and desirous of making/changing nomination in respect of their share holding in the Company, may submit the prescribed form to the Company. Members holding shares in dematerialized mode may contact their Depository Participant (DP) for availing this facility.

20. MCA's Green Initiative for Paperless Communications

In support to the Ministry of Corporate Affairs (MCA) "Green Initiative for Paperless Communications and in compliance to MCA circular dated 28th December, 2022 read with circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020 & 5th May, 2022 and SEBI's circular dated 12th May, 2020,15th January, 2021, 13th May, 2022 & 5th January, 2023 and other circulars issued in this regard, the notice along with Annual Report 2022-23 is being sent through electronic mode only to those members whose e-mail addresses are registered with the Company/Depositories. The members who have not registered their e-mail IDs, so far, are requested to register their e-mail IDs, in respect of electronic holdings with concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Registrar and Share Transfer Agent, M/s. MCS Share Transfer Agent Limited.

21. SEBI Complaints Redress System (SCORES)

The Company processes the Investors' complaints received by it through a computerized complaints redressal system. The salient features of this system are computerized database of all the inward receipts and action taken on them, online submission of Action Taken Reports (ATRs) along with supporting documents electronically in SCORES. The investors can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

22. Fee paid to Statutory Auditors

A total fee of ₹1.17 crores was paid by the Company and its Subsidiaries for all audit and services availed, on a consolidated basis, to the Statutory Auditors and all Entities in network firm/network entity of which the Statutory Auditors is a part, for the financial year ended 31st March, 2023.

23. Subsidiary Companies

The Company has seven subsidiaries. None of the subsidiary is listed on any Stock Exchange. The Audit Committee and the Board reviews the financial statements, the minutes of the Board Meetings and all significant transactions and arrangements of the subsidiary companies.

Rico Jinfei Wheels Limited (RJWL) is material subsidiary pursuant to provisions of Regulation 16(1)(c) of the Listing Regulations. This subsidiary undergo Secretarial Audit in compliance with Regulation 24A of the Listing Regulations. Copy of Secretarial Audit Report of RJWL forms part of this report. The Secretarial Audit Report of this material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

24. Web link for various Policies of the Company

The following Policies are available on the website of the Company i.e. **https://ricoauto.in/files/Key%20Policies.pdf**

1. Corporate Social Responsibility Policy
2. Vigil Mechanism Policy
3. Policy for determining Material Subsidiaries
4. Related Party Transactions Policy
5. Remuneration Policy
6. Policy on determination of materiality of the events/information
7. Policy on Preservation of Records
8. Archival Policy on Preservation of Documents of the Company
9. Dividend Distribution Policy : **https://ricoauto.com/files/Dividend%20Distribution%20Policy.pdf**
10. Risk Management Policy
11. Board Diversity Policy

25. Investors/Shareholders Correspondence

i)	Any queries relating to the Financial Statements of the Company	:	Shri Rakesh Kumar Sharma Chief Financial Officer Rico Auto Industries Limited 38 KM Stone, Delhi-Jaipur Highway Gurugram - 122001 (Haryana) India Tel : (91)(0124) 2824226, 2824000 E-mail : rakeshsharma@ricoauto.in
ii)	Payment of dividend on Shares and any other queries relating to Annual Report	:	Shri B.M. Jhamb Company Secretary Rico Auto Industries Limited 38 KM Stone, Delhi-Jaipur Highway Gurugram - 122001 (Haryana) India Tel : (91)(0124) 2824225, 2824000 Fax: (91)(0124) 2824200 E-mail : bmjhamb@ricoauto.in cs@ricoauto.in
iii)	Transfer/Dematerialisation of Shares and any other queries relating to Shares	:	M/s. MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase I New Delhi - 110020, India Tel : (011)41406149 Fax : (011)41709881 E-mail : helpdeskdelhi@mcsregistrars.com admin@mcsregistrars.com

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 11, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana

We have examined the compliance with the conditions of Corporate Governance by Rico Auto Industries Limited for the financial year ended 31st March, 2023, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Regulations of the Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further 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 **K.K. Sachdeva & Associates**
Company Secretaries
Firm No. I2008DE298700

K. K. Sachdeva
Proprietor
FCS No. 7153, CP No. 4721
Peer Review : 1684/2022
UDIN: F007153E00827203

Place : Gurugram
Date : August 11, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram -122001, Haryana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rico Auto Industries Limited having CIN:L34300HR1983PLC023187 and Registered Office at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Name of Director	DIN	Date of Appointment in the Company
Shri Kanwal Monga	00153473	18/09/2001
Dr. Amarjit Chopra	00043355	18/09/2001
Dr. Ashok Seth	00050540	13/05/2004
Shri Satish Sekhri	00211478	28/05/2010
Shri Rajeev Kapoor	02051466	13/11/2013
Shri Vinod Kumar Nagar	02487061	13/11/2013
Ms. Sarita Kapur	08848507	28/08/2020
Shri Hemal Bharat Khandwala	05241590	26/08/2022
Shri Kaushalendra Verma	02004259	26/08/2022
Shri Rajiv Kumar Miglani	06873155	26/08/2022
Shri Samarth Kapur	01525517	26/08/2022
Shri Arvind Kapur	00096308	10/03/1983

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 these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **K.K. Sachdeva & Associates**
Company Secretaries
Firm ID : I2002DE298700

K. K. Sachdeva
Proprietor
FCS No. 7153, CP No. 4721
Peer Review : 1684/2022
UDIN: F007153E00827247

Place : Gurugram
Date : August 11, 2023

ANNEXURE TO DIRECTORS' REPORT

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (2022-23)

1. **A brief outline CSR Policy of the Company:**

   The Company endeavors to integrate social and environment concerns in its business operations. The Company demonstrates an increased commitment at all levels in the organization to operate business in an economically, socially and environmentally sustainable manner.

2. **Composition of CSR Committee:**

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Rajeev Kapoor	Chairman/Independent Director	4	4
2.	Dr. Ashok Seth	Member/Independent Director	4	1
3.	Shri Vinod Kumar Nagar	Member/Independent Director	4	4
4.	Shri Arun Kapur*	Member/Joint Managing Director	2	2
5.	Shri Samarth Kapur**	Member/Executive Director	2	2

* Shri Arun Kapur was ceased to be Member w.e.f. 25th August, 2022.
** Shri Samarth Kapur was appointed as a Member on 26th August, 2022.

3. **Web links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

- The composition of the CSR Committee and CSR Policy are available on our website **https://www.ricoauto.in/investor-relation.html.**
- The Board, based on the recommendation of the CSR Committee, at its meeting held on 11th August, 2023, has approved the annual action plan/projects for FY 2023-24, the details of which are available on our website **https://www.ricoauto.in/investor-relation.html.**

4. **Executive Summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not Applicable

5. I. ***Before taking the effect of amalgamation of Rico Investments Limited and Rasa Autocom Limited, Subsidiary Companies during the year :**

   (a) Average Net Profit of the Company as per Sec 135(5): ₹7.53 crores

   (b) Two percent of average net profit of the Company as per section 135(5): ₹15.05 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: ₹23.00 lakhs

   (e) Total CSR obligation for the financial year (5a+5b-5c): Nil (CSR obligation for the FY 2022-23 of ₹15.05 lakhs has been adjusted against the excess amount of ₹23.00 lakhs spent in the FY 2021-22 and the remaining excess amount of ₹7.95 lakhs will be adjusted towards the CSR obligation.

   II. ***After taking the effect of amalgamation of Rico Investments Limited and Rasa Autocom Limited Subsidiary Companies during the year :**

   (a) Average Net Profit of the Company as per Sec 135(5): ₹14.48 crores

   (b) Two percent of average net profit of the Company as per section 135(5): ₹28.95 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: ₹24.93 lakhs

   (e) Total CSR obligation for the financial year (5a+5b-5c): ₹4.02 lakhs

* During the year, Hon'ble National Company Law Tribunal ('NCLT') approved amalgamation with and into the Company of its three Subsidiaries namely Rasa Autocom Limited, Rico Aluminium & Ferrous Auto Components Limited and Rico Investments Limited having appointed date and effective date as 1st April, 2021 and 30th March, 2023 respectively.

6. **(a) Amount spent on CSR projects (both ongoing project and other than ongoing project):** Rs.4.31 Lakh.
   (b) Amount spent in Administrative Overheads; Nil.
   (c) Amount spent on Impact Assessment, if applicable; Nil.
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs.4.31 Lakh.
   (e) CSR amount spent or unspent for the Financial Year:

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

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

S.No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	28.95
	a) Less:Amount required to be set off for the financial year, if any	(24.93)
	b) Amount of CSR Expenditure for the year	4.02
(ii)	Total amount spent for the financial year	4.31
(iii)	Excess amount spent for the financial year [(ii)-(i)c]	0.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.29

7. **Details of Unspent CSR amount for the preceding three financial years:** Nil

S.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (₹ in Lakh)	Amount spent in the Financial Year (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	2	3	4	5	6	7		8
Nil								

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year. If yes, enter the number of capital assets created/acquired:** No

S. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or assets (s)	Date pf Creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary or the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	2	3	4	5	6		
NIL							

(All the fields should be captured as appearing in the revenue record, flat No., house no., Municipal Office/Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

10. **CFO Certificate:**

    In term of Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, I Rakesh Kumar Sharma, Chief Financial Officer of Rico Auto Industries Limited, hereby certify that the funds so disbursed to the Company for CSR activities during the FY 2022-23 has been utilized for the purpose and in the manner as approved by the Board of Directors.

For RICO Auto Industries Limited

Rakesh Kumar Sharma
Chief Financial Officer

11. **The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.**

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Rajeev Kapoor
Chairman - CSR Committee
(DIN: 02051466)

Place : Gurugram
Date : August 11, 2023

ANNEXURE TO DIRECTORS' REPORT

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

S.No.	Name of Directors	Ratio to Median Remuneration
	Non-Executive Independent Directors	
i)	Shri Kanwal Monga	2.17
ii)	Shri Amarjit Chopra	2.87
iii)	Dr. Ashok Seth	1.60
iv)	Shri Satish Sekhri	2.17
v)	Shri Rajeev Kapoor	2.87
vi)	Shri Vinod Kumar Nagar	2.87
vii)	Smt. Sarita Kapur	2.17
viii)	Shri Hemal Bharat Khandwala*	1.15
	Non-Executive Directors	
ix)	Smt. Upasna Kapur***	1.16
	Executive Director	
x)	Shri Arun Kapur, Joint Managing Director***	26.03
xi)	Shri Kaushalendra Verma**	6.42
xii)	Shri Rajiv Kumar Miglani**	10.97
xiii)	Shri Samarth Kapur#	11.10
xiv)	Shri Arvind Kapur, Chairman, CEO & MD	185.23

* Shri Hemal Bharat Khandwala appointed as Independent Director on 26th August, 2022.

** Shri Kaushalendra Verma and Shri Rajiv Kumar Miglani appointed as Executive Directors on 26th August, 2022.

*** Shri Arun Kapur ceased to be Joint Managing Director w.e.f. 25th August, 2022 and Smt. Upasna Kapur ceased to be Director w.e.f. 30th September, 2022.

Shri Samarth Kapur appointed as Executive Directors on 26th August, 2022 and he receives remuneration from Rico Jinfei Wheels Limited (Subsidiary Company).

2. The percentage of increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2022-23:

S.No.	Name of Directors/KMP and Designation	Remuneration 2022-23 (Amount in ₹)	Remuneration 2021-22 (Amount in ₹)	%age increase/ (decrease) in Remuneration
	Non-Executive Independent Directors			
i)	Shri Kanwal Monga	1159000.00	978775.00	18.41
ii)	Shri Amarjit Chopra	1534000.00	1428775.00	7.36
iii)	Dr. Ashok Seth	859000.00	753775.00	13.96
iv)	Shri Satish Sekhri	1159000.00	978775.00	18.41
v)	Shri Rajeev Kapoor	1534000.00	1428775.00	7.36
vi)	Shri Vinod Kumar Nagar	1534000.00	1428775.00	7.36
vii)	Smt. Sarita Kapur	1159000.00	978775.00	18.41
viii)	Shri Hemal Bharat Khandwala*	618000.00	N.A.	N.A.
	Non-Executive Directors			
ix)	Smt. Upasna Kapur***	619000.00	903775.00	(31.51)
	Executive Director			
x)	Shri Arun Kapur, Joint Managing Director***	13931126.00	6039588.00	130.66
xi)	Shri Kaushalendra Verma**	3436577.00	N.A.	N.A.
xii)	Shri Rajiv Kumar Miglani**	5871492.00	N.A.	N.A.
xiii)	Shri Samarth Kapur#	5940000.00	N.A.	N.A.
xiv)	Shri Arvind Kapur, Chairman, CEO & MD	99146374.00	80059174.00	23.84
	Key Managerial Personnel			
xv)	Shri Rakesh Kumar Sharma, Chief Financial Officer	8198803.00	6254439.00	31.09
xvi)	Shri B.M. Jhamb, Company Secretary	4232059.00	4087856.00	3.53

* Shri Hemal Bharat Khandwala appointed as Independent Director on 26th August, 2022, hence the same is not comparable.

** Shri Kaushalendra Verma and Shri Rajiv Kumar Miglani appointed as Executive Directors on 26th August, 2022, hence the same is not comparable.

*** Shri Arun Kapur ceased to be Joint Managing Director w.e.f. 25th August, 2022 and Smt. Upasna Kapur ceased to be Director w.e.f. 30th September, 2022.

\# Shri Samarth Kapur appointed as Executive Directors on 26th August, 2022 and he receives remuneration from Rico Jinfei Wheels Limited (Subsidiary Company), hence the same is not comparable.

3. **The percentage of increase in the median remuneration of employees in the financial year 2022-23:** 8.31%

4. **The number of permanent employees on the roll of Company as on 31st March, 2023:** 1649

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   The average increase in cost of employees other than managerial personnel in 2022-23 was 6.44%. Percentage increase (+)/decrease (-) in the managerial remuneration for the year 2022-23 was 10.57%.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

   It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 11, 2023

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Auto Industries Limited (CIN:L34300HR1983PLC023187)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023 ("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, 2023** according to the provisions of (including any amendment thereof):

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

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

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

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable; and

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

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

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

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

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

   e) *The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

   g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

   i) The Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

   (*Not applicable, as no event took place under these Regulations during the Audit Period.)

vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

   a) The Factories Act, 1948;

   b) The Petroleum Act, 1934 and the rules made thereunder;

   c) The Environment Protection Act, 1986 and the rules made thereunder;

   d) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder; and

   e) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

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

i) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India; and

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

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

We further report that:

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

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

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period, following Subsidiary Companies were amalgamated with Rico Auto Industries Limited vide NCLT Order No. NCLT/Reg./FO/2023/49 dated 21st April, 2023 issued by National Company Law Tribunal, Chandigarh Bench:

a) RASA Autocom Limited
b) Rico Aluminium and Ferrous Auto Components Limited
c) Rico Investments Limited

for **Vimal Chadha & Associates**
Company Secretaries
(Firm No. S2017DE508700)

Vimal Chadha
Proprietor
Practicing Company Secretary
Peer Review: 1889/2022
FCS No. 5758, CP No.18669
UDIN:F005758E000782963

Place : New Delhi
Date : August 11, 2023

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

‘ANNEXURE A’

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi – Jaipur Highway,
Gurugram – 122001, Haryana

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account 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. Our examination was limited to the verification of procedure on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **Vimal Chadha & Associates**
Company Secretaries
(Firm No. S2017DE508700)

Vimal Chadha
Proprietor
Practicing Company Secretary
Peer Review: 1889/2022
FCS No. 5758, CP No.18669
UDIN:F005758E000782963

Place : New Delhi
Date : August 11, 2023

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Rico Jinfei Wheels Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Jinfei Wheels Limited (CIN:U34200HR2007PLC037021)** (herein after called"the Company").The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

i) The Companies Act, 2013 (the Act) read with the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not Applicable to the Company during the audit period)**

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

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the audit period)** and

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were **not applicable** to the Company during the audit period:

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

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009**;**

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

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008**;**

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009**;**

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998**;** and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

   i) The Factories Act, 1948;

   ii) The Environment Protection Act, 1986 and the rules made thereunder;

   iii) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;

   iv) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;

   v) Noise Pollution (Regulation and control) Rules 2000;

   vi) The Contract Labour (Regulation and Abolition) Act 1970;

vii) Macro, Small & Medium Enterprises Development (MSMED) Act 2006

viii) The Payment of Bonus Act, 1965; and

ix) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

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

i) Secretarial Standards (SS) 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 Listing Agreements entered into by the Company with Stock Exchange **(Not Applicable to the Company during the audit period)**

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

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

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

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors.

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

We further report that during the audit period, the scheme of amalgamation of M/s Rico Castings Limited into M/s Rico Jinfei Wheels Limited filed by the Company with the National Company Law Tribunal ('NCLT'), Chandigarh Bench was approved by the Hon'ble NCLT vide its order No. NCLT/Reg./FO/2023/1941 dated 18th January 2023 and all the statutory formalities w.r.t. the amalgamation have been completed in this regard.

for **K K Sachdeva & Associates**
Company Secretaries
(Firm No.12002DE298800)

K.K.Sachdeva
Proprietor
FCS No. 7153, CP No. 4721
Peer Review : 1684/2022
UDIN:F007153E000689208

Place : New Delhi
Date : July 27, 2023

Independent Auditor's Report

To the Members of

Rico Auto Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rico Auto Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
Revenue Recognition
See Note 22 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated and recognized before the control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence. • We assessed the Company's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. • We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year and after the financial year-end by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. • We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and • Considered the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 30 May 2022.

b. The corresponding figures for the year ended 31 March 2022 of the three subsidiary companies (refer note 46) included in these financial statements in accordance with the scheme of amalgamation to give effect to the order of NCLT, have been audited by another firm of Chartered Accountants whose reports for the year ended 31 March 2022 expressed an unmodified opinion on the aforesaid financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 to the standalone financial statements.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 (x) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 (xi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) 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 (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 54 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAEZ3820

Place: Gurugram
Date : May 29, 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rico Auto Industries Limited for the year ended 31 March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in INR crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land, Bawal, Haryana.	14.41	RASA Autocom Limited	No	6 June 2011	RASA Autocom Limited has been merged with the Company during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Service tax, Duty of excise and Value added tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending	Amount paid under Protest (Rs. in crores)
Gujarat VAT, 2003	Disallowance of input on rejected goods	0.04	Financial year 2017-18	Gujarat tax tribunal Sales	0.009
Finance Act, 1994	Claim of cenvat on construction & other repair & maintenance service	0.64	Financial year 2005-06 2010-11	Custom Excise & Service Tax Appellate	Nil
Finance Act, 1994	Denial of credit takenon services of insurance, catering, tent house and taxi	0.40	Financial year 2004-05 2008-09	Custom Excise & Service Tax Appellate Tribunal	Nil
Finance Act, 1994	Wrong credit taken on services of insurance, catering, Tent House and taxi cab	0.29	Financial year 2011-12 to 2013-14	Custom Excise & Service Tax Appellate Tribunal	Nil
Finance Act, 1994	Deposit of inadmissible cenvat credit availed on the capital goods destroyed in fire	0.39	Financial year 2012-13	Commissioner, Central Excise (Appeal)	Nil
Finance Act, 1994	Denial of credit taken on outward freight	0.07	Financial year 2011-12 to 2013-14	Commissioner, Central Excise (Appeal)	Nil
Finance Act, 1994	Denial of credit taken on credit taken on Service of insurance and tour and travelling services	0.10	Financial year 2012-13	Commissioner, Central Excise (Appeal)	Nil
Finance Act, 1994	Wrong service tax credit on civil work & repair & maintenance	0.01	Financial year 2017-18	State Tax officer	Nil
Central Excise Act, 1944	Supply of components without adding cost of designs/drawi ngs/ specifications	3.15	Financial year 2012-13	Commissioner of CGST	Nil
Central Excise Act, 1944	Short reversal of cenvat credit on clearance of capital Goods during slump sale	1.07	Financial year 2015-16 to 2017-18	Additional Commissioner Central Goods & Service tax	Nil
Central Excise Act, 1944	Excise duty not reversed/paid on job work	4.51	Financial year 2015-16 to 2016-17	Commissioner of GST	Nil
Central Excise Act, 1944	duty is payable on the amount of sales tax retained	0.56	Financial year 2011-12 to 2012-13	Custom Excise and service tax appellate tribunal	Nil
Goods and Services Tax	Tax credit incorrectly availed	0.01	Financial year 2001-02 to 2003-04	State Tax officer	0.01
Goods and Services Tax	Ineligible transitional credit availed on Capital Goods	0.28	Financial year 2017-18	Commissioner of GST	Nil

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

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

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xi) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project.

Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAEZ3820

Place: Gurugram
Date : May 29, 2023

Annexure B

Annexure B to the Independent Auditor's Report on the standalone financial statements of Rico Auto Industries Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Rico Auto Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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 controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAEZ3820

Place: Gurugram
Date : May 29, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(₹in crores, except share data, per share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022*
I. ASSETS			
1. NON–CURRENT ASSETS			
(a) Property, plant and equipment	5A	**858.04**	745.20
(b) Capital work–in–progress	5B	**67.88**	79.67
(c) Other Intangible assets	5C	**3.31**	2.97
(d) Intangible assets under development	5D	**7.51**	5.22
(e) Financial assets			
(i) Investments	6	**45.30**	45.30
(ii) Loans	7	**13.25**	39.96
(iii) Other financial assets	12	**15.74**	14.02
(f) Other non–current assets	13	**14.23**	35.37
(g) Income-tax assets (net)		**4.90**	4.90
Total non–current assets		**1,030.16**	972.61
2. CURRENT ASSETS			
(a) Inventories	8	**216.21**	221.21
(b) Financial assets			
(i) Trade receivables	9	**369.67**	334.18
(ii) Cash and cash equivalents	10	**4.20**	3.09
(iii) Other bank balances	11	**15.23**	18.15
(iv) Loans	7	**15.88**	33.47
(v) Other financial assets	12	**6.78**	14.29
(c) Other current assets	13	**36.07**	29.26
Total current assets		**664.04**	**653.65**
Total assets		**1,694.20**	**1,626.26**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	14	**13.53**	13.53
(b) Other equity	15	**620.27**	581.73
Total equity		**633.80**	**595.26**
LIABILITIES			
2. NON–CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	**314.31**	177.32
(ii) Lease liabilities	20	**11.40**	17.00
(b) Provisions	17	**17.69**	17.97
(c) Deferred tax liabilities (net)	18	**10.23**	1.69
Total non–current liabilities		**353.63**	**213.98**
3. CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	**283.92**	333.14
(ii) Lease liabilities	20	**6.06**	6.76
(iii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		**17.84**	7.97
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**331.87**	402.67
(iv) Other financial liabilities	20	**36.18**	40.47
(b) Other current liabilities	21	**26.47**	25.21
(c) Provisions	17	**0.48**	0.80
(d) Income tax liabilities (net)		**3.95**	-
Total current liabilities		**706.77**	817.02
Total equity and liabilities		**1,694.20**	1,626.26

* Refer note 46 of the standalone financial statements

Significant accounting policies 2

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

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

(₹in crores, except share data, per share data and unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022*
REVENUE			
Revenue from operations	22	**1,873.31**	1,602.64
Other income	23	**23.34**	22.95
Total Revenue (I)		**1,896.65**	1,625.59
EXPENSES			
(a) Cost of materials consumed	24	**1,077.38**	952.03
(b) Changes in inventories of finished goods and work-in-progress	25	**(4.80)**	(48.61)
(c) Manufacturing expenses	26	**226.67**	197.33
(d) Employee benefits expense	27	**255.97**	235.58
(e) Finance costs	28	**43.42**	36.41
(f) Depreciation and amortisation expense	29	**96.50**	80.96
(g) Other expenses	30	**140.39**	136.17
Total expenses (II)		**1,835.53**	1,589.87
Profit before exceptional item and tax (III = I - II)		**61.12**	**35.72**
Exceptional items	31	**1.12**	6.15
Profit before tax (IV)		**60.00**	**29.57**
Tax expense	34		
Current tax		**10.23**	5.16
Deferred tax charge		**7.60**	5.29
Total tax expense (V)		**17.83**	10.45
Profit for the year (VI = IV - V)		**42.17**	19.12
Other comprehensive income (VII)			
(a) Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefit plans	32	**(0.61)**	1.07
Income tax relating to re-measurement (loss)/gain on defined benefit plans		**0.22**	(0.32)
(b) Items that will be reclassified to profit or loss			
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge		**3.33**	5.19
Income tax relating to gain on designated portion of hedging instruments in a cash flow hedge		**(1.16)**	(1.81)
Total other comprehensive income for the year (net of tax)		**1.78**	4.13
Total Comprehensive Income for the year (VIII = VI + VII) (Comprising Profit and Other Comprehensive income for the year)		**43.95**	**23.25**
Earnings per equity share:			
(1) Basic-Par value of ₹1 per share	33	**3.12**	1.41
(2) Diluted-Par value of ₹1 per share		**3.12**	1.41
* Refer note 46 of the standalone financial statements			
Significant accounting policies	2		
The accompanying notes are an integral part of these Standalone Financial Statements.			

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Place : Gurugram
Date : May 29, 2023

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

(₹in crores, except share data, per share data and unless otherwise stated)

A Equity share capital

Particulars	Note	Equity Shares No. of shares	Equity Shares Amount
Balance as at March 31, 2023	**14**	135,285,000	13.53
Changes during the year		–	–
Balance as at March 31, 2022		135,285,000	13.53
Changes during the year		–	–
Balance as at April 01, 2021		**135,285,000**	**13.53**

B Other equity

Particluars	Reserve and Surplus: Retained earnings	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Total
Balance as at April 01, 2022	**355.15**	**145.04**	**0.00**	**2.00**	**79.54**	**581.73**
Total Comprehensive income for the year ended March, 31 2023						
Profit for the year	42.17	–	–	–	–	42.17
Other comprehensive income (net of tax)	1.78	–	–	–	–	1.78
Contribution by and distribution to owner						
Dividend on equity shares (Final)	(5.41)	–	–	–	–	(5.41)
Balance as at March 31, 2023	**393.69**	**145.04**	**0.00**	**2.00**	**79.54**	**620.27**
Balance as at April 01, 2021	**329.88**	**145.04**	**0.00**	**2.00**	**79.54**	**556.46**
Total Comprehensive income for the year ended March 31, 2022						
Profit for the year	19.12	–	–	–	–	19.12
Other comprehensive income (net of tax)	4.13	–	–	–	–	4.13
Adjustment on account of merger (refer note 46)	4.73	–	–	–	–	4.73
Contribution by and distribution to owner						
Dividend on equity shares (Final)	(2.71)	–	–	–	–	(2.71)
Balance as at March 31, 2022	**355.15**	**145.04**	**0.00**	**2.00**	**79.54**	**581.73**

Notes:

1. Refer Note 15 for nature and purpose of other equity.

The accompanying notes are an integral part of these Standalone Financial Statements.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

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

(₹in crores, except share data, per share data and unless otherwise stated)

		For the Year ended March 31, 2023	For the Year ended March 31, 2022*
A.	**Cash flow from operating activities**		
1.	**Profit before tax**	**60.00**	29.57
2.	**Adjustments for:**		
	Depreciation and amortisation expense	**96.50**	80.96
	Dividend income	**(4.22)**	(4.22)
	Unrealised foreign exchange loss/(gain)	**0.82**	(1.44)
	Finance costs	**43.42**	36.41
	Profit on sale of property, plant and equipment	**(1.50)**	(0.41)
	Interest income on financial assets measured at amortized costs	**(7.54)**	(9.57)
	Amortization of contract assets	**5.35**	4.62
3.	**Operating profit before working capital changes (1+2)**	**192.83**	135.92
4.	**Movements in working capital:**		
	(Increase)/Decrease in trade receivables	**(1.29)**	25.59
	Decrease/(Increase) in inventories	**5.00**	(10.00)
	Decrease in other assets	**13.54**	5.66
	Decrease/(Increase) in trade payables	**(90.61)**	47.46
	Decrease in other liabilities and provisions	**(3.00)**	(3.68)
	Total movement in working capital	**(76.36)**	65.03
5.	**Cash generated from operations (3+4)**	**116.47**	200.95
6.	**Income tax paid (net of refunds)**	**(7.15)**	(2.38)
7.	**Net cash generated from operating activities (5-6)**	**109 .32**	198.57
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, capital work in progress and other intangible assets	**(184.04)**	(182.84)
	Purchase of non-current investment	**–**	(9.22)
	Maturity of bank deposits (having original maturity more than three months)	**2.35**	–
	Investment in bank deposits (having original maturity more than three months)	**–**	(10.89)
	Loan repaid by subsidiaries during the year	**26.91**	24.44
	Dividend received	**4.22**	4.22
	Interest received	9.29	9.41
	Net cash used in investing activities	**(141.27)**	(164.88)
C.	**Cash flow from financing activities**		
	Proceeds of long-term borrowings	**217.94**	35.46
	Repayment of long-term borrowings	**(82.55)**	(77.99)
	Amount paid to selling shareholders for acquisition of remaining shares of subsidiary	**–**	(2.70)
	(Repayment)/ Proceeds from short-term borrowings (net)	**(49.23)**	55.94
	Payment of interest portion of lease liabilities	**(1.64)**	(1.22)
	Payment of principal portion of lease liabilities	**(3.71)**	(6.85)
	Dividend paid	**(5.41)**	(2.71)
	Interest paid	**(42.34)**	(37.33)
	Net cash generated from/(used in) financing activities	**33.06**	(37.40)

		For the Year ended March 31, 2023	For the Year ended March 31, 2022*
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**1.11**	(3.71)
E.	1 Cash and cash equivalents as at the beginning of year	**3.09**	6.80
	2 Cash and cash equivalents as at end of the year	**4.20**	3.09
	Cash and cash equivalents include		
	Balances with banks:		
	– In current accounts	3.94	2.62
	– Cash on hand	0.26	0.47
	Cash and cash equivalents at the end of the year	**4.20**	3.09

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	**FY 22-23**	**FY 21-22**
Opening balance as at 1 April	510.46	496.01
Proceeds from borrowings	217.94	91.40
Repayment of borrowings	(131.78)	(77.99)
Non-cash changes:		
Foreign exchange movement	1.61	1.04
Closing balance as at 31 March	**598.23**	**510.46**

For lease liabilities, refer Note 42

Notes:

* Refer note 46 of the standalone financial statements.

1. The Standalone Statement of Cash Flows has been prepared in accordance with “Indirect Method” as set out on Indian Accounting Standard -7 “Statement of Cash Flows”.
2. Refer note 2 for significant accounting policies.

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(₹ in crores, except share data, per share data and unless otherwise stated)

1. CORPORATE INFORMATION

Rico Auto Industries Limited ("the Company") registered office is situated at 38 KM Stone, Delhi – Jaipur Highway, Gurugram – 122001 (Haryana), was incorporated in India on March 7, 1983. The Company supplies a broad range of high–precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminum and ferrous products. The Company is in the business of manufacturing and sale of auto components for two wheelers and four wheelers.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

i) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013(the 'Act'),read with Companies (Indian Accounting Standards) Rules, 2015,presentation requirements of Division II of Schedule III to the Companies Act, 2013" financials and other relevant provisions of the Act.

ii) Functional and presentation currency:

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Crores, unless otherwise indicated.

iii) Basis of measurement

These Standalone Financial Statements have been prepared on going concern basis under the historical cost convention on accrual basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability	Fair value
Investment in preference shares (unquoted)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

iv) Use of estimates and judgements

In preparation of these Standalone Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in theStandaloneFinancial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax
- Estimated impairment of financial assets and non-financial assets – Note 2.2 (h)
- Assessment of useful life of property, plant and equipment and intangible assets– Note 2.2 (a)
- Estimation of obligations relating to employee benefits:key actuarial assumptions
- Valuation of inventories – Note 2.2 (j)
- Recognition and measurement of provision and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources
- Lease classification
- Fair value measurement – Note 2.1 (v)

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – Financial instrument.

(vi) Current - non-current classification

Asset

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The Company's normal operating cycle is twelve months.

2.2 Summary of significant accounting policies

a. Property, plant and equipment

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended useand estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1(iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 Standalone Statement of Profit and Loss when the asset is derecognized.

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 to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

A property, plant and equipment is eliminated from the Standalone Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial yearend and adjusted prospectively, if appropriate.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(III) Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Standalone Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land is amortized on a straight-line basis over the period of the lease having useful life up to 99 years.

Asset	Estimated Useful Life
Plant and machinery*	15–20
Building**	30–60
Furniture and fixtures	10
Office equipment	5
Computers	3–8
Vehicles	8
Product development	5
Dies	5-15
Software	5
Other intangibles	10

* Includes right of use asset having life of 5years.

** Includes right of use asset having life of 9years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

b. Intangible assets

(i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Standalone Statement of Profit andLoss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

(iI) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Standalone Statement of Profit and Loss as incurred.

(iii) Amortization

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

– **Software**

Software purchased by the Company are amortized on a straight-line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

c. Investment properties

The Company had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

Investment property comprises freehold land that are held for capital appreciation and recognised at cost, less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceedsand the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

d. Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

e. Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under “other non-current assets”.

f. Leases

Company as a lessee

The Company as a lessee the Company applies a single recognition and measurement approach for all leases, except for short-term leases.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. Right-of-use assets are amortized on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note 2.2 (h) for Impairment of non- financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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(₹ in crores, except share data, per share data and unless otherwise stated)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

(iii) Lease payments

Payments made under operating leases are generally recognized in the Standalone Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g. Borrowing costs

Borrowing costs includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

h. Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

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(₹ in crores, except share data, per share data and unless otherwise stated)

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication 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. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Standalone Statement of Profit andLoss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

i. Government grant

Government grants are recognized 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 recognized as other operating revenue 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 recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

j. Inventories

Inventories which include raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

k. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. 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 recognized in the Standalone 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 recognized in OCI or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

l. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised

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The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration

Interest income

For all financial assets measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the Statement of Profit and Loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

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m. Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

n. Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry.All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

o. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the Profit or Loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

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p. Provisions(Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

q. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fundand employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees. 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 recognized 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 recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to India First Life Insurance Company Limited and LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iv. Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Standalone Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

Investments in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

V. Derivative financial instruments

Derivative accounting

Initial recognition and subsequent measurement

The company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Hedge Accounting

Initial recognition and subsequent measurement

The company designates (Cash Flow Hedge):

- Intrinsic Value of Call Spread option to hedge foreign currency risk for repayment of Principal Amount in relation to FCNR Loan availed in Euro.
- Interest Rate Swap (Floating to Fixed) to hedge interest rate risk in respect of Floating rate of interest in relation to FCNR Loan.

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or expense.

When option contracts are used to hedge foreign currency risk, the company designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The time value of an option used to hedge represents part of the cost of the transaction.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other income or expense.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

– Financial assets measured at amortized cost; and

– Financial assets measured at FVOCI – financial assets.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and financial assets at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.For debt securities at FVOCI, the loss allowance is charged to the Standalone Statement of the Profit and Loss and is recognized in OCI.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are financial assets, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 115

c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. asa liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

s. Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

– the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

u. Cash flow statement

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

v. Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Company, or in respect of the final dividend when approved by shareholders of the Company.

w. Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

x. Expenditure

Expenses are accounted for on the accrual basis.

y. Exceptional items

Exceptional items refer to items of income or expense within the Standalone Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

z. Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

aa. Research and development

Expenditure on research and development activities is recognized in the Standalone Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

3 Standard issued but not yet effective

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

Ind AS 1 – Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

4 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (up to two decimal places) as per the requirements of Schedule III of the Act unless otherwise stated.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK–IN–PROGRESS, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

A Property, plant and equipment

(₹ in Crores)

Particulars	Gross carrying values				Accumulated depreciation				Net carrying values	
	As at April 01 2022	**Additions**	**Disposals**	**As at March 31 2023**	As at April 01, 2022	**Charge for the year**	**Adjustment upon disposals**	**As at March 31, 2023**	**As at March 31, 2023**	As at March 31, 2022
Property plant and equipment										
Land*	48.22	**–**	**–**	**48.22**	1.18	**0.21**	**–**	**1.39**	**46.83**	47.04
Buildings**	171.25	**11.23**	**3.22**	**179.26**	27.96	**6.59**	**1.20**	**33.35**	**145.91**	143.29
Furniture and fixtures	3.56	**–**	**0.02**	**3.54**	2.05	**0.34**	**0.02**	**2.37**	**1.17**	1.51
Plant and equipment***	711.70	**171.76**	**5.21**	**878.25**	220.61	**68.89**	**2.96**	**286.54**	**591.71**	491.09
Dies and moulds	91.95	**28.37**	**17.06**	**103.26**	40.93	**17.47**	**13.12**	**45.28**	**57.98**	51.02
Vehicles	12.20	**5.48**	**3.15**	**14.53**	8.85	**1.54**	**2.50**	**7.89**	**6.64**	3.35
Office equipment	15.15	**0.34**	**0.15**	**15.34**	7.25	**0.62**	**0.33**	**7.54**	**7.80**	7.90
Total	1,054.03	**217.18**	**28.81**	**1,242.40**	308.83	**95.66**	**20.13**	**384.36**	**858.04**	745.20

Particulars	Gross carrying values					Accumulated depreciation				Net carrying values	
	As at April 01, 2021	**Additions**	**Additions on account of merger (refer note 46)**	**Disposals**	**As at March 31, 2022**	As at April 01, 2021	**Charge for the year**	**Adjustment upon disposal**	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2021
Property plant and equipment											
Land*	47.58	0.64	–	–	–	0.98	0.20	–	1.18	47.04	46.60
Buildings**	159.38	11.75	0.12	0.12	–	22.33	5.63	–	27.96	143.29	137.05
Furniture and fixtures	3.55	0.01	–	–	–	1.58	0.47	–	2.05	1.51	1.97
Plant and equipment***	611.15	107.62	11.20	11.20	18.27	175.40	58.20	12.99	220.61	491.09	435.75
Dies and moulds	54.96	36.48	0.51	0.51	–	27.77	13.16	–	40.93	51.02	27.19
Vehicles	14.03	0.68	–	–	2.51	9.65	1.41	2.21	8.85	3.35	4.38
Office equipment	13.93	0.33	0.89	0.89	–	6.04	1.21	–	7.25	7.90	7.89
Total	904.59	157.51	12.72	12.72	20.78	243.75	80.28	15.20	308.83	745.20	660.84

*Includes gross block of right of use assets amounting to ₹19.64 (31 March 2022 : ₹19.64) with net block of ₹18.25 (31 March 2022 : ₹18.46) as at the reporting date, refer note 42.

**Includes gross block of right of use asset amounting to₹ 2.76 (31 March 2022 : ₹3.22)with net block of ₹1.27 (31 March 2022 : ₹ 2.31) as at the reporting date, refer note 42.

*****Includes gross block of right of use asset amounting to ₹30.26 (31 March 2022 :₹29.51) with net block of ₹ 27.20 (31 March 2022 :₹ 28.32) as at the reporting date, refer note 42.**

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

B Capital work–in–progress (CWIP)

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	**79.67**	56.38
Additions	**25.56**	60.44
Transfers to property, plant and equipment	**(37.35)**	(37.15)
As at the end of the year	**67.88**	79.67

Asset under construction

Capital work in progress as at 31 March 2023, 31 March 2022 comprises expenditure incurred mainly for the Building in the course of construction.

The Company accounts for capitalization of property, plant and equipment to the extent applicable through capital work in progress and therefore the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment.

C The capital work-in-progress ageing schedule as at March 31, 2023, March 31, 2022 is as follows :

As at 31 March 2023

CWIP	Less than 1 Year	1-2 years	2-3 years	Total
Projects in progress	67.88	–	–	67.88
Projects temporarily suspended	–	–	–	–

As at 31 March 2022

CWIP	Less than 1 Year	1–2 years	2–3 years	
Projects in progress	76.34	3.08	0.25	79.67
Projects temporarily suspended	–	–	–	–

There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Borrowing costs capitalized to capital work in progress during the year amounts to ₹3.30 crores and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's borrowings during the year, in this case 6.95%

(i) For details regarding charge on property, plant and equipment - refer note 16
(ii) For details regarding contractual commitments for the acquisition of property, plant and equipment - refer note 37
(iii) The Company has not revalued its property, plant and equipment during the year.
(iv) The Company does not have any benami property and no proceedings have been initiated or pending against the Company for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
(v) All title deeds of immovable properties are held in the name of Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

C Intangible assets

Particulars	Gross carrying values				Accumulated depreciation				Net carrying values	
	As at April 01, 2022	**Additions**	**Disposals**	**As at March 31, 2023**	As at April 01, 2022	**Charge**	**Adjustment upon disposal**	**As at March 31, 2023**	**As at March 31, 2023**	As at March 31, 2022
Product development	4.30	1.18	–	**5.48**	1.33	0.84	–	**2.17**	**3.31**	**2.97**

Intangible assets

Particulars	Gross carrying values					Accumulated depreciation				Net carrying values	
	As at April 01, 2021	**Additions**	**Additions on account of merger (refer note 46)**	**Disposals**	**As at March 31, 2022**	As at April 01, 2021	**Charge for the year**	**Adjustment upon disposal**	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2022
Product development	3.55	–	0.75	–	4.30	0.65	0.68	–	1.33	2.97	2.90

*Amounts have been rounded off to zero.

D Intangible assets under development

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
As at the beginning of the year	**5.22**	**2.24**
Additions	**2.86**	2.98
Transfers to property, plant and equipment	**(0.57)**	-
As at the end of the year	**7.51**	**5.22**

The intangible assets under development ageing schedule as at March 31, 2023 and March 31, 2022 is as follows :

As at 31 March 2023

Intangible assets under development	**Less than 1 Year**	**1–2 years**	**2–3 years**	
Projects in progress	2.86	2.41	2.24	7.51
Projects temporarily suspended	–	–	–	–

As at 31 March 2022

Intangible assets under development	**Less than 1 Year**	**1–2 yearsw**	**2–3 years**	
Projects in progress	2.98	2.24	–	5.22
Projects temporarily suspended	–	–	–	–

There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
6	**INVESTMENTS**		
	Non-current investments		
	Investments at cost		
	Investments in subsidiaries		
	Investment in equity shares (Unquoted)		
	Rico Auto Industries Inc. (USA) 2,500 equity shares of US$ 10/- each (31st March, 2022: 2500 equity shares of US$ 10/- each)	**0.12**	0.12
	Rico Auto Industries (UK) Limited (U.K.) 20,000 equity shares of GBP 1/- each (31st March, 2022: 20,000 equity shares of GBP 1/- each)	**0.17**	0.17
	AAN Engineering Industries Limited 60,50,000 equity shares of ₹ 10/- each (31st March, 2022: 60,50,000 equity shares of ₹ 10/- each)	**6.05**	6.05
	Rico Fluidtronics Limited 4,22,40,000 equity shares of ₹ 10/- each (31st March, 2022: 2,15,20,000 equity shares of ₹ 10/- each)	**29.69**	29.69
	Rico Jinfei Wheels Limited 3,55,25,000 equity shares of ₹ 10/- each (31st March, 2022: 3,55,25,000 equity shares of ₹ 10/- each)	**6.05**	6.05
	Rico Friction Technology Limited 7,56,000 equity shares of ₹ 10/- each (31st March, 2022: 756000 equity shares of ₹ 10/- each)	**0.76**	0.76
	Investments- others (at amortized cost)		
	Investments in equity instruments (fully paid up)- unquoted		
	Roop Ram Industries Private Limited 24,34,640 equity shares of ₹10/- each (31st March, 2022: 24,34,640 equity shares of ₹10/- each)	**2.43**	2.43
	Rico Care Foundation (Sec 8 Company) 29,900 equity shares of ₹ 10/- each (31st March 2022: 29,900 equity shares of ₹ 10/- each)	**0.03**	0.03
	Total investments value	**45.30**	**45.30**
	Aggregated amount of un–quoted non–current investments at cost	**45.30**	45.30
	Current	**–**	–
	Non-Current	**45.30**	45.30
7	**LOANS**		
	Non–current		
	Loans to related parties (refer note 38)	**28.15**	72.24
	Less: Current maturities of loans to related parties	**(14.90)**	(32.28)
		13.25	39.96
	Current		
	Loans recoverable from related parties	**14.90**	32.28
	Loans to employees	**0.99**	1.19
		15.88	33.47
	Total loans		
	Break up of total loans		
	(a) Secured, considered good;		
	(b) Unsecured, considered good; and	29.14	73.43
	(c) Doubtful.		
		29.14	**73.43**
8	**INVENTORIES**		
	(Valued at lower of cost and net realizable value)		

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Raw materials	**51.20**	43.54
	Work in progress	**25.63**	22.23
	Finished goods {includes goods in transit of ₹14.36 crores (31 March 2022: ₹1.62 crores)}	**107.90**	106.51
	Stores and spares	**31.47**	48.94
	Total inventories	**216.21**	**221.21**
9	**TRADE RECEIVABLES**		
	(unsecured and considered good, unless otherwise stated)		
	Trade receivables*	**369.67**	330.97
	Unbilled Revenue	**–**	3.21
	Total trade receivables	**369.67**	**334.18**
	Break-up of trade receivables		
	Unsecured, considered good	**369.67**	334.18
	Trade receivables which have significant increase in credit risk	**–**	–
	Trade receivables - credit impaired	**0.93**	0.13
		370.60	**334.31**
	Less: Impairment allowance (allowance for bad and doubtful receivables)	**(0.93)**	(0.13)
		369.67	334.18
10	**CASH AND CASH EQUIVALENTS**		
	Balances with banks:		
	– In current accounts	**3.94**	2.62

Trade Receivables ageing schedule as on March 31, 2023

Particulars	Outstanding for the 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	**330.58**	**29.19**	**8.74**	**0.75**	**0.21**	**0.19**	**369.67**
ii) Undisputed Trade receivables- which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
iii) Undisputed Trade Receivables- credit Impaired	**–**	**–**	**–**	**0.80**	**0.02**	**0.11**	**0.93**
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 loss	**–**	**–**		**(0.80)**	**(0.02)**	**(0.11)**	**(0.93)**
	330.58	**29.19**	**8.74**	**0.75**	**0.21**	**0.19**	**369.67**

Trade Receivables ageing schedule as on March 31, 2022

Particulars	Outstanding for the 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	246.57	79.76	7.83	0.01	–	–	**334.18**
ii) Undisputed Trade receivables- which have significant increase in credit risk	–	–	–	–	–	–	**–**
iii) Undisputed Trade Receivables- credit Impaired	–	–	–	0.13	–	–	**0.13**
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 loss	–	–		(0.13)	–	–	**(0.13)**
	246.57	**79.76**	**7.83**	**0.01**	**–**	**–**	**334.18**

* For explanations on the Company's credit risk management processes, refer note 43 to standalone financial statements

- For dues receivables from related parties refer note 38 to standalone financial statements

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
	Cash on hand	**0.26**	0.47
	Total cash and cash equivalents	**4.20**	**3.09**
11	**OTHER BANK BALANCES**		
	In current account for equity dividend*	**0.80**	1.36
	Deposits with original maturity for more than 3 months but less than 12 months	**14.43**	16.79
	Total other bank balances	**15.23**	18.15
	*These balances are not available for use by the company and has been kept in escrow accounts for unclaimed dividends.		
12	**Other financial assets (unsecured, considered good unless otherwise stated)**		
	Non-current		
	Security deposits	**15.74**	14.02
		15.74	14.02
	Current		
	Interest receivable	**1.51**	3.25
	Insurance claims receivable	**–**	0.35
	Export incentive receivable	**2.46**	5.97
	Others	**2.81**	4.71
		6.78	14.29
	Total other financial assets	**22.52**	28.31
	Break up of financial assets carried at amortised cost		
	Investment in equity shares	**2.46**	2.46
	Security deposits	**15.74**	14.02
	Trade receivables	**369.67**	334.18
	Cash and cash equivalents	**4.20**	3.09
	Other bank balances	**15.23**	18.15
	Loan to subsidiaries	**28.15**	72.24
	Loan to employees	**0.99**	1.19
	Interest receivable	**1.51**	3.25
	Export incentive receivable	**2.46**	5.97
	Others	**2.81**	5.07
	Total financial assets carried at amortised cost	**443.22**	459.62
13	**Other assets**		
	Other non - current assets (Unsecured and considered good, unless otherwise stated)		
	Capital advances	**4.52**	20.00
	Contract costs (refer note 50)	**8.80**	14.61
	Prepaid expenses	**0.91**	0.75
		14.23	35.37
	Income-tax asset		
	Advance income-tax (net of provision for taxation)	**4.90**	4.90
	Total other non - current assets	**19.13**	40.27
	Other current assets (Unsecured and considered good, unless otherwise stated)		
	Advances to suppliers	**13.20**	8.66
	Prepayments	**3.81**	6.12
	Balance with statutory / government authorities	**8.86**	6.58
	Contract costs (refer note 50)	**6.99**	4.69
	Others	**3.21**	3.21
	Total other current assets	**36.07**	29.26
	Total other assets	**55.20**	69.53

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
14	**Share capital**		
A	**Authorised share capital**		
	49,00,00,000 equity shares of ₹1/- each, 21,60,00,000 equity shares of ₹10/- each (31 March 2023) (March 31, 2022: 49,00,00,000 equity shares of ₹1/- each, 21,60,00,000 equity shares of 10/- each)	**265.00**	265.00
	50,00,000 redeemable preference shares of ₹10/- each (31 March 2022: 50,00,000 redeemable preference shares of ₹10/- each)	**5.00**	5.00
		270.00	270.00
B	**Issued, subscribed and fully paid equity share capital**		
	13,52,85,000 equity shares of ₹1/- each (31 March 2022: 13,52,85,000 equity shares of 1/- each)	**13.53**	13.53
		13.53	13.53

C Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	₹	Number	₹
Equity shares outstanding at the beginning of the year	**135,285,000**	**13.53**	135,285,000	13.53
Issued during the year	**–**	**–**	–	–
Outstanding at the end of the year	**135,285,000**	**13.53**	135,285,000	13.53

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of ₹1 per share (31st March 2022: ₹1 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

The Company has paid final dividend of ₹ 0.40 per equity share of face value ₹1 each, which was declared during last year..

The Board of Directors at its Meeting held on 29 May 2023, has recommended a final dividend @ 75% i.e. ₹0.75 per equity share. The dates of the book closure for the entitlement of such final dividend and Annual General Meeting shall be decided and informed in due course of time.

In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive 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 share holders.

D Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
ASN Manufacturing and Services Private Limited	**20,838,321**	**15.40%**	20,838,321	15.40%
Mr. Arvind Kapur	**14,118,043**	**10.44%**	2,685,960	9.38%
Mr. Arun Kapur	**8,770,849**	**6.48%**	8,770,849	6.48%
Meraki Manufacturing and Finvest Advisors Private Limited	**1,790,841**	**8.72%**	11,790,841	8.72%
Higain Investments Private Limited	**7,580,628**	**5.60%**	7,580,628	5.60%

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Details of shares held by promoters as at 31 March 2023

Particulars	No of shares (1 April 2022)	Change during the year	No. of shares (31 March 2023)	% change during the year	% of shareholding
Mr. Arvind Kapur	12,685,960	1,432,083	14,118,043	11.29%	10.44%
Mr. Arun Kapur	8,770,849	–	8,770,849	0.00%	6.48%
Mrs. Upasna Kapur	3,453,384	–	3,453,384	0.00%	2.55%
Mrs. Shalini Kapur	1,423,683	(1,423,683)	–	(100.00%)	0.00%
Mrs. Ritu Kapur	733,140	–	733,140	0.00%	0.54%
Ms. Nyla Kapur	375,040	8,400	383,440	2.24%	0.28%
Mr. Samarth Kapur	194,800	–	194,800	0.00%	0.14%
Mrs. Shivani Kapur	149,800	–	149,800	0.00%	0.11%
Mrs. Romilla Bahl	79,000	–	79,000	0.00%	0.06%
Mrs. Promila Sikka	4,000	–	4,000	0.00%	0.00%
ASN Manufacturing And Services Private Limited	20,838,321	–	20,838,321	0.00%	15.40%
Meraki Manufacturing And Finvest Advisors Private Limited	11,790,841	–	11,790,841	0.00%	8.72%
Higain Investments Private Limited	7,580,628	–	7,580,628	0.00%	5.60%

Details of shares held by promoters as at 31 March 2022

Particulars	No of shares (1 April 2021)	Change during the year	No. of shares (31 March 2022)	% change during the year	% of shareholding
Mr. Arvind Kapur	12,685,960	–	12,685,960	0.00%	10.44%
Mr. Arun Kapur	8,770,849	–	8,770,849	0.00%	6.48%
Mrs. Upasna Kapur	3,453,384	–	3,453,384	0.00%	2.55%
Mrs. Shalini Kapur	1,423,683	–	1,423,683	0.00%	0.00%
Mrs. Ritu Kapur	733,140	–	733,140	0.00%	0.54%
Ms. Nyla Kapur	375,040	–	375,040	0.00%	0.28%
Mr. Samarth Kapur	194,800	–	194,800	0.00%	0.14%
Mrs. Shivani Kapur	149,800	–	149,800	0.00%	0.11%
Mrs. Romilla Bahl	79,000	–	79,000	0.00%	0.06%
Mrs. Promila Sikka	4,000	–	4,000	0.00%	0.00%
ASN Manufacturing And Services Private Limited	20,838,321	–	20,838,321	0.00%	15.40%
Meraki Manufacturing And Finvest Advisors Private Limited	11,790,841	–	11,790,841	0.00%	8.72%
Higain Investments Private Limited	7,580,628	–	7,580,628	0.00%	5.60%

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

15 OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve		
Balance at the beginning of the year	**0.00**	0.00
Balance at the end of the year	**0.00**	0.00
Capital redemption reserve		
Balance at the beginning of the year	**2.00**	2.00
Balance at the end of the year	**2.00**	2.00
Securities premium		
Balance at the beginning of the year	**145.04**	145.04
Balance at the end of the year	**145.04**	145.04
General reserve		
Balance at the beginning of the year	**79.54**	79.54
Balance at the end of the year	**79.54**	79.54
Retained earnings		
Balance at the beginning of the year	**355.15**	329.88
Add: Profit for the year	**42.17**	19.12
Other comprehensive income (net of tax)	**1.78**	4.13
Adjustment on account of merger (refer note 46)	**–**	4.73
Less: Dividend on equity shares (Final)	**(5.41)**	(2.71)
Balance at the end of the year	**393.69**	355.15
Total of other equity	**620.27**	581.73

Nature and purpose of other equity

1. **Capital reserve :**
   The same has been created in accordance with provision of the Act on forfeiture of shares and debentures in past and is not available for distribution to owners.
2. **Capital redemption reserve:**
   The same has been created on redemption of share capital and shall be utilised in accordance with provision of the Act.
3. **Securities premium:**
   Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
4. **General reserve**
   General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose.
5. **Retained earnings**
   Retained earnings are the accumulated profits earned by earned by the Company till date, as adjusted for distribution to owners.

16 BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current borrowings		
Term loan		
Secured loan, at amortized cost*		
From banks		
Foreign currency loans	**85.24**	39.52
Rupee loans	**220.99**	208.64
From Financial institutions		
Rupee loans	**90.05**	20.31
Vehicle loans		
From financial institutions	**0.92**	0.67
From banks	**2.40**	0.27
	399.61	269.41
Less: Shown in current maturities of long term borrowings	**(85.30)**	(92.09)
Total non-current borrowings	**314.31**	177.32
Secured	**314.31**	177.32
Unsecured	**–**	–
Current borrowings		
Secured, at amortized cost **		
Current maturities of long term borrowings	**85.30**	92.09
Working capital loans from banks:		
Rupee loans	**165.29**	200.68
Sale bils discounting	**33.33**	40.37
Total current borrowings	**283.92**	**333.14**

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

16 BORROWINGS

	Particulars	As at March 31, 2023	As at March 31, 2022
	*** Includes the effects of related interest rate swaps.**		
	Aggregate secured borrowings	**250.59**	292.77
	Aggregate unsecured borrowings	**33.33**	40.37
	*Refer note A for security details and other particulars terms for Non-current borrowings.		
	**Refer note B for security details and other particulars terms for current borrowings.		
A	**Security Details - non-current secured loans**		
A1	The Company has taken a Foreign currency term loan alongwith Interest rate swap from RBL Bank Limited. The loan carries fixed interest rate @ 2.80% per annum on euro notional and is repayable in 18 equal quarterly installments after moratorium of 6 quarters starting June,2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**12.30**	20.50
A2	Buyer's credit facility from Yes Bank Limited is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Loan carries interest @Euribor + 0.85% to 0.95% per annum (previous year Euribor + 0.30% to 0.75% per annum).	**9.56**	13.25
A3	Buyer's credit facility from Axis Bank Limited is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and are repayable in three years ie June'2024. Loan carries interest @ Jpybor + 1.50% to 1.53% per annum.	**12.60**	**5.77**
A4	Buyer's credit facility from IndusInd Bank Limited is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi. Loan carries interest @Euribor + 0.50% per annum.	**50.79**	**–**
A5	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 10.05% per annum (previous year 8.65% to 9.95% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**9.68**	28.68
A6	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 9.60% per annum (previous year 8.75% to 10.15% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**2.85**	4.74
A7	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 8.90% per annum (previous year 8.75% per annum)and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**4.32**	6.24
A8	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 10.00% per annum (previous year 8.75% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**5.33**	7.27
A9	Rupee term loan from IndusInd Bank Limited carries interest @ 9.25% per annum and is repayable in 24 quarterly installments. The term loan is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	**8.51**	–
A10	The Company has taken term loan alongwith a principal only swap (INR to Euro) from Kotak Mahindra Bank Limited. The loan carries interest @ 7.80% to 8.65% per annum (previous year 7.75% to 7.85% per annum) and is repayable in 16 equal quarterly installments after moratorium of 6 quarters starting December 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**5.38**	8.79

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

16 BORROWINGS

	Particulars	As at March 31, 2023	As at March 31, 2022
A11	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 7.85% to 8.70% per annum (previous year 7.85% to 7.90% per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting February,2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**1.25**	1.70
A12	The company has converted rupee term loan in euro, a cross currency swap from Kotak Mahindra Bank Limited, carries interest @ 3.05% per annum on euro notional (previous year 3.05 % per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting December 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**20.27**	28.38
A13	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 8.00% to 9.20% per annum (previous year 8.00% to 8.15% per annum) and is repayable in 16 equal quarterly installments after moratorium of 9 quarters starting February 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**3.45**	4.70
A14	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 8.00% to 9.55% per annum (previous year 8.00% to 8.15% per annum) and is repayable in 16 equal quarterly installments after moratorium of 3 quarters starting August 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**8.71**	15.68
A15	Rupee term loan from Axis Bank Limited carries interest @ 8.85% per annum and is repayable in 12 quarterly installments after moratorium of 8 quarters starting Sep 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**8.61**	–
A16	Rupee term loan from Karnataka Bank carries interest @9.00% per annum and is repayable in 24 quarterly installments after moratorium of 5 quarters starting from Sep 2023. The term loan is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	**60.00**	–
A17	Rupee term loan from HDFC Bank Limited carries interest @ 7.25% to 9.50% per annum (previous year 8.50% to 8.60% per annum) and is repayable in 20 equal quarterly installments after moratorium of 4 quarters starting Jauary 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**18.75**	23.75
A18	Rupee working capital term loan (ECLGS) from Yes Bank Limited carries interest @ 7.60% to 9.25% per annum (previous year 7.25% to 7.60% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**12.75**	17.00
A19	Rupee working capital term loan (ECLGS) from Kotak Mahindra Bank Limited carries interest @ 7.15% to 8.80% per annum (previous year 7.15% to 7.20% per annum) and is repayable in 48 monthly installments after moratorium of 12 months starting February 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**21.18**	27.46

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

16 BORROWINGS

	Particulars	As at March 31, 2023	As at March 31, 2022
A20	Rupee working capital term loan (ECLGS) from RBL Bank Limited carries interest @ 7.15% to 9.25% per annum (previous year 7.15% to 7.61% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**12.86**	17.15
A21	Rupee working capital term loan (ECLGS) from State Bank of India carries interest @7.95% to 8.65% per annum (previous year 7.95% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting January,2024. The term loan is secured by second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**8.35**	8.35
A22	Rupee working capital term loan (ECLGS) from Axis Bank Limited carries interest @ 7.35% per annum (previous year 7.35% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting February,2024. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**8.74**	8.74
A23	Rupee term loan from Bajaj Finance Limited carries interest @ 9.30% to 11.10% per annum (previous year 9.30% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**15.05**	20.31
A24	Rupee working capital term loan from Axis Finance Limited carries interest @ 9.00% to 10.25% per annum and is repayable in 18 quartelry installments after moratorium of 12 months starting from December 2023. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company.	**75.00**	–
A25	Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 7.20% to 9.52% per annum (Previous year 7.20% to 9.52% per annum).	**3.33**	0.94
		399.61	269.42
B.	**Security Details - Current Secured Loans**		
	Current secured loans		
B1	Working capital loans/facilities are secured against first pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future) carrying interest rate ranging from 5.60% to 10.25% per annum (previous year 3.70% to 8.90% per annum).	**165.29**	200.68
		284.16	313.53
	Current Unsecured loans		
B2	Working capital facility for sale bill discounting from various banks carries interest @ 5.75% to 8.25% per annum (previous year 5.40% to 6.25% per annum)	**33.33**	40.37
		198.62	241.05
	Total Borrowings	**598.23**	**510.46**

Disclosures as per revised schedule III to the Companies Act, 2013:

1. The Company has utilised the borrowings for the purpose it was taken.
2. The quarterly returns/ statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

17 PROVISIONS

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Non-Current		
Provision for gratuity (refer Note 35)	15.63	14.44
Provision for compensated absences	2.06	3.53
	17.69	17.97
Current		
Provision for gratuity (refer Note 35)	0.37	0.53
Provision for compensated absences	0.11	0.26
	0.48	0.80
Total	18.17	18.76

18 DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised /(reversed) through profit and loss	Recognised /(reversed) through OCI/	Closing Balance
For the period ended March 31, 2023				
Deferred tax liabilities				
Depreciation and amortisation	46.49	4.76	–	51.25
Financial assets and liabilities at amortised cost (including leases)	16.68	(11.69)	–	4.99
Others	–	–	–	–
	63.17	(6.93)	–	56.24
Deferred tax assets				
Employee benefits	(11.45)	5.98	(0.22)	(5.69)
Carry forward losses	(28.60)	6.77	–	(21.83)
Foreign currency monetary item translation difference account	–			–
Minimum alternative tax credit entitlement	(22.14)	–	–	(22.14)
Effective portion of loss on hedging instruments	1.83	–	1.16	2.99
Others	(1.12)	1.78	–	0.66
	(61.48)	14.53	0.94	(46.01)
Net deferred tax liabilities	1.69	7.60	0.94	10.23

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised /(reversed) through profit and loss	Recognised /(reversed) through OCI/	Closing Balance
For the period ended March 31, 2022				
Deferred tax liabilities				
Depreciation and amortisation	43.30	3.19	–	46.49
Financial assets and liabilities at amortised cost (including leases)	15.43	1.25	–	16.68
Others	–	–	–	–
	58.73	**4.44**	–	**63.17**
Deferred tax assets				
Employee benefits	(13.64)	1.87	0.32	(11.45)
Carry forward losses	(33.90)	5.30	–	(28.60)
Foreign currency monetary item translation difference account				–
Minimum alternative tax credit entitlement	(16.30)	(5.84)	–	(22.14)
Effective portion of loss on hedging instruments	0.02	–	1.81	1.83
Others	(0.64)	(0.48)	–	(1.12)
	(64.46)	**0.85**	**2.13**	**(61.48)**
Net deferred tax (assets)/liabilities	**(5.73)**	**5.29**	**2.13**	**1.69**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The same is assessed every year basis business projections of taxable profits in future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

19 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer Note 44)	**17.84**	7.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	**331.87**	402.67
Total trade payables	**349.72**	410.64

Terms and conditions of the above financial liabilities:
For explanations on the Company's credit risk management processes, refer to Note 43.
For dues payables to related parties refer to Note -38.
*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions,which are normally effected within a period of 90 days.

Trade Payables ageing schedule as on 31 March 2023

S.No	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
				Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(1)	MSME	–	13.95	4.95	–	–	–	18.90
(ii)	Others	1.27	212.19	112.87	1.00	3.48	–	330.82
(iii)	Disputed dues — MSME	–	–	–	–	–	–	–
(iv)	Disputed dues — Others	–	–	–	–	–	–	–
	Total	**1.27**	**226.14**	**117.82**	**1.00**	**3.48**	–	**349.72**

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Trade Payables ageing schedule as on 31 March 2022

S.No	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
				Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(1)	MSME	-	5.57	13.58	0.00	–	–	19.15
(ii)	Others	2.22	162.50	226.75	0.02	–	–	391.49
(iii)	Disputed dues — MSME	–	–	–	–	–	–	–
(iv)	Disputed dues — Others	–	–	–	–	–	–	–
	Total	2.22	168.07	240.33	0.02	–	–	410.64

20 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities at Fair value		
Derivative liability measured at fair value (refer note 41)	**5.98**	3.07
Financial liabilities carried at amortised cost		
Interest accrued but not due on borrowings	**1.92**	0.85
Unclaimed dividends	**0.80**	1.29
Security deposits	**4.96**	5.31
Capital creditors	**6.40**	15.04
Employee benefits payable	**16.13**	14.45
Other liabilities	**0.00**	0.46
Lease liabilities - non-current (refer Note 42)	**11.40**	17.00
Lease liabilities - current (refer Note 42)	**6.06**	6.76
Total financial liabilities at amortised cost	**53.64**	**64.23**
Non-Current		
Lease liabilities	**11.40**	17.00
Current		
Lease liabilities	**6.06**	6.76
Other financial liabilities	**36.18**	40.47
For dues payables to related parties refer to Note -38		

21 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	**15.91**	12.78
Contract liabilities- advance from customers*	**10.08**	12.20
Other liabilities	**0.48**	0.23
Total	**26.47**	25.21
Current		
Represents non-interest bearing advances from customers, expected to be recognised within the period of 1 year.	**26.47**	25.21

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
22	**REVENUE FROM OPERATIONS**		
	Sale of products	**1,831.07**	1,539.63
	Sale of services	**0.89**	17.89
	Other operating revenues		
	Scrap sale	**22.17**	26.33
	Duty draw back and other incentives	**12.30**	12.61
	Claims from customers	**6.55**	2.53
	Others	**0.32**	3.67
	Revenue from operations	**1,873.31**	1,602.64
	Reconciliation of Revenue Recognised with contracted price is as follows :-		
	Contract Cost	**1,806.46**	1,545.34
	Adjustments to the contract price - cash discount and credit notes	**(25.50)**	(12.17)
	Revenue Recognised	**1,831.96**	1,557.51
	The Adjustment made to the contract price comprises of cash discount, returns, and credits under the head "Operating Revenue ".		
	The amount of INR 12.20 crores included in contract liabilities at 31 March 2022 has been recognised as revenue during the year ended 31 March 2023 (31 March 2022: INR 11.27 crores).		
	No information is provided about remaining performance obligations at 31 March 2023 or at 31 March 2022 that have an original expected duration of one year or less, as allowed by Ind AS 115.		
	-Refer note 50 for disclosures requirements as per Ind AS 115 - “Revenue from contracts with customers”.		
23	**Other income**		
	Other non-operating income		
	Interest income under effective interest method	**7.54**	9.57
	Dividend income from subsidiary companies	**4.22**	4.22
	Exchange rate fluctuation (net)	**4.11**	4.75
	Rental income	**1.99**	1.46
	Profit on sale of property, plant and equipment	**1.50**	0.41
	Miscellaneous Income	**3.98**	2.53
		23.34	22.95
24	**COST OF MATERIALS CONSUMED**		
	Raw material and components consumed		
	Inventory at the beginning of the year	**43.54**	68.40
	Add: Purchases during the year	**1,085.04**	927.17
		1,069.72	**995.57**
	Less: Inventory at the end of the year	**51.20**	43.54
	Cost of materials consumed	**1,077.38**	952.03
25	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**		
	(a) Closing inventories		
	Finished goods	**107.90**	106.51
	Work in progress	**25.63**	22.23
	(b) Opening inventories		
	Finished goods	**106.51**	64.28
	Work in progress	**22.23**	15.84
	Net changes	**(4.80)**	(48.61)
26	**MANUFACTURING EXPENSES**		
	Consumption of stores and spares	**74.92**	65.43
	Power and fuel	**151.76**	131.90
		226.67	197.33
27	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	**225.92**	214.22
	Contribution to provident and other funds	**18.39**	10.57
	Staff welfare expenses	**11.66**	10.79
		255.97	235.58

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
28	**FINANCE COSTS**		
	Interest to banks on		
	Interest on debts, borrowings and lease liabilities at amortized costs	**41.47**	35.08
	Other borrowing costs	**0.99**	0.79
	Exchange difference regarded as an adjustment to borrowing costs	**0.95**	0.54
	Total finance costs	**43.42**	36.41
29	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on property, plant and equipment and right of use assets	**95.66**	80.28
	Amortisation on intangible assets	**0.84**	0.68
		96.50	80.96
30	**OTHER EXPENSES**		
	Rent (refer note 42)	**2.76**	3.61
	Rates and taxes	**0.55**	0.87
	Insurance	**4.44**	4.28
	Freight and forwarding charges	**91.14**	90.26
	Repairs and maintenance		
	– buildings	**1.32**	1.87
	– Plant and machinery	**6.83**	7.54
	– Others	**3.58**	2.60
	Legal and professional charges*	**12.08**	9.99
	Travelling and conveyance	**4.86**	5.00
	CSR expenditure**	**0.12**	0.88
	Amortisation of Contract Assets	**5.35**	4.62
	Directors sitting fee	**0.46**	0.55
	Allowances for bad and doubtful receivables and advances	**0.81**	0.07
	Miscellaneous expenses	**6.09**	4.01
	Total other expenses	**140.39**	**136.17**
	*** Includes payment to auditors :**		
	As auditor:	**0.45**	0.45
	– Stat Audit fees	**0.15**	0.15
	– Limited review		
	In other capacity		
	– Other services (certification fees)	**0.01**	0.07
	– Reimbursement of expenses	**0.10**	0.05
	Total	**0.71**	0.72

** Disclosure relating to CSR expenditure:

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds were primarily allocated and utilized for the activities that are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is ₹ 0.12 crores (31 March 2022: ₹ 0.88 crores).

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross Amount required to be spent by the Company as per Section 135 of the Companies Act 2013	**0.12**	0.88
(b) Amount approved by the Board to be spent during the year	**0.12**	0.88
(c) Amount spent during the year on		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	**0.12**	0.88
(d) Total of previous year shortfall	**–**	–
(e) Reason for shortfall	**Not applicable**	Not applicable

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(f)	Nature of CSR activities	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others
31	**EXCEPTIONAL ITEMS**		
	Expenditure incurred on account of voluntary retirement scheme	**1.12**	6.15
	Total exceptional items	**1.12**	6.15

32 COMPONENTS OF OTHER COMPREHENSIVE INCOME

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2023:

Particulars	Retained earnings	Total
Re-measurement loss on defined benefit plans	**(0.61)**	(0.61)
Tax impact on re-measurement gain on defined benefit plans	**0.22**	0.22
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge	**3.33**	3.33
Income tax relating to gain on designated portion of hedging instruments in a cash flow hedge	**(1.16)**	(1.16)
	1.78	1.78
During the year ended 31 March 2022:		
Re-measurement gain on defined benefit plans	1.07	1.07
Tax impact on re-measurement gain on defined benefit plans	(0.32)	(0.32)
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge	5.19	5.19
Income tax relating to gain on designated portion of hedging instruments in a cash flow hedge	(1.81)	(1.81)
	4.13	4.13

33 EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company	**42.17**	19.12
Weighted average number of equity shares used for computing Earnings Per Share (Basic and Diluted)	**135,285,000**	135,285,000
Earnings Per Share (Basic and Diluted) (₹)	**3.12**	1.41
Face value per share (₹)	**10**	10

Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of ₹ 10 per share:		
Balance as at 1 April 2021	**135,285,000**	135,285,000
Issued during the year 2021-22		
Balance as at 31 March 2022	**135,285,000**	135,285,000
Issued during the year 2022-23		
Balance as at 31 March 2023	**135,285,000**	135,285,000
As at 31 March 2023, the Company does not have any dilutive potential equity shares.		

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
34	**Income Tax**		
(a)	**The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:**		
	Income tax recognized in standalone statement of profit and loss		
	Current income tax:		
	Current tax	**10.23**	5.16
	Deferred tax:		
	Relating to origination and reversal of temporary differences	**7.60**	5.29
	Income tax expense reported in the standalone statement of profit and loss	**17.83**	**10.45**
	Income tax recognized in other comprehensive income		
	Deferred tax related to items recognised in OCI during the year:		
	Net loss on remeasurements of defined benefit plans	**0.22**	(0.32)
	Income tax charged to other comprehensive income	**0.22**	(0.32)
(b)	**Reconciliation of effective tax rate**		
	Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2023 and 31 March 2022:		
	Profit for the year	**60.00**	29.57
	Statutory tax rate	**34.94%**	34.94%
	Income tax expense at the statutory rate	**20.97**	10.33
	Tax impact of deductible/ non-deductible expenses		
	- Others	**(3.14)**	0.12
	Income tax expense after adjustment of tax impact of non deductible items	**17.83**	10.45

35 Employee benefits

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Defined contribution plans**		
	Employer's contribution to provident fund	**8.51**	8.13
	Employer's contribution to ESI	**0.34**	0.36

B Defined benefit plan

GRATUITY

In accordance with The Payment of Gratuity Act, 1972, the company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India and Indiafirst Life Insurance Company Limited with whom the plan assets are maintained.

The following table sets out the funded status and the amount recognised in the Company's standalone financial statements.

B1	Change in defined benefit obligation	For the year ended March 31, 2023	For the year ended March 31, 2022
	Present value of obligation as at beginning of the year	**26.82**	27.95
	Current service cost*	**1.97**	2.07
	Interest cost*	**1.94**	1.88
	Benefits paid	**(4.02)**	(4.18)
	Actuarial loss	**0.41**	(0.89)
	Present value of obligation as at end of the year	**27.12**	26.82

*Included in employee benefit expenses.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B2	**Change in fair value of plan assets**		
	Fair value of assets at the beginning of the year	**11.85**	9.08
	Expected return on plan assets	**0.86**	0.61
	Employer's contributions	**0.12**	0.13
	Benefits paid	**(1.51)**	(1.42)
	Return on plan asset greater than discount rate - (Other comprehensive income)	**(0.20)**	0.18
	Prior period adjustments	**–**	3.27
	Fair value of plan assets as at end of the year	**11.12**	11.85

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars - Defined Gratuity Plan	As at 31 March 2023	As at 31 March 2022
Investment in funds managed by the LIC / India First Life Insurance Co Ltd	**11.12**	11.85

B3	**Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation**		
	Present value of obligation as at the end of the year	**27.12**	26.82
	Fair value of plan assets as at the end of the year	**11.12**	11.85
	Amount recognised in balance sheet (refer note 17)	**16.00**	14.97

		For the year ended March 31, 2023	For the year ended March 31, 2022
B4	**Expense recognised during the year**		
	In standalone statement of profit and loss account		
	Current service cost	**1.97**	2.07
	Interest cost (net of income)	**1.08**	1.27
	Net cost	**3.05**	3.34
	In other comprehensive income		
	- Change in financial assumptions	**(0.61)**	(1.30)
	- experience variance (i.e. actual experience vs assumptions)	**1.02**	0.41
	- Return on plan asset greater than discount rate	**0.20**	0.18
	Net cost	**0.61**	**(1.07)**
B5	**The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:**		
	Discount rate	**7.48%**	7.25%
	Rate of increase in compensation levels	**5.50%**	5.50%
	Mortality rate (% of IALM 12-14)	**100.00%**	100.00%
	Retirement age (years)	**58**	58
	Attrition / Withdrawal rates, based on age (per annum)		
	Upto 30 years	**7.40%**	7.40%
	31 to 40 years	**2.80%**	2.80%
	41 to 50 years	**0.52%**	0.52%
	Above 50 years	**0.22%**	0.22%

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

B6 Sensitivity analysis for gratuity liability

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	**Decrease**	Increase	Decrease
Impact of change in discount rate (+/- 0.5%)	**26.20**	**28.82**	25.55	28.15
Impact of change in salary (+/- 0.5%)	**28.84**	**26.17**	28.17	25.52
Impact of change in attrition rate (+/- 0.5%)	**27.58**	**27.32**	26.92	26.67

B7 Experience adjustment related to gratuity is summarised as below:

Particulars	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
On plan liabilities - gain/(loss)	(1.44)	(0.52)	(2.45)	(1.39)	(0.41)	**(1.02)**
On plan assets - gain/(loss)	–	–	–	–	0.18	**(0.20)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
B8 Expected contribution during the next annual reporting period		
The Company's best estimate of contribution during the next year	**16.94**	7.64
B9 Maturity profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cashflows)	**10 years**	9 years

Expected cash flows over the next (valued on undiscounted basis):	As at 31 March 2023	As at 31 March 2022
1 year	**1.24**	1.45
2 to 5 years	**7.36**	4.93
6 to 10 years	**14.75**	8.85
More than 10 years	**40.75**	24.96

36 CONTINGENCIES

A Contingent liabilities: The company has contingent liabilities in respect of:

(i) Demand against the Company not acknowledged as liability

Particulars	As at 31 March 2023	As at 31 March 2022
Income taxes	**0.16**	0.16
Sales tax and Value added tax	**0.05**	0.05
Excise and service tax	**6.79**	8.96
Dakshin Haryana Bijli Vitran Nigam ("DHBVN")*	**5.60**	5.60
	12.60	14.77

* DHBVN had demanded ₹ 5.60 crores (31 March 2022 : ₹ 5.60 crores) for overdrawing power as compared to approved load limit. DHBVN filed a writ petition before Hon'ble High Court of Punjab and Haryana which was dismissed on account of non-prosecution on February 15, 2016. Thereafter, DHBVN filed case against the Company with divisional bench of Honourable High Court of Punjab and Haryana. The Company has deposited ₹ 3.60 crores with DHBVN. The case is presently pending and next hearing on July 18, 2023.

(ii) The Company has given comfort letters to banks for funds raised by its subsidiary companies, namely Rico Jinfei Wheels Limited ₹ 20.76 crores (31 March 2022 : ₹ 26.25 crores)

(iii) The Company has given corporate Guarantee for the funds raised by its subsidiary company AAN Engineering Industries Limited ₹ NIL (31 March 2022 : ₹ 0.39 crores).

37 CAPITAL COMMITMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on account of capital commitments [net of advances ₹ 4.52 crores (31 March 2022 : ₹ 20.00 Crores)]	**20.77**	100.60

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

38 RELATED PARTY DISCLOSURES

(a) Related party and nature of related party relationship where control exists:

A. Subsidiaries

I. Indian subsidiaries

i. AAN Engineering Industries Limited

ii. Rico Jinfei Wheels Limited

iii. Rico Fluidtronics Limited

iv. Rico Friction Technologies Limited

II, Foreign subsidiaries

i. Rico Auto Industries Inc. (USA)

ii. Rico Auto Industries (UK) Limited, UK

(b) Other related parties (Entity in which KMP exercise significant influence) with whom there are transactions during the year or balances as at year end

i. ASN Manufacturing and Services Private Limited

ii. Higain Investments Private Limited

iii. Magpie Manufacturing and Tech Private Limited

iv. ASN Properties Private Limited

v. Helical Spring (Unit of T.K. Precision Private Limited)

vi. Kapbros Engineering Industries Limited

vii. Haridwar Estates Private Limited

viii. Ishvara Manufacturing and Finvest Advisors Private Limited

(c) Key management personnel

i. Shri Arvind Kapur – Chairman, CEO & Managing Director

ii. Shri Arun Kapur – Joint Managing Director (up to 25 August, 2022)

iii. Shri Kaushalendra Verma – Executive Director (w.e.f 26 August, 2022)

iv. Shri Rajiv Kumar Miglani – Executive Director (w.e.f 26 August, 2022)

v. Shri Samarth Kapur – Executive Director (w.e.f 26 August, 2022)

vi. Smt. Upasna Kapur – Non-Executive Director (up to 30 September, 2022)

vii. Dr. Amarjit Chopra – Independent Director

viii. Shri Satish Sekhri – Independent Director

ix. Dr. Ashok Seth – Independent Director

x. Shri Kanwal Monga – Independent Director

xi. Shri Rajeev Kapoor – Independent Director

xii. Shri Vinod Kumar Nagar – Independent Director

xiii. Ms. Sarita Kapur – Independent Director

xiv. Shri Hemal Bharat Khandwala - Independent Director (w.e.f 26 August, 2022)

xv. Shri Rakesh Kumar Sharma – Chief Financial Officer *

xvi. Shri B.M. Jhamb- Company Secretary*

* as per the Companies Act 2013

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

II Transactions with related parties:

	Nature of transactions	Year ended 31 March 2023	Year ended 31 March 2022
1	**Rico Jinfei Wheels Limited(inclusive of Rico Castings Limited)**		
	Purchase of raw material	**9.82**	21.60
	Sale of finished goods	**6.29**	19.94
	Repayment of loan (assets)	**29.20**	7.82
	Recovery of expenses	**0.89**	0.08
	Interest income	**4.12**	5.80
	Purchase of property, plant and equipments*	**0.05**	0.00
	Rent paid	**0.28**	0.28
	Reimbursement of expenses	**0.00**	0.10
	Sale of assets	**0.31**	0.07
	Loan Recovered	**10.15**	5.78
2	**Rico Auto Industries Inc, USA**		
	Sale of finished goods	**200.56**	171.90
	Reimbursement of expenses	**0.73**	2.05
	Recovery of expenses	**0.37**	4.02
3	**Rico Auto Industries (UK) Limited, UK**		
	Sale of goods	**0.13**	3.33
	Reimbursement of expenses	**0.00**	0.05
4	**AAN Engineering Industries Limited**		
	Rent income	**0.15**	0.16
	Recovery of expenses	**0.76**	0.00
	Interest income	**0.00**	0.39
	Sale of goods	**15.18**	12.45
	Investment	**0.00**	6.00
	Purchase of goods including job work	**20.13**	14.74
	Repayment of loan (assets)	**0.00**	4.40
5	**Rico Fluidtronics Limited**		
	Sale of goods	**13.53**	5.45
	Business support services	**2.48**	0.90
	Dividend received	**4.22**	2.15
	Purchase of goods	**0.71**	0.53
	Reimbursement of expense	**0.01**	0.13
	Purchase of property, plant and equipment	**0.02**	–
	Sale of property, plant and equipement	**1.73**	–
	Management services received	**0.47**	–
6	**Rico Friction Technologies Limited (Formerly known as Metalart Friction Private Limited)**		
	Purchase of goods	**5.06**	3.86
	Rent Income	**0.24**	0.06
	Sale of goods	**0.03**	–
	Investment	**–**	0.75
	Recovery of expenses	**0.16**	–
7	**Roop Ram Industries Limited**		
	Investment	**–**	2.43
B	**Enterprises in which KMP/Director have control or exercise significant influence**		
1	**Kapbros Engineering Industries Limited**		
	Purchase of raw material	**27.13**	50.28
	Sale of goods	**0.31**	12.65
	Purchase of property, plant and equipment	**7.89**	6.18
	Sale of assets*	**0.23**	1.10
	Recovery of expenses	**2.62**	1.66
	Reimbursement of expenses	**0.06**	0.85
	Rent income	**0.00**	0.00

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Nature of transactions	Year ended 31 March 2023	Year ended 31 March 2022
2	**ASN Manufacturing and Services Private Limited (Formerly Kapsons Manufacturing and Services Private Limited)**		
	Rent expense	**1.04**	1.04
	Rent income	**0.04**	0.04
	Sales of goods	**3.20**	3.68
	Purchase of goods	**3.99**	4.81
	Recovery of expenses	**0.22**	0.02
	Security deposit	**0.26**	0.26
	Interest received	**1.48**	1.95
	Loan received	**4.75**	5.46
3	**Magpie Manufacturing and Tech Private Limited (Formerly Magpie Finvest Advisors Private Limited**		
	Purchase of raw material	**7.65**	11.99
	Sales of goods	**0.03**	
4	**Helical Spring (Unit of T.K. Precision Private Limited)**		
	Purchase of raw material	**6.47**	5.83
	Recovery of expenses	**0.12**	0.18
	Job Work Income	**–**	–
5	**Ishwara Manufacturing and Finvest Advisors Private Limited**		
	Rent expense	**–**	0.08
6	**ASN Properties Private Limited**		
	Rent income*	**0.00***	0.00
8	**Key management personnel compensation****		
	Shri Arvind Kapur	**9.91**	8.00
	Shri Arun Kapur	**1.39**	0.60
	Shri Kaushalendra Verma	**0.35**	–
	Shri Rajiv Kumar Miglani	**0.59**	–
	Shri Rakesh Kumar Sharma#	**0.82**	0.63
	Shri BM Jhamb#	**0.42**	0.41
	Sitting fees and commission	**0.49**	0.55

* Amounts have been rounded off to zero

** As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Company as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in KMP compensation. Gratuity and compensated absences are included in the year of payment.

\# As per section 203 of the Act, definition of Key Managerial Personnel includes Chief Executive Officer, Chief Financial Officer and Company Secretary.

Note: The above transactions are in the ordinary course of business.

	Balances outstanding with related parties	As on 31 March 2023	As on 31 March 2022
A	**Step down Subsidiaries/Subsidiaries**		
1	**Rico Jinfei Wheels Limited(inclusive of Rico Castings Limited)**		
	Trade payables	**0.63**	3.48
	Trade receivables	**17.56**	0.29
	Loan recoverable	**14.16**	53.51
	Interest Receivables	**-**	0.22
2	**Rico Auto Industries Inc, USA**		
	Trade receivables	**49.34**	38.44
3	**Rico Auto Industries (UK) Limited, UK**		
	Trade payables	**3.83**	3.77
4	**AAN Engineering Industries Limited**		
	Trade receivables	**4.33**	0.50
	Trade payables	**5.26**	0.00
	Loans	**–**	1.70

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	Balances outstanding with related parties	As on 31 March 2023	As on 31 March 2022
5	**Rico Fluidtronics Limited**		
	Trade receivables	**3.07**	0.78
	Trade Payables	**0.66**	1.04
6	**Rico Friction Technologies Limited (formerly Metalart Friction Private Limited)**		
	Trade receivables	**0.01**	0.02
	Trade payables	**1.59**	0.84
B	**Enterprises in which KMP/Director have control or exercise significant influence**		
1	**Kapbros Engineering Industries Limited**		
	Trade payables	**0.75**	5.11
	Trade receivables	**3.71**	6.22
2	**ASN Manufacturing And Services Private Limited (formerly Kapsons Manufacturing and Services Private Limited)**		
	Security deposits	**0.26**	0.26
	Trade receivables	**3.60**	0.15
	Trade Payables	**2.47**	4.4
	Loan Recoverable	**13.99**	18.74
	Interest receivable	**0.44**	0.42
3	**Magpie Manufacturing and Tech Private Limited (formerly Magpie Finvest Advisors Private Limited)**		
	Trade payables	**0.02**	0.93
4	**Helical Spring (Unit of T.K. Precision Private Limited)**		
	Trade payables	**1.79**	2.13
5	**ASN Properties Private Limited**		
	Trade receivables	**0.00***	0.00*
6	**Ishwara Manufacturing and Finvest Advisors Private Limited**		
	Security Deposits	**0.01**	0.01
	Trade payables	**0.04**	0.08

* Amounts have been rounded off to zero

All transactions with related parties are made on the terms equivalent to those that prevail at arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured.

The Company has given comfort letters to banks for funds raised by its step-down subsidiary companies, namely Rico Jinfei Wheels Limited ₹ 20.76 crores (previous year ₹26.25 crores).

The Company has given corporate guarantee for the funds raised by its subsidiary company AAN Engineering Industries Limited ₹.0.00 crores (previous year ₹.0.39 crores).

39 Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 Mar 2023 (a) Ratio	As at 31 Mar 2022 (b) Ratio	Change (a vs b)	Remarks
Current ratio	Times	Total current assets	Total current liabilities	**0.94**	0.80	17%	NA
Debt-equity ratio	Times	Total Debt	Shareholder's equity	**0.94**	0.86	10%	NA
Debt service coverage ratio	Times	Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans+Loss on sale of PPE	Total amount of interest , lease payments & principle repayments of loan paid during the period	**1.39**	1.11	24%	NA

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Ratio	Measurement unit	Numerator	Denominator	As at 31 Mar 2023 (a) Ratio	As at 31 Mar 2022 (b) Ratio	Change (a vs b)	Remarks
Return on equity ratio	Percentage	Net profit after tax	Average Shareholder's equity	**6.86%**	3.27%	110%	Increase in return on equity ratio is on account of increase in net profit after tax during the current year.
Inventory turnover ratio	Times	Cost of goods sold	(Opening inventory + closing inventory)/2	**4.90**	4.18	17%	NA
Trade receivables turnover ratio	Times	Revenue from operations	Average Account Receivables (Opening + Closing)/2	**5.32**	4.62	15%	NA
Trade payables turnover ratio	Times	Total Purchases	Average Account Payables (Opening + Closing)/2	**2.85**	2.41	18%	NA
Net capital turnover ratio	Times	Revenue from operations	Working capital (Current Assets-Current liabilities)	**(43.84)**	(9.81)	347%	Increase in net capital turnover ratio is on account of increase in revenue from operations during the year.
Net profit ratio	Percentage	Net Profit after tax	Revenue from operations	**2.25%**	1.19%	89%	Increase in net proft ratio is on account of increase in net profit during the current year.
Return on capital employed	Percentage	Earning Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	**8.35%**	5.98%	40%	Increase in return on capital employed is on account of increase in Earnings before interest and tax during the current year.
Return on investment	Percentage	Interest Income	Average of Investment and Loan reco from Related Party	**12.32%**	10.64%	16%	NA

40 Financial instruments

Financial Instruments by category

The carrying amounts and fair values of financial instruments by category are as follows:

	As at 31 March 2023		As at 31 March 2022	
	Derivatives (FV) used for hedging	Amortised Cost*	Derivatives (FV) used for hedging	Amortised Cost*
Financial assets				
Non-current				
Investments#	**–**	**45.30**	–	45.30
Loans	**–**	**13.25**	–	39.96
Other financial assets	**–**	**15.74**	–	14.02
Current				
Trade Receivables	**–**	**369.67**	–	334.18
Cash and cash equivalents	**–**	**4.20**	–	3.09
Bank balances other than cash and cash equivalents	**–**	**15.23**	–	18.15
Loans	**–**	**15.88**	–	33.47

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Derivatives (FV) used for hedging	**Amortised Cost***	**Derivatives (FV) used for hedging**	**Amortised Cost***
Other financial assets	**–**	**6.78**	0.58	13.71
	–	**486.06**	**0.58**	**501.88**
Financial liabilities				
Non-current				
Borrowings (excluding current maturities of long term borrowings)	**–**	**314.31**	–	177.32
Lease liabilities	**–**	**11.40**	–	17.00
Current				
Borrowings	**–**	**283.92**	–	333.14
Lease liabilities	**–**	**6.06**	–	6.76
Trade payables	**–**	**349.71**	–	410.64
Other financial liabilities	**5.98**	**30.20**	3.07	37.40
	5.98	**995.60**	**3.07**	**982.25**

*The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost as at the balance sheet date approximates their fair value.
The investment in equity shares of subsidiaries are measured at cost.

41 Fair value hierarchy

A The categories used are as follows:

Level 1: Quoted price in active market.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to the Company.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at	Level 1	Level 2	Level 3	Total
Derivative asset	**31 March 2023**	**–**	**–**	**–**	**–**
Derivative liability	**31 March 2023**	**–**	**5.98**	**–**	**5.98**
Derivative asset	31 March 2022	–	0.58	–	0.58
Derivative liability	31 March 2022	–	3.07	–	3.07

B Derivative financial instruments and hedge accounting

The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters. The Company uses forward contracts, cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. Effective April 1, 2019, these derivatives are designated as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Impact of hedging activities

(i) Effects of hedge accounting on balance sheet as at 31 March 2023:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	**EUR 4,845,457**	**–**	**3.85**	Apr 2020 - Sep 2025	**79.90**	**(0.97)**	**(0.97)**
(ii) Forward contracts	**USD 3,550,000**	**–**	**0.03**	Jun 2022 - Jan 2024	**82.95**	**(0.61)**	**(0.61)**
(iii) Forward contracts	**EUR 9,785,000**	**–**	**2.41**	Oct 2022 - Feb 2024	**88.33**	**(2.41)**	**(2.41)**
Interest rate risk							
(i) Interest rate swap	EUR 1,584,943	0.31	–	Apr 2020 - Sep 2024	2.80%	0.50	0.50
Total		**0.31**	**6.29**				

(i) Effects of hedge accounting on balance sheet as at 31 March 2022:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 7,381,091	–	2.88	Apr 2020 - Sep 2025	80.10	(3.00)	2.93
(ii) Forward contracts	USD 6,300,000	0.58	–	Apr 2022 - Sep 2022	77.31	0.14	0.14
(iii) Forward contracts	EUR	–	–	Apr 2021 - Sep 2021	–	(0.19)	(0.19)
Interest rate risk							
(i) Interest rate swap	EUR 2,641,572	–	0.19	Apr 2020 - Sep 2024	2.80%	(0.68)	(0.68)
Total		**0.58**	**3.07**				

(i) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2023:

Type of hedges	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	**6.95**	**–**	**3.86**	Revenue from operations
Interest rate risk	**0.50**	**–**	**0.26**	Finance cost

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

(ii) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2022:

Type of hedges	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	6.19	–	2.06	Revenue from operations
Interest rate risk	0.68	–	(0.38)	Finance cost

(iii) Movement in cash flow hedge reserve:

Particulars	Foreign currency and interest rate risk (As at 31 March 2023)	Foreign currency and interest rate risk (As at 31 March 2022)
Opening balance	**2.77**	(0.61)
Add: Changes in fair value of hedging instruments	**7.44**	6.87
Less: Amounts reclassified to profit or loss	**(4.11)**	(1.68)
Less: Deferred tax relating to above (net)	**(1.16)**	(1.81)
Closing balance	**4.94**	**2.77**

42 Leases

(i) Nature of Leasing activities

The Company has entered into lease arrangements for land, plant and equipment, and office and factory buildings that are renewable on a periodic basis with approval of both lessor and lessee. The Company does not have any lease commitments towards variable rent as per the contract.

(ii) Following are the changes in the carrying value of right of use assets:

	Category of ROU assets			
Particulars	**Land**	**Buildings**	**Plant and equipment**	**Total**
Balance as at 1 April 2021	**18.04**	**2.69**	**2.04**	**22.77**
Addition during the year	0.62	–	27.14	27.76
Deletions during the year	–	–	–	–
Amortisation for the year	0.20	0.38	0.86	1.44
Balance as at 31 March 2022	**18.46**	**2.31**	**28.32**	**49.09**
Addition during the year		**1.56**	**0.75**	**2.31**
Deletions during the year		**2.01**		**2.01**
Amortisation for the year	**0.21**	**0.58**	**1.87**	**2.66**
Balance as at 31 March 2023	**18.25**	**1.27**	**27.20**	**46.72**

(iii) The weighted average incremental borrowing rate applied to lease liability is 7.75% (previous year @ 8.50%).

(iv) Lease liabilities are presented in the Standalone Balance Sheet as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	**11.40**	17.00
Current	**6.06**	6.76
Total lease liabilities	**17.46**	**23.76**

(v) The following is the movement in lease liabilities:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	**23.76**	4.70
Addition during the year	**–**	25.91
Deletion during the year	**2.60**	–
Finance cost accrued during the year	**1.64**	1.22
Payment of lease liabilities	**(5.35)**	(8.07)
Closing balance	**17.45**	23.76

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

(vi) Lease payments not recognized as liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short term leases	**2.76**	3.61
Total	**2.76**	**3.61**

(vil) Lease term ranges from 4-9 years (previous year 4- 9 years)

(viii) For maturity profile of lease liabilities refer note 43C.

43 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets other than derivatives comprise investments, loans given, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also enters into foreign exchange derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the mitigation of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in foreign exchange derivatives for speculative purposes will be undertaken. The policies for managing each of these risks, which are summarized below:-

43A Market risk:

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks namely currency risk and interest rate risk. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

a. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency), investments & borrowing in foreign currency, etc.

The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

(i) Particulars of unhedged foreign currency exposure as at the reporting date

The Company exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

As at 31 March 2023	GBP	USD	JPY	EURO
Trade payables	–	7.02	0.08	2.12
Other payables	–	–	–	–
Borrowings:	–			
Term loan#	–		12.60	104.45
Less: Cash & Bank	–	0.44	–	0.01
Less: Trade receivables	–	56.48	–	59.20
Net payable / (receivable)	–	(49.90)	12.58	47.36
Impact on profit and loss account on account of change in currency				
Sensitivity to increase of 1%	–	0.50	(0.13)	(0.47)
Sensitivity to decrease of 1%	–	(0.50)	0.13	0.47

Includes INR to EURO Swap amounting to EURO 3,260,514 outstanding as at 31 March 2023.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

As at 31 March 2022	GBP	USD	JPY	EURO
Trade payables	**2.96**	**10.85**	**0.28**	**5.50**
Other payables	-	-	-	-
Borrowings:	-			
Term loan#	-	-	5.77	76.43
Less: Cash & Bank	-	0.29	-	-
Less: Trade receivables	-	48.84	-	42.02
Net payable / (receivable)	**2.96**	**(39.41)**	**5.18**	**31.78**
Impact on profit and loss account on account of change in currency				
Sensitivity to increase of 1%	(0.03)	0.39	(0.05)	(0.32)
Sensitivity to decrease of 1%	0.03	(0.39)	0.05	0.32

Includes INR to EURO Swap amounting to EURO 47,39,519 outstanding as at 31 March 2022.

	Currency sold	As at 31 March 2023	As at 31 March 2022
Derivatives outstanding at the reporting date:			
Forward contract (sell) against exports	USD	**29.45**	48.71
Forward contract (sell) against exports	Euro	**86.43**	-

b Interest rate risk:

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	**404.40**	236.49

A reasonable change of 0.50% in interest rates at reporting date would have affected the profit and loss shown below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest rate increase by 0.5%	**2.02**	1.18
Interest rate decrease by 0.5%	**(2.02)**	(1.18)

43B Credit risk:

Credit risk refers to the risk of default on its obligation by the customer/counter party resulting in a financial loss. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	**4.20**	3.09
Other bank balances	**15.23**	18.15
Trade receivables	**369.67**	334.18
Loans	**29.13**	73.43
Other financial assets	**22.52**	28.31

Cash and cash equivalents and bank balances

Credit risk relating to cash and cash equivalents and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an on–going basis.

Trade Receivables

Trade receivables are unsecured in nature and are derived from revenue earned from customers. Trade receivable are non-interest bearing and are settled upto 30 to 180 days terms.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom the Company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers, etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2023 and 31 March 2022 is insignificant.

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Ageing	Expected credit loss %
Within the credit period	0%
0-90 days past due	0%
91-180 days past due	0%
181-365 days	0%
More than 366 days past due	70%

Movement in the loss allowance in respect of trade receivables:	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	0.13	0.13
Amount written off	–	–
Provided during the year	0.80	–
Balance at the end of the year	0.93	0.13

Loans and other financial assets measured at amortised cost

Loans and other financial assets measured at amortised cost includes loans and advances to related parties and employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Given below is the ageing of loans:

Particulars	As at March 31, 2023	As at March,31 2022
Loans		
Less than 1 year	15.89	33.68
1-3 years	13.25	35.28
More than 3 years	–	4.49
	29.14	73.45

43C Liquidity risk:

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company. The Company has established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirements.

The below tables summarise the maturity profile of the Company's financial liabilities:

As at March 31, 2023	Less than 1 year	1 - 3 years
Borrowings	283.92	208.11
Expected interest on above borrowings	20.58	15.09
Interest accrued but not due on borrowings	1.92	–
Trade payable (including capital creditors)	349.71	–
Unclaimed dividends	0.80	–
Employee benefits payable	16.13	–
Security deposits	2.57	–
Derivative liability measured at fair value	5.98	–
Lease liabilities	6.06	11.40

As at March 31, 2022	Less than 1 year	1 - 3 years
Borrowings	320.38	138.52
Expected interest on above borrowings	20.29	18.77
Interest accrued but not due on borrowings	0.72	–
Trade payable (including capital creditors)	406.04	–
Unclaimed dividends	1.29	–
Employee benefits payable	14.45	–
Security deposits	3.09	–
Derivative liability measured at fair value	3.07	–
Lease liabilities	6.76	17.00

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

44 The Company has investment in following subsidiaries:

S No	Name of the Subsidiary Company	Nature of relatio	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
1.	RICO Auto Industries Inc., USA	Subsidiary Company	100	100	USA
2.	RICO Auto Industries (UK) Limited	Subsidiary Company	100	100	UK
3.	AAN Engineering Industries Limited	Subsidiary Company	100	100	India
4.	RICO Friction Technologies Limited	Subsidiary Company	70	70	India
5.	RICO Fluidtronics Limited	Subsidiary Company	100	100	India
6.	RICO Jinfei Wheels Limited	Subsidiary Company	94.79	94.79	India

45 Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
a	The principal amount remaining unpaid to any supplier as at the end of the year	**17.84**	7.66
b.	The interest due on principal amount remaining unpaid to any supplier as at the end of the year	**–**	–
c.	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 alongwith the amounts of the payments made to the supplier beyond the appointed day during each accounting year	**0.31**	–
d	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.	**–**	0.31
e.	Amount of Interest accrued and remaining unpaid at the end of the year	**–**	0.31
f.	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 the MSMED Act.	**–**	–

46 Business Combination (common control transaction with its wholly owned subsidiary company, Rico Investments Limited and step down subsidiary companies namely RASA Autocom Limited and Rico Aluminium and Ferrous Auto Components Limited.

The Board of Directors of the Company, based on the recommendation of Audit Committee, in its meeting held on 26 July 2021, have considered and approved the Scheme of Amalgamation ("Scheme") for merger of its subsidiary company namely M/s. Rico Investments Limited and step down subsidiary companies namely M/s. RASA Autocom Limited and M/s. Rico Aluminium and Ferrous Auto Components Limited ("Transferor Companies") with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 01 April 2021. The Scheme was filed with National Company Law Tribunal ("NCLT") on 29 September 2021 and was approved by NCLT on 15 February 2023.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of transferror companies have been vested in the Company with effect from 1 April 2021 at the carrying values in financial statements of transferor companies in accordance with IND AS 103.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Carrying value of net assets acquired
Rico Investments Limited	122.45
RASA Autocom Limited	28.08
Rico Aluminium and Ferrous Auto Components Limited	27.72
Total Assets	**178.25**
Inter company eliminations	
Investments	171.16
Other assets	2.36
Total Liabilities	**173.52**
Net assets	**4.73**
Net impact on reserves	**4.73**
Transaction costs were expensed and are included in other expenses (Refer note 30).	

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

47 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from 1 April 2022 and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

48. Segment Reporting

The Company is engaged in the business of manufacturing and assembling of automotive components. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards.

The operating segment of the Company is identified to be "Automotive components" as the CODM reviews business performance at an overall Company level as one segment.

Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard - 108 Operating Segment have not been provided in the standalone financial statements.

49. Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

Loans and advances in the nature of loans to subsidiaries	As at		Maximum balance outstanding during the year ended	
Name of entity	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Rico Casting Limited (Step down subsidiary)	**14.16**	24.31	**24.31**	30.09
Rico Jinfei Wheels Limited (Step down subsidiary)	**-**	29.20	**27.35**	39.56
ASN Manufacturing & Services Private Limited	**13.99**	18.74	**18.74**	24.20

Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Particulars	As at 31 March 2023	As at 31 March 2022
Nature of the transaction (loans given/investment made/guarantee given)	**17.84**	**7.66**
(a) Long-term loans given to provide financial assistance to related parties for general business purpose *		
Rico Jinfei Wheels Limited @ 10.00% per annum		
Opening balance	**27.35**	**37.71**
Loans given during the year	**-**	-
Loans repaid during the year	**(27.35)**	(10.36)
Closing balance	**-**	**27.35**
Rico Casting Limited @ 10 % per annum		
Opening balance	**9.75**	**11.05**
Loans given during the year	**-**	-
Loans repaid during the year	**(4.55)**	(1.3)
Closing balance	**5.20**	**9.75**
ASN Manufacturing & Services Private Limited @ 10.00% per annum		
Opening balance	**3.30**	**4.01**
Loans given during the year	**-**	-
Loans repaid during the year	**-**	(0.71)
Closing balance	**3.30**	**3.30**

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Rico Jinfei Wheels Limited @8% per annum		
Opening balance	**1.85**	**–**
Loans given during the year	**–**	1.85
Loans repaid during the year	**(1.85)**	–
Closing balance	**–**	**1.85**
ASN Manufacturing & Services Private Limited @ 10.00% per annum		
Opening balance	**15.44**	**20.19**
Loans given during the year		
Loans repaid during the year	**(4.75)**	(4.75)
Closing balance	**10.69**	**15.44**
Rico Casting Limited @ 10.00% per annum		
Opening balance	**14.56**	**19.04**
Loans given during the year		
Loans repaid during the year	**(5.60)**	(4.48)
Closing balance	**8.96**	**14.56**
AAN Engineering Industries Limited @ 10.00% per annum		
Opening balance	**–**	**4.41**
Loans given during the year	**–**	–
Loans repaid during the year	**–**	(4.41)
Closing balance	**–**	**0.00**
Nature of the transaction (loans given/investment made/guarantee given)		
(b) Investments		
Investment in equity shares		
Rico Auto Industries Inc. (USA)	**0.12**	0.12
Rico Auto Industries (UK) Limited (U.K.)	**0.17**	0.17
AAN Engineering Industries Limited	**6.05**	6.05
Rico Fluidtronics Limited	**29.69**	29.69
Rico Friction Technology Limited	**0.76**	0.76
Rico Care Foundation	**0.03**	0.03
Roop Ram Industries Private Limited	**2.43**	2.43
Rico Jinfei Wheels Limited	**6.04**	6.04
(c) Corporate guarantee		
AAN Engineering Industries Limited	**0.00**	0.39

50 The Company generates revenue primarily from the sale of automotive products.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts from customers (A)		
Sale of products	**1,831.07**	1,539.63
Sale of services	**0.89**	17.89
Other operating revenues (B)	**41.34**	45.13
Total revenue from operations (A+B)	**1,873.31**	1,602.65

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Following are the disclosures with respect to revenue from operations in accordance with Ind AS 115
The Company's revenue disaggregated by geographical markets is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	**1,369.41**	1,147.57
Other than India	**503.90**	455.08
Total	**1,873.31**	**1,602.65**

The following table provides information about trade receivables, contract costs and contract liabilities from contracts with customers:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables	**369.67**	330.97
Contract assets		
- Unbilled revenue	**-**	3.21
Contract assets	**15.79**	19.30
Contract liabilities		
- Advances from customers	**10.08**	12.20

Significant changes in Contract costs and contract liabilities during the year are as follows:

Particulars	As at 31 March 2023			As at 31 March 2023		
	Contract asset	Unbilled revenue	Advances from customers	Contract asset	Unbilled revenue	Advances from customers
Opening balances	**19.30**	**3.21**	**12.20**	19.31	5.14	11.27
Addition during the year	**1.83**	**19.74**	**21.89**	4.61	3.21	9.96
Revenue recognized/ amount	**(5.34)**	**(22.95)**	**(24.02)**	(4.62)	(5.14)	(9.03)
Closing balance	**15.79**	**–**	**10.08**	**19.30**	**3.21**	**12.20**
Non-current	**8.80**	**–**	**–**	**14.61**	**–**	**–**
Current	**6.99**	**–**	**10.08**	**4.69**	**3.21**	**12.20**

51 Capital Management

The Company's capital management objectives are:

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

Total debt divided by total equity

Particulars	As at 31 March 2023	As at 31 March 2022
Total debts (A)*	**615.69**	534.22
Total equity (B) #	**633.80**	595.26
Debt equity ratio (A/B)	**0.97**	**0.90**

* includes short term and long term borrowings & lease liabilities

\# includes equity share capital and other equity

Notes to the Standalone Financial Statements for the year ended 31 March 2023 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

52 Events after Balance sheet date

There are no reportable subsequent events after the balance sheet date.

53 Additional regulatory information not disclosed elsewhere in the financial information

(i) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) The Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC (the same is not required to be registered with RBI as not being Systemically Important CIC).

(v) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) The Company does not have any charge which is yet to be registered with ROC beyond the statutory period.

(x) The Company has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xii) The Company has not undertaken 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).

54. The following dividend were declared and paid by the company during the year :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
INR 0.40 per equity Share (31 March 2022: INR 0.20)	**5.41**	2.71

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
INR 0.75 per equity Share (31 March 2022: INR 0.40)	**10.15**	5.41

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Place : Gurugram
Date : May 29, 2023

ANNEXURE TO DIRECTORS' REPORT

FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURE

FORM AOC – 1

[Pursuant to first proviso to sub–section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

Name of the Subsidiary	**AAN Engineering Industries Limited**	**Rico Auto Industries Inc. USA**	**Rico Auto Industries (U.K.) Limited**	**Rico Jinfei Wheels Limited**	**Rico Fluidtronics Limited**	**Rico Friction Technology Limited**
Sl. No.	**1**	**2**	**3**	**4**	**5**	**6**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	USD (Exchange Rate 82.12)	GBP (Exchange Rate 99.69)	INR	INR	INR
Share Capital	6.05	0.12	0.16	49.08	42.24	1.09
Reserves & Surplus	(4.85)	38.21	6.34	(37.40)	11.57	1.52
Total Assets	2.06	88.78	6.66	194.50	96.55	3.39
Total Liabilities	0.86	50.45	0.15	182.82	42.74	0.78
Investments	–	–	–	0.01	9.51	–
Turnover (Net of Excise)	15.73	238.22	0.43	302.81	138.29	3.97
Profit/(Loss) before taxation	1.27	2.46	(0.28)	(0.33)	10.94	0.83
Provision for taxation	(0.03)	0.75	–	(0.13)	2.78	0.22
Profit/(Loss) after taxation	1.30	1.71	(0.28)	(0.20)	8.16	0.60
Interim Dividend Paid	–	–	–	–	7.60	–
% of shareholding	100.00	100.00	100.00	72.38	100.00	70.00

Notes:
1. Name of Subsidiaries which are yet to commence operations: N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year: Rico Investments Limited, Rico Aluminium and Ferrous Auto Components Limited and Rasa Autocom Limited merged with Rico Auto Industries Limited on 30.03.2023.
3. After merger, the Company holds 29900 Equity Shares (59.79%) of M/s. Rico Care Foundation ('Rico Care'). Being a Section 8 Company, Rico Care has to apply its income in the promotion of its objects and cannot distribute the same to its members and Rico Auto will not have any exposure for right to variable return from Rico Care and therefore, the criteria specified under para 7 of the IND AS-7 is not met and Rico Auto does not require to consolidate accounts of Rico Care.

Part “B”: Associates and Joint Ventures

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

Name of Associates	Roop Ram Industries Private Limited
1. Latest audited Balance Sheet Date	31.03.2023
2. Shares of Associates held by the Company on the year end: i) No. of Shares ii) Amount of Investment in Associates	 2434640 ₹2,43,46,400/-
3. Description of how there is significant influence	Holding 26% shareholding
4. Reason why the associates is not consolidated	Based on the terms of the Shareholders Agreement with Roop Ram Industries Private Limited (Roop Ram), the Company does not have any right to the Profit or Loss of Roop Ram and at the end of the term of the Power Purchase Agreement (“PPA”),the Company will receive back the investment made by it. Accordingly, the Company has not recognised investee’s Profit or Loss in the Company’s consolidated Profit or Loss.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
6. Profit/Loss for the year: i) Considered in Consolidation ii) Not Considered in Consolidation	 No Yes

Notes: 1. Name of Associates or Joint Ventures which are yet to commence operations: N.A.
2. Name of Associates or Joint Ventures which have been liquidated or sold during the year: N.A.

FORM AOC - 2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of Contracts or Arrangements or Transactions not at Arm’s length basis:**
There were no Contracts or Arrangements or Transactions entered into during the year ended 31st March, 2023.

2. **Details of Material Contracts or Arrangements or Transactions at Arm’s length basis:**
There were no Material Contracts or Arrangements or Transactions entered into during the year ended 31st March, 2023.

- During the financial year 2022-23, all related party transactions entered into by the Company were in the ordinary course of business and on arm’s length basis and are approved by Audit Committee and Board of the Company.
- Definition of the term ‘Material Contracts or Arrangements or Transactions’ is taken as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

Place : Gurugram
Date : May 29, 2023

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022–23

INDEPENDENT AUDITOR'S REPORT

To the Members of

Rico Auto Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rico Auto Industries Limited (hereinafter referred to as the "Holding Company" and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the provision in the Scheme of Amalgamation ('the Scheme') for amalgamation of Rico Castings Limited (RCL) with Rico Jinfei Wheels Limited (RJWL), pursuant to Sections 230 to 232 of the Companies Act 2013, with appointed date of 01 April 2021 and approval on 05 January 2023, as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of the Scheme from the specified retrospective appointed date and consequential restatement of comparatives give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter(s)

a. We draw attention to Note 47 to the consolidated financial statements which describes the overall accounting for and in particular basis for restatement of the comparatives for the year ended 31 March 2022 by the Holding Company's management consequent to the Scheme of amalgamation ('Scheme') for merger of Rico Castings Limited (RCL) with Rico Jinfei Wheels Limited (RJWL), a Subsidiary Company. The Scheme has been approved by the NCLT vide its order dated 05 January 2023 with appointed date of 01 April 2021 and a certified copy has been filed by RCL and RJWL with the Registrar of Companies, Delhi, on 10 March 2023. We further draw attention to the fact that in accordance with the Scheme approved by the NCLT, the Holding Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 01 April 2021 which overrides the relevant requirement of Ind AS 103 "Business Combinations" (according to which the Scheme would have been accounted for from 05 January 2023 which is the date of acquisition as per the aforesaid standard). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.

   Our opinion is not modified in respect of this matter.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
Revenue Recognition
See Note 22 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Group and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated and recognized before the control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence. • We assessed the Group's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. • We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year and after the financial year-end by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. • We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and • Considered the adequacy of the disclosures in accordance with the relevant accounting standard.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022–23

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have

been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 30 May 2022.

b. We did not audit the financial statements of four subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs.87.55 crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs.257.62 crores and net cash flows (before consolidation adjustments) amounting to Rs. 0.54 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

c. The corresponding figures for the year ended 31 March 2022 of Rico Castings Limited (business combination effective from 1 April 2021, appointed date) included in these financial statements in accordance with the scheme of amalgamation to give effect to the order of NCLT, have been audited by another firm of Chartered Accountants whose report for the year ended 31 March 2022 dated 28 September 2022 expressed an unmodified opinion on the aforesaid financial statements, as adjusted for the differences in the accounting principles adopted by the Company to give effect to the said merger and other Ind AS adjustments on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.

   b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 20 to the consolidated financial statements in respect of such items as it relates to the Group.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d. The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 (x) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 (xi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

   (ii) 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 (i) and (ii) above, contain any material misstatement.

   (iii) 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 (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

   As stated in Note 54 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAFA4769

Place: Gurugram
Date : May 29, 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Rico Auto Industries Limited for the year ended 31 March 2023

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

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	AAN Engineering Industries Limited	U28112HR2010 PLC039941	Subsidiary Company	The Company has not incurred any cash losses in the current financial year but it had cash loss of ₹38.02 lacs in the immediately preceding financial year

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAEFA4769

Place: Gurugram
Date : May 29, 2023

Annexure B

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Rico Auto Industries Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of Rico Auto Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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 controls 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAFA4769

Place: Gurugram
Date : May 29, 2023

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(All amounts in ₹ crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022*
I. ASSETS			
1. NON–CURRENT ASSETS			
(a) Property, plant and equipment	5	**1,001.83**	886.88
(b) Capital work-in-progress	5	**71.92**	83.47
(c) Investment property	5	**13.62**	13.90
(d) Intangible assets	5	**3.30**	2.99
(e) Intangible assets under development	5	**7.52**	5.22
(f) Financial assets			
(i) Investments	6	**2.48**	2.48
(ii) Loans	7	**31.41**	5.17
(iii) Other financial assets	8	**17.14**	17.78
(g) Deferred tax assets	31	**–**	2.99
(h) Other non-current assets	9	**14.45**	36.51
(i) Income tax assets		**5.73**	8.94
Total non–current assets		**1,169.40**	1,066.33
2. CURRENT ASSETS			
(a) Inventories	10	**280.97**	289.90
(b) Financial assets			
(i) Trade receivables	11	**395.13**	363.65
(ii) Cash and cash equivalents	12	**16.74**	7.33
(iii) Bank balances other than (ii) above	13	**18.94**	19.76
(iv) Loans	7	**14.02**	17.79
(v) Other financial assets	8	**9.49**	15.38
(c) Other current assets	9	**30.98**	44.77
Total current assets		**766.27**	758.58
Total assets		**1,935.67**	1,824.91
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	14	**13.53**	13.53
(b) Other Equity	15	**675.72**	628.29
Equity attributable to owners of the Company		**689.25**	641.82
(c) Non-controlling interest		**2.36**	0.33
Total equity		**691.61**	642.15
2. NON–CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	**376.66**	188.44
(ii) Lease liabilities	43	**18.66**	24.88
(b) Provisions	17	**19.28**	20.10
(c) Deferred tax liabilities (net)	31	**7.44**	–
Total non–current liabilities		**422.04**	233.42
3. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	**352.79**	393.03
(ii) Lease liabilities	43	**6.16**	6.87
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises"	20	**19.12**	13.36
b) Total outstanding dues of creditors other than micro and small enterprises"	20	**367.34**	434.29
(iv) Other financial liabilities	21	**50.71**	57.79
(b) Other current liabilities	19	**24.77**	43.15
(c) Provisions	18	**1.13**	0.85
Total current liabilities		**822.02**	949.34
Total equity and liabilities		**1,935.67**	1,824.91

* Refer note 47

Significant accounting policies 2–4

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even dated attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

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

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022*
INCOME			
Revenue from operations	22	**2,302.37**	1,861.17
Other income	23	**19.17**	20.09
Total income		**2,321.54**	1,881.26
EXPENSES			
Cost of materials consumed	24	**1,359.60**	1,115.91
Changes in inventories of finished goods and work-in-progress	25	**(0.38)**	(60.98)
Other manufacturing expenses	26	**269.31**	225.46
Employee benefits expense	27	**291.95**	267.86
Finance costs	28	**54.07**	43.79
Depreciation and amortization expense	5	**111.82**	91.28
Other expenses	29	**160.45**	155.81
Total expenses		**2,246.82**	1,839.13
Profit before exceptional item & tax		**74.72**	42.13
Exceptional Item	30	**1.12**	6.15
Profit before tax		**73.60**	35.98
Tax expense	31		
Current tax		**14.03**	6.88
Deferred tax expense/(credit)		**8.54**	5.38
Total Tax Expense		**22.57**	12.26
Profit for the year		**51.03**	23.72
Other comprehensive income			
(a) Items that will not be reclassified to statement of Profit and loss			
Remeasurements of defined benefit plan obligations		**(0.47)**	0.94
Income tax relating to above items		**0.22**	(0.32)
(b) Items that will be reclassified to statement of Profit and loss			
Exchange differences on translation of foreign operations		**2.87**	1.11
Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		**3.33**	5.35
Income tax relating to above items		**(2.11)**	(1.81)
Other comprehensive income for the year		**3.84**	5.27
Total comprehensive income for the year		**54.87**	28.99
Net Profit attributable to:			
Owners of the group		**48.99**	23.71
Non-controlling interest		**2.03**	0.01
Other comprehensive attributable to:			
Owners of the group		**3.84**	5.27
Non-controlling interest		**0.00**	0.00
Total comprehensive attributable to:			
Owners of the group		**52.84**	28.98
Non-controlling interest		**2.03**	0.01
Net Profit for the year after non-controlling interest		**48.99**	23.71
Paid up equity share captial (face value of Re 1/- per share)		**13.53**	13.53
Earnings per share			
Basic and diluted (nominal value per share ₹ 1/-)	32	**3.62**	1.75

* Refer note 47

Significant accounting policies 2–4

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even dated attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

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

Shashank Agarwal
Partner
Membership No. 095109

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Place : Gurugram
Date : May 29, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A Equity share capital

(All amounts in ₹ crores, unless otherwise stated)

	No. of shares	Amount
Balance as at March 31, 2023	13,52,85,000	13.53
Changes in equity share capital during the year	–	–
Balance as at March 31, 2022	13,52,85,000	13.53
Changes in equity share capital during the year	–	–
Balance as at April 01, 2021	**13,52,85,000**	13.53

B Other equity

Particulars	Attributable to Owners of Equity							
	Reserves and Surplus					Items of OCI		
	Capital Reserve	Capital redemption reserve	Securities premium	Retained earnings	General reserve	Foreign currency translation reserve	Non-controlling interest	Total other equity
Balance as at 01 Apri, 2022	**14.49**	**2.00**	**145.04**	**361.60**	**99.70**	**5.46**	**0.33**	**628.62**
Profit for the year				51.03				51.03
Other comprehensive income for the year (net of tax)				0.97		2.87		3.84
Tansactions with non–controlling interests				(2.03)			2.03	–
Contribution by and distribution to owner								–
Dividend on equity shares (final)				(5.41)				(5.41)
Balance as at March 31, 2023	**14.49**	**2.00**	**145.04**	**406.16**	**99.70**	**8.33**	**2.36**	**678.08**
Balance as at April 01, 2021	**14.49**	**2.00**	**145.04**	**327.90**	**99.70**	**4.35**	**3.08**	**596.56**
Adjustment on account of business combination*	–	–	–	**5.78**	–	–		5.78
Profit for the year	–	–	–	23.72	–			23.72
Other comprehensive income for the year (net of tax)	–	–	–	4.16	–	1.11		5.27
Tansactions with with non–controlling interests	–	–	–	2.75	–	–	(2.75))	–
Contribution by and distribution to owner								–
Dividend on equity shares (Final)				(2.71)				(2.71)
Balance as at March 31, 2022	**14.49**	**2.00**	**145.04**	**361.60**	**99.70**	**5.46**	**0.33**	**628.62**

* Refer note 47

Significant accounting policies 2–4

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even dated attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

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

(All amounts in ₹ crores, unless otherwise stated)

			Year ended March 31, 2023	Year ended March 31, 2022*
A.	**Cash flow from operating activities**			
	Net profit before tax		**73.60**	35.98
	Adjustments for:			
	Depreciation and amortisation expense		**111.82**	91.28
	Profit on sale of property, plant and equipment		**(1.54)**	(0.54)
	Unrealised foreign exchange gain/(loss)		**0.90**	(1.50)
	Loss allowance on trade receivables		**0.06**	(0.07)
	Finance costs		**54.07**	43.79
	Amortisation of contract costs		**5.35**	4.62
	Interest income on financial assets measured at amortized cost		**(5.07)**	(5.20)
	Operating profit before working capital changes		**239.19**	168.36
	Changes in working capital:			
	Decrease/ (increase) in inventories		**8.93**	(25.14)
	Decrease in trade receivables		**37.24**	71.47
	Decrease/ (Increase) in other assets		**34.40**	(2.22)
	(Decrease) / increase in trade payables		**(128.13)**	8.25
	(Decrease)/ Increase in other liabilities and provisions		**(20.04)**	1.77
			171.59	222.49
	Direct taxes paid (net of refunds)		**(11.67)**	(6.07)
	Net cash generated from operating activities	**A**	**159.92**	216.42
B.	**Cash flow from investing activities**			
	Purchase of Property, Plant and Equipment (including capital advance)		**(200.35)**	(199.40)
	Purchase of investments		**–**	(2.48)
	Investment in bank deposit more than 3 months		0.25	(9.71)
	Proceeds from bank deposit more than 3 months		–	–
	Loan given		(48.87)	–
	Loan received back		**7.71**	11.69
	Interest received		**7.90**	4.99
	Net cash used in investing activities	**B**	**(233.36)**	(194.91)
C.	**Cash flow from financing activities**			
	Proceeds from non-current borrowings		**288.26**	24.81
	Payment for lease liabilities - principal and interest		**(5.97)**	(8.46)
	Amount paid to selling shareholders for acquisition of remaining stake of subsidiary		**–**	(2.38)
	Repayment of non-current borrowings		**(87.54)**	(77.99)
	Proceeds from current borrowings (net)		(54.24)	84.57
	Dividend paid		**(5.41)**	(2.78)
	Interest paid		**(57.80)**	(45.04)
	Net cash (used in)/generated from financing activities	**C**	**77.30**	(27.27)
	Net increase in cash and cash equivalents	**A+B+C**	**3.86**	(5.76)
	Effect of foreign currency fluctuation arising out of consolidation		**5.55**	0.96
	Cash and cash equivalents at the beginning of the year		7.33	12.13
	Cash and cash equivalents at the end of the period		**16.74**	**7.33**
	Changes in liabilities arising from financing activities			
	Interest Accrued on Borrowings at the beginning of year		**3.13**	**4.38**
	Interest on Borrowings during the year		**54.07**	43.79
	Interest paid during the year		**(55.42)**	(45.04)
	Interest Accrued on Borrowings at the end of year		**1.78**	**3.13**
	Borrowings at the beginning of year		**581.47**	**550.38**
	Proceeds from Long Term Borrowings		**288.26**	24.81
	Repayment of Long Term Borrowings		**(87.54)**	(77.99)
	Proceeds from Short Term Borrowinggs		**(54.24)**	84.57
	Non-Cash changes due to Exchange differences		**1.50**	(0.30)
	Borrowings at the end of year		**729.45**	**581.47**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Year ended March 31, 2023	Year ended March 31, 2022*
Lease Liabilities at the beginning of the year	31.75	13.08
Addition during the year	2.14	24.56
Deletion during the year	(5.38)	–
Finance cost accrued during the year	2.28	2.57
Payment of Lease Liabilities	(5.97)	(8.46)
Lease Liabilities at the end of the year	24.82	31.75

* Refer note 47

Refer Note 16 for debt reconciliation

Refer Note 50 for CSR Expenses

The above Statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

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

Shashank Agarwal
Partner
Membership No. 095109

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Place : Gurugram
Date : May 29, 2023

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ crores, unless otherwise stated)

1. CORPORATE INFORMATION

Rico Auto Industries Limited ("the Company") registered office is situated at 38 KM Stone, Delhi - Jaipur Highway, Gurugram - 122001 (Haryana), the Ultimate Holding Company with its Subsidiaries (together referred to as the "Group")supplies a broad range of high-precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminum and ferrous products. The Group is in the business of manufacturing and sale of auto components for two wheelers and four wheelers. The Consolidated Financial Statements for the year ended 31 March 2023 comprise Financial Statements of the Group.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

i) Compliance with Ind AS

The consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, presentation requirements of Division II of Schedule III to the Companies Act, 2013" financials and other relevant provisions of the Act.

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for the following assets and liabilities which have been measured at fair value.

– Derivative financial instruments.
– Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
– Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. All assets and liabilities have been classified as current or noncurrent according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities. The principal accounting policies are set out below-

ii) Functional and presentation currency

The functional currency of the Company and its Indian subsidiaries is theIndian Rupee. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.
Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetaryassets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.
The significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

iii) Going concern and basis of measurement

The Consolidated financial statements have been prepared on going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities, defined benefit plans that are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Companies Act, 2013.

2.2 Basis of consolidation

- **Subsidiary**

Subsidiary is the entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary companies are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the holding company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

- **Principles of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March

Consolidation procedure:

i) Subsidiary:
   - (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
   - (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
   - (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind-AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

The subsidiary companies which are included in the Consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
1	Rico Auto Industries Inc .USA	Subsidiary Company	100	100	USA
2	Rico Auto Industries (UK) Limited	Subsidiary Company	100	100	UK
3	AAN Engineering Industries Limited	Subsidiary Company	100	100	India
4	Rico Friction Technologies Limited	Subsidiary Company	70	70	India
5	Rico Fluidtronics Limited	Subsidiary Company	100	100	India
6	Rico Jinfei Wheels Limited	Subsidiary Company	74.7	74.7	India

3.3 Significant accounting policies

i) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties.

Expected sales returns, volume and cash discounts are accounted as reduction of revenue basis the estimate of customers' future purchases / customers' future sales to downstream customers in the value-chain. Any changes in the estimated amount of obligations for discounts/incentives are recognized prospectively in the period in which the change occurs.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Use of significant judgements in revenue recognition:

a) The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Rental income

Rental income arising from properties given under operating leases is recognised over the lease term for which the property is given on rent as per the rent agreement and is shown in other income under revenue in the Consolidated Statement of Profit and Loss.

Contract assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the entity performs under the contract.

ii) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Group as a lessee

The Group's lease asset consists of lease for land, building and machines. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset

At the date of commencement of the lease, the Grouprecognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Grouprecognizes the lease payments as an expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

iii) Government grants, subsidies and export incentives

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the conditions.

Government grants related to the income are deferred and recognised in the consolidated Statement of Profit and Loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to Profit and loss on a straight-line basis over the expected life of the related assets and presented within other income in accordance with the primary conditions associated with purchase of assets and related grants.

Export benefit entitlements,in the nature of income grant,are recognised in the consolidated Statement of Profit and Loss when the right to receive benefit is established in respect of the exports made and the realisation is reasonably certain.

iv) Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use the cost of replacing part of the plant and equipment and borrowing costs for long – term construction projects if the recognition criteria are met and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All other repairs and maintenance costs are expensed when incurred.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

An item of property, plant and equipment and any significant part initially recognisedis derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 income statement when the asset is derecognised.

Subsequent expenditure can be capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Expenditure directly attributable to construction activity is capitalized. Other indirect costs incurred during the construction periods which are not directly attributable to construction activity are charged to Statement of Profit and Loss. Reinvested income earned during the construction period is adjusted against the total of indirect expenditure.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

v) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangibles under progress represents intangible assets under construction and is carried at cost.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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 or loss.

vi) Investment properties

The Group had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.
Investment property comprises freehold land that are held for capital appreciation and recognised at cost, less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

vii) Depreciation and amortisation

Depreciation on building and plant and machinery is provided on the straight-line method, computed on the basis of useful life, on a pro-rata basis from the date the asset is ready to put to use.However, for certain categories of plant and machinery depreciation is provided using straight line method over a period of 20 yearsbased on the technical estimate and history of usage.

Depreciation on other property, plant and equipment is provided on written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

Depreciation on dies and moulds is provided based on useful life of the items ascertained on a technical estimate by the management.

Intangible assets are being amortised on written down value method over the useful life of 5-10 years, as estimated by the management to be the economic life of the assets over which economic benefits are expected to flow.

The estimated useful life considered for the assets are as under:

Asset	Estimated Useful Life
Plant and machinery	15–20
Building	30–60
Furniture and fixtures	10
Office equipment	5
Computers	3–8
Vehicles	8
Dies	5–15
Product development	5
Softwares	3–5
Other intangibles	10

* Includes right of use asset having life of 5 years.
** Includes right of use asset having life of 9 years.
The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful life of temporary erection is estimated one year, which is lower than those indicated in Schedule II
- Computers (Servers and networks) are depreciated over the estimated useful lives of three - four years, which is lower than those indicated in Schedule II.
- Non-Commercial Vehicles are depreciated over the estimated useful lives of six years, which is lower than those indicated in Schedule II.

vi) Fair value measurement

The Group measures financial instruments such as investments at fair value at each reporting/ balance sheet date

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

The principal or the most advantageous market must be accessible by the Group.

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 a 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.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This Note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investments at Fair Value through profit and loss
- Investment properties
- Financial instruments (including those carried at amortised cost)

ix) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets (other than trade receivable which is recognised at transaction price as per Ind AS 115) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through profit or loss (FVTPL)
- Financial instruments measured at fair value through other comprehensive income (FVTOCI)

A 'financial instruments' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial instruments at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

In addition, the Group may elect to designate a financial assets which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The net changes in fair value are recognised in the statement of profit and loss. Mutual Funds Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss as "Finance income from financial assets at FVTPL" under the head "Other Income".

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on Initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De–recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets measured at amortized cost; and

b) Lease receivables under Ind-AS 116

c) Financial assets measured at FVOCI

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind-AS 116

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.
- Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14A.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

De-recognition

` A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial Instruments and hedge accounting
Derivative accounting
Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Hedge Accounting
Initial recognition and subsequent measurement

The Group designates (Cash Flow Hedge):

- Intrinsic Value of Call Spread option to hedge foreign currency risk for repayment of Principal Amount in relation to FCNR Loan availed in Euro.
- Interest Rate Swap (Floating to Fixed) to hedge interest rate risk in respect of Floating rate of interest in relation to FCNR Loan.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or expense.

When option contracts are used to hedge foreign currency risk, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The time value of an option used to hedgerepresents part of the cost of the transaction.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other income or expense.

x) Inventories

Inventories which include raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Inventories are valued as follows:

Raw materials, stores and spares

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition . Inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work in progress

Work in progress is valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacityand actual stage of production.

Finished goods

Finished goods are valued at lower of cost or net realisable value (NRV). NRV assessment is done on item by item basis. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

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

xi) Business Combination

Non-common control business combination

Acquisitions of businesses for non-common control transactions are accounted for using the acquisition method. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve, only if it is not a bargain purchase, else routed through OCI.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised through shareholders' equity.

Optional concentration test: An optional test ('the concentration test') that allows the acquirer to carry out a simple assessment to determine whether the acquired set of activities and assets is not a business. The entity can choose whether or not to apply the concentration test for each transaction it makes. If the test is successful, then the acquired set of activities and assets is not a business and no further assessment is required. If the test is not met or the entity does not carry out the test, then the entity needs to assess whether or not the acquired set of assets and activities meets the definition of a business in the normal way.

The test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

xii) Employee benefits

Wages, salaries, bonuses, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group. The Group also provides benefit of compensated absences under which un–availed leaves are allowed to be accumulated and can be availed in future. The Group has three post–employment benefit plans in operation viz. Gratuity, Provident Fund and Employee State Insurance scheme.

a. Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

b. Provident fund and Employee State Insurance scheme

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Group pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature.

c. Gratuity

Gratuity is in the nature of defined benefit plan. The liability recognised in theconsolidated balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the consolidated balance sheet date less the fair value of plan assets. Gratuity Fund is administered through Life Insurance Corporation of India and India First Life Insurance Company Limited. The defined benefit obligation is calculated at theconsolidated balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in Other Comprehensive Income in the year in which such change occurs.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Grouprecognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past–service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The Grouprecognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Grouprecognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

d. Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan.The compensated absences comprise of vesting as well as non-vesting benefit. Liability in respect of compensated absencesbecoming due and expected to be availed within one year from the balance sheet date is recognisedon the basis of undiscountedvalue of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability inrespect of compensated absences becoming due and expected to be availed more than one year after the consolidated balance sheet date isestimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as onthe reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions arerecorded in theconsolidated Statement of Profit and Loss in the year in which such gains or losses arise. Leave encashment fund isadministered through Life Insurance Corporation of India and India First Life Insurance Company Limited.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

xiii) Research and development expenses

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalized includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Development expenditure that does not meet any of the aforementioned conditions isrecognised in theconsolidatedStatement of Profit and Loss as an expense as incurred.

Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy on property, plant and equipment as stated above.

xiv) Borrowings costs

Borrowing costs directly attributable to acquisition, construction or erection of qualifying assets are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the consolidated Statement of Profit and Loss in the year in which they are incurred.

xv) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated Statement of Profit and Lossin the year in which they arise, except for the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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 recognized in OCI or the statement of profit and loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

Group companies

On Consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for Consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

xvi) Income Taxes

Tax expense recognised in theconsolidatedStatement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in Other Comprehensive Income or directly in equity.

Current tax is the amount of tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside the consolidated Statement of Profit and Loss is recognised outside theconsolidated Statement of Profit and Loss (either in other comprehensive income or in equity). The current tax is calculated using the tax rate that have been enacted or subsequently enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside theconsolidatedStatement of Profit and Loss is recognised outside theconsolidated Statement of Profit and Loss(either in other comprehensive income or in equity).

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

xvii) Provisions and contingencies

The Group creates a provision when there is a present obligation (legal/constructive) as a result of a past event that probably requires an outflow of resources 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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

money is material). A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xviii) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xix) Impairment of non–financial assets

For assets with definite useful life, the Groupassesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xx) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

xxi) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity

xxii) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (up to two decimal places) as per the requirements of Schedule III of the Act unless otherwise stated.

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements includes:

Significant Estimates

- measurement of defined benefit obligations;
- estimation of useful lives of property, plant and equipment;
- estimation on future sales, discount rates and terminal growth rates for determining impairment of investment in/ loan advanced to subsidiary companies;
- provision and contingent liabilities;
- carrying values of inventories;
- carrying values of hedging instruments;
- lease classification, lease term and discount rates; and
- Impairment assessment of financial and non-financial assets

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:
Note 22: revenue recognition: whether revenue from products is recognised over time or at a point in time;
Note 6: investments accounted for using the equity method: whether the Group has significant influence over an investee;
Note 47: consolidation: whether the Group has de facto control over an investee; and
Note 43: lease term: whether the Group is reasonably certain to exercise extension options.

4. STANDARD ISSUED BUT NOT YET EFFECTIVE

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

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5 PROPERTY PLANT AND EQUIPMENT, CAPITAL WORK–IN–PROGRESS, INVESTMENT PROPERTY, INTANGIBLE ASSETS AND INTANGIBLE UNDER DEVELOPMENT

A Property plant and equipment

Particulars	Gross carrying values						Accumulated Depreciation						Net carrying values	
	As at April 01, 2022	Additions	Additions on account of business combination	Disposals	Disposals on account of business combination	As at March 31, 2023	As at April 01, 2022	Charge for the year	Charge for the year on account of business combination	Adjustment upon disposals	Adjustment upon disposals on account of business combination	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land*	116.41	–	–	–	–	116.41	1.18	0.21	–	–	–	1.39	115.02	115.23
Buildings**	195.68	11.24	–	3.22	–	203.70	38.10	8.03	–	1.20	–	44.93	158.77	157.58
Furniture and fixtures	4.06	0.00	–	0.02	–	4.04	2.46	0.36	–	0.02	–	2.80	1.24	1.60
Plant and equipment***	821.19	188.61	–	5.53	–	1,004.27	272.12	82.12	–	3.22	–	351.02	653.25	549.07
Dies and moulds	93.23	28.49	–	17.06	–	104.66	41.71	17.81	–	13.26	–	46.26	58.40	51.52
Vehicles	13.44	5.77	–	3.34	–	15.87	9.71	1.71	–	2.65	–	8.76	7.11	3.74
Office equipment	16.26	0.43	–	0.15	–	16.54	8.11	0.72	–	0.33	–	8.50	8.04	8.14
Total	1,260.27	**234.54**	–	**29.32**	–	**1,465.49**	373.38	**110.96**	–	**20.68**	–	**463.66**	**1,001.83**	886.88

(₹ in Crores)

Particulars	Gross carrying values						Accumulated Depreciation							Net carrying values	
	As at April 01, 2021	Additions	Additions on account of business combination	Disposals	Disposals on account of business combination	As at March 31, 2022	As at April 01, 2022	Acc. Dep. On account of business combination	Charge for the year	Charge for the year on account of business combination	Adjustment upon disposals	Adjustment upon disposals on account of business combination	As at March 31, 2023	As at March 31, 2021	As at March 31, 2020
Land*	47.58	0.64	68.19	–	–	116.41	0.98	–	0.20	–	–	–	1.18	115.23	46.60
Buildings**	168.49	11.96	15.22	–	–	195.68	24.42	6.63	6.56	0.49	–	–	38.10	157.58	144.08
Furniture and fixtures	4.01	0.01	0.04	–	–	4.06	1.93	0.04	0.49	0.00	–	–	2.46	1.60	2.08
Plant and equipment***	691.45	135.36	13.20	18.82	–	821.19	207.78	11.10	66.13	0.43	13.33	–	272.12	549.07	483.67
Dies and moulds	55.20	36.99	1.04	–	–	93.23	28.01	0.29	13.16	0.25	–	–	41.71	51.52	27.19
Vehicles	15.06	0.77	0.27	2.65	–	13.44	10.26	0.24	1.55	0.01	2.35	–	9.71	3.74	4.79
Office equipment	14.54	1.36	0.36	–	–	16.26	6.49	0.34	1.28	0.00	–	–	8.11	8.14	8.05
Total	**996.32**	**187.08**	**98.33**	**21.47**	–	**1,260.27**	**279.87**	**18.64**	**89.37**	**1.19**	**15.68**	–	**373.38**	**886.88**	**716.45**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

* Includes gross block of right of use asset amounting to ₹19.64 crores (31 March 2022 : ₹19.64 crores & 01 April 2021 : ₹19.02) with net block of ₹18.25 crores (31 March 2022 : ₹18.46 & 01 April 2021 : ₹18.04) as at the reporting date, refer note 43.

** Includes gross block of right of use asset amounting to ₹11.64 crores (31 March 2022 : ₹12.10 crores & 01 April 2021 : ₹12.10) with net block of ₹5.90 crores (31 March 2022 : ₹7.86 crores & 01 April 2021 : ₹9.17) as at the reporting date, refer note 43.

*** Includes gross block of right of use asset amounting to ₹30.26 crores (31 March 2022 : ₹29.51 crores & 01 April 2021 : ₹2.37) with net block of ₹27.20 crores (31 March 2022 : ₹28.32 crores & 01 April 2021 : ₹2.04) as at the reporting date, refer note 43.

B Capital work–in–progress

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	**83.47**	59.00
Additions	**32.67**	69.36
Transfers to property, plant and equipment	**(44.22)**	(44.90)
As at the end of the year	**71.92**	83.47

i. The capital work-in-progress ageing schedule as at March 31, 2023 and March 31, 2022 is as follows :

As at 31 March 2023

CWIP	Less than 1 Year	1–2 years	2–3 years	More than 3 years
Projects in progress	69.44	2.48	–	71.92
Projects temporarily suspended	–	–	–	–

As at 31 March 2022

CWIP	Less than 1 Year	1–2 years	2–3 years	More than 3 years
Projects in progress	80.00	3.21	0.25	83.47
Projects temporarily suspended	–	–	–	–

There are no projects as at each reporting year where activity had been suspended. Also there are no projects as at the end of reporting period which has exceeded cost as compared to its original plan or where completion is overdue

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

C Investment property

The notes set out the disclosure relating to investment property as per the requirement of Ind AS 40 - "Investment Property"

Particulars	Gross carrying values				Accumulated depreciation				Net carrying values	
	As at April 01, 2021	**Additions**	**Disposals**	**As at March 31, 2023**	As at April 01, 2022	**Charge for the year**	**Adjustment upon disposals**	**As at March 31, 2023**	**As at March 31, 2023**	As at March 31, 2022
Land	6.82	–	–	**6.82**	–	–	–	–	**6.82**	6.82
Buildings	8.49	–	–	**8.49**	1.41	**0.27**	–	**1.68**	**6.80**	7.08
Total	15.31	–	–	**15.31**	1.41	**0.27**	–	**1.68**	**13.62**	13.90

Particulars	Gross carrying values				Accumulated depreciation				Net carrying values	
	As at April 01, 2021	**Additions**	**Disposals**	**As at March 31, 2022**	As at April 01, 2021	**Charge for the year**	**Adjustment upon disposals**	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2021
Land	6.82	–	–	6.82	–	–	–	–	6.82	6.82
Buildings	8.48	0.01	–	8.49	1.12	0.29	–	1.41	7.08	7.36
Total	**15.30**	**0.01**	**–**	**15.31**	**1.12**	**0.29**	**–**	**1.41**	**13.90**	**14.18**

i. Amount recognised in consolidated statement of profit and loss for investment property

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income from Investment property	**1.22**	1.22
Direct operating expenses	**–**	0.06
Finance cost*	**–**	0.25
Profit from investment property before depreciation	**1.22**	0.91
Depreciation during the year	**0.27**	0.29
Profit from investment property	**0.95**	**0.62**

* Finance cost is the interest charged on payable to HSIIDC on account of land enhancement cost

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

ii. Fair Value

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment property	**23.01**	21.49

As at March 31, 2023 and March 31, 2022, the fair values of the investment properties are ₹ 23.01 crores and ₹ 21.49 crores respectively in total from land and building. Fair valuations are based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

iii Estimation of Fair Value

Fair value of Investment property is based on market approach. While applying the market approach, consideration has been given to circle rates issued by relevant regulatory authorities. With respect to the investment property at the beginning of current year, there is no change in circle rate from previous year.

iv. Description of valuation techniques used and key inputs for valuation on investment properties:

Particulars	Valuation technique
Land and building situated on Plot No 22, Sector 05, HSIIDC Phase-II, Bawal, Haryana ₹ 7,300 per sq. mt. after considering the location, shape & size and local enquiries, the market rate has been considered. Land area - 20,475 Sq. mt. Land value - ₹ : 14.95 crores Building value- ₹ : 6.54 crores	Market value

D Intangible assets

Particulars	Gross carrying values				Accumulated amortisation				Net carrying values	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Charge for the year	Adjustment upon deletion	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Customer relations	4.30	1.18	–	5.48	1.33	0.84	–	2.17	3.30	2.97
Product development	1.40	–	–	1.40	1.40	–	–	1.40	–	–
Software	0.41	–	–	0.41	0.39	0.02	–	0.41	–	0.02
Total Intangible assets	**6.11**	**1.18**	**–**	**7.29**	**3.12**	**0.86**	**–**	**3.98**	**3.30**	**2.99**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 20223(Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Gross carrying values				Accumulated amortisation				Net carrying values	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	Charge for the year	Adjustment upon deletion	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Customer relations	3.55	0.75	–	4.30	0.65	0.68	–	1.33	2.97	2.90
Product development	1.40	–	–	1.40	1.40	–	–	1.40	–	–
Software	0.41	–	–	0.41	0.34	0.05	–	0.39	0.02	0.07
Total Intangible assets	**5.36**	**0.75**	**–**	**6.11**	**2.39**	**0.73**	**–**	**3.12**	**2.99**	**2.97**

*Amounts have been rounded off to zero.

E Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	**5.22**	2.24
Additions	**2.86**	2.98
Transfers to property, plant and equipment	**(0.57)**	–
As at the end of the year	**7.52**	5.22

*Amounts have been rounded off to zero.

The intangible assets under development ageing schedule as at March 31, 2023 and March 31, 2022 is as follows :

As at 31 March 2023				
Intangible assets under development	**Less than 1 Year**	**1–2 years**	**2–3 years**	**More than 3 years**
Projects in progress	**2.86**	**2.41**	**2.24**	**–**
As at 31 March 2022				
Intangible assets under development	Less than 1 Year	1–2 yearsw	2–3 years	More than 3 years
Projects in progress	2.98	2.24	–	–

There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue

F Borrowing costs capitalized/transferred to capital work in progress during the year amounts to ₹ 3.3 crores (previous year ₹ 1.60 crores) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings during the year, in this case 7.5% (previous year 9.25%)

G (i) For details regarding charge on property, plant and equipment - refer note 16
(ii) The Group has not revalued its property, plant and equipment during the year.
(iii) The Group does not have any benami property and no proceedings have been initiated or pending against the Group for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
(iv) All title deeds of immovable properties are held in the name of Group.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
6	**INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**		
	Non–current		
	Investment in equity instruments (at amortised cost) - unquoted		
	Rico Care Foundation (Sec 8 Company)	**0.05**	0.05
	29900 equity shares of ₹ 10/- each (March 31, 2022: 29900 equity shares of ₹ 10/- each)		
	Roop Ram Industries Private Limited	**2.43**	2.43
	2434640 equity shares of ₹10/- each (March 31, 2022: 2434640 equity shares of ₹10/- each)		
	Total investment at amortised cost	**2.48**	2.48
	Aggregated amount of un-quoted investments	**2.48**	2.48
7	**LOANS**		
	(unsecured, considered good)		
	Non–current		
	Loans to related parties (refer note 44)	**44.43**	21.71
	Less: Current maturities of loans to related parties	**(13.02)**	(16.55)
		31.41	5.17
	Current		
	Loans to employees	1.00	1.24
	Loans to related parties	13.02	16.55
	Other loans	–	–
		14.02	17.79
	Total	**45.43**	**22.96**
8	**OTHER FINANCIAL ASSETS**		
	Non-current		
	(unsecured, considered good)		
	Other financial assets carried at amortised cost		
	Security deposits	**17.14**	17.78
		17.14	17.78
	Current		
	(unsecured, considered good)		
	Other financial assets carried at amortised cost		
	Interest receivable	**0.58**	3.98
	Insurance claims receivable	**–**	0.35
	Export incentive receivable	**2.56**	6.06
	Derivative asset measured at fair value (refer note 33)	**–**	0.58
	Security deposits	**6.34**	4.41
	Total	**9.49**	**15.38**
9	**OTHER ASSETS**		
	Non–current		
	Capital advances	**4.52**	21.10
	Contract costs (refer note 41)	**8.80**	14.61
	Prepaid expenses	**1.14**	0.80
		14.45	36.51
	Current		
	Advances to suppliers	**9.64**	22.59
	Prepaid expenses	**4.37**	6.78
	Balance with government authorities	**6.76**	7.48
	Contract costs (refer note 41)	**6.99**	4.69
	Others	**3.23**	3.23
		30.98	44.77
	Total	**45.44**	**81.28**
10	**INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)**		
	Raw materials	**58.65**	49.72
	Work-in-progress	**32.77**	24.77
	Finished goods (includes goods in transit of ₹14.36 (31 March 2022: ₹ 1.62, 01 April 2021: ₹ 4.03)	**155.75**	163.37
	Stores and spares	**33.80**	52.04
	Total	**280.97**	**289.90**
11	**TRADE RECEIVABLES**		
	Trade receivables (refer note 45 for ageing schedule)	**388.49**	353.97
	Receivables from related parties (refer note 44)	**7.57**	9.81
	Total	**396.06**	**363.78**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good	**395.13**	363.66
	Trade receivables which have significant increase in credit risk		
	Trade receivables - credit impaired	**0.93**	0.13
		396.06	363.78
	Less: Allowances for credit loss	**(0.93)**	(0.13)
	Total	**395.13**	363.65
12	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**0.61**	0.50
	Balances with banks		
	On current accounts	**16.13**	6.83
	Total	**16.74**	7.33
13	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Unpaid dividend accounts*	**0.80**	1.36
	Bank deposits with original maturity of more than 3 months and less than 12 months	**18.15**	18.40
	Total	**18.94**	19.76

* These balances are not available for use by the company and has been kept in escrow accounts for unclaimed dividends.

(₹ in Crores)

		As at March 31, 2023	As at March 31, 2022
14	**EQUITY SHARE CAPITAL**		
	a) Authorised		
	490000000 equity shares of ₹1/- each, 216000000 equity shares of ₹10/- each (March 31, 2022: 490000000 equity shares of ₹1/- each, 216000000 equity shares of ₹10/- each; April 01, 2021: 490000000 equity shares of ₹1/- each, 216000000 equity shares of ₹10/- each)	**265.00**	265.00
	5,000,000 redeemable preference shares of ₹10/- each (March 31, 2022: 5,000,000 redeemable preference shares of ₹10/- each)	**5.00**	5.00
		270.00	270.00
	b) Issued, subscribed and paid–up		
	135,285,000 equity shares of ₹ 1/- each fully paid up (March 31, 2022: 135,285,000 equity shares of ₹ 1/- each)	**13.53**	13.53
		13.53	13.53

c) Reconciliation of number of equity shares outstanding

(₹ in Crores)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	**No. of shares**	Amount	No. of shares
At the beginning of the year	**13.53**	**135,285,000**	13.53	135,285,000
Movement during the year	**–**	**–**	–	–
Outstanding at the end of the year	**13.53**	**135,285,000**	13.53	135,285,000

d) Description of the rights, preferences and restrictions attached to each class of shares

Equity shares : The Holding Company has only one class of equity shares having a face value of 1 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. These equity shares are listed on the National Stock Exchange of India Limited and BSE Limited.

In the event of liquidation of the Group, the holder of equity shares will be entitled to receive remaining assets of the Group, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

e) Details of shareholders holding more than 5% equity shares in the Holding Company

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	% of holding	No of shares	% of holding	No of shares
ASN Manufacturing and Services Private Limited	15.40	20,838,321	15.40	20,838,321
Mr. Arvind Kapur	10.44	14,118,043	9.38	12,674,960
Mr. Arun Kapur	6.48	8,770,849	6.48	8,770,849
Meraki Manufacturing and Finvest Advisors Private Limited	8.72	11,790,841	8.72	11,790,841
Higain Investments Private Limited	5.60	7,580,628	5.60	7,570,628

The above information is furnished as per the shareholders register as at March 31, 2023 and March 31, 2022

f) Details of shareholding of promoters

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No of shares	% holding	% of change during the year	No of shares	% holding	% of change during the year
Mr. Arvind Kapur	14,118,043	10.44%	1.06%	12,685,960	9.38%	–
Mr. Arun Kapur	8,770,849	6.48%	–	8,770,849	6.48%	–
Mrs. Upasna Kapur	3,453,384	2.55%	–	3,453,384	2.55%	–
Mrs. Shalini Kapur	–	0.00%	(1.05%)	1,423,683	1.05%	–
Mrs. Ritu Kapur	733,140	0.54%	–	733,140	0.54%	–
Mrs. Nyla Kapur	383,440	0.28%	0.01%	375,040	0.28%	–
Mr. Samarth Kapur	194,800	0.14%	–	194,800	0.14%	–
Mrs. Shivani Kapur	149,800	0.11%	–	149,800	0.11%	–
Mrs. Romilla Bahl	79,000	0.06%	–	79,000	0.06%	–
Mrs. Promila Sikka	4,000	0.00%	–	4,000	0.00%	–
ASN Manufacturing And Services Private Limited	20,838,321	15.40%	–	20,838,321	15.40%	–
Meraki Manufacturing And Finvest Advisors Private Limited	11,790,841	8.72%	–	11,790,841	8.72%	
Higain Investments Private Limited	7,580,628	5.60%	–	7,580,628	5.60%	–
Rico Fluidtronics Limited		0.00%	–		0.00%	–
Total	**68,096,246**	**50.34%**	**0.02%**	**68,079,446**	**50.32%**	**–**

g) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares has been bought back during the period of five years immediately preceeding March 31, 2023

(All amounts in ₹ crores, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
15	**OTHER EQUITY**		
	Capital reserve	14.49	14.49
	Capital redemption reserve	2.00	2.00
	Securities premium	145.04	145.04
	Foreign currency translation reserve	7.74	5.07
	General reserve	99.70	99.70
	Retained earnings	406.74	361.99
	Total	**675.71**	628.29

Description of reserves

a Capital reserve

The same has been created in accordance with provision of the Act on forfeiture of shares and debentures in past and is not available for distribution to owners.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

b Capital redemption reserve

The same has been created on redemption of share capital and shall be utilised in accordance with provision of the Act.

c Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

d General reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

e Retained earnings

Retained earnings are the accumulated profits earned by the company till date, as adjusted for distribution to owners.

		As at March 31, 2023	As at March 31, 2022
16	**BORROWINGS**		
	Non–current		
	Secured loan, at amortized cost*		
	Term loan		
	From banks		
	Foreign currency loans	**85.24**	39.52
	Rupee loans	**220.99**	208.64
	From Financial institutions		
	Rupee loans	**129.55**	39.74
	Vehicle loans		
	From financial institutions	**0.92**	0.67
	From banks	**2.52**	0.45
	Unsecured loan, at amortized cost		
	Term loan		
	From related party (refer note 44)	**40.45**	12.02
		479.67	301.04
	Less: Amount clubbed under "Current borrowings" (Current maturities of long term borrowings)	**103.01**	112.60
		376.66	188.44
	Current borrowings		
	Working capital loans		
	Secured, at amortized cost **		
	From banks		
	Working Capital Demand Loan from banks in INR	**35.00**	53.00
	Working capital rupee loans	**130.29**	138.05
	From banks and financial institutions	**–**	10.00
	Rupeee loans	**165.29**	201.05
		165.29	201.05
	Unsecured, at amortized cost **		
	Sale bills discounting	**74.05**	67.26
	Purchase bills discounting	**8.31**	10.00
	Loans from related parties	**2.14**	2.14
		84.49	79.39
	Current maturities of long term loans	**103.01**	112.60
	Total	**352.79**	**393.04**

* Refer note A below for security details and terms of repayment for non-current borrowings

** Refer note B below for security details and terms of repayment for current borrowings

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

A. Security Details - non-current secured loans

		As at March 31, 2023	As at March 31, 2022
A1	The Company has taken a Foreign currency term loan alongwith Interest rate swap from RBL Bank Limited. The loan carries fixed interest rate @ 2.80% per annum on euro notional and is repayable in 18 equal quarterly installments after moratorium of 6 quarters starting June,2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**12.30**	20.50
A2	Buyer's credit facility from Yes Bank Limited is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Loan carries interest @Euribor + 0.85% to 0.95% per annum (previous year Euribor + 0.30% to 0.75% per annum).	**9.56**	13.25
A3	Buyer's credit facility from Axis Bank Limited is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and are repayable in three years ie June'2024. Loan carries interest @ Jpybor + 1.50% to 1.53% per annum.	**12.60**	5.77
A4	Buyer's credit facility from IndusInd Bank Limited is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi. Loan carries interest @Euribor + 0.50% per annum.	**50.79**	–
A5	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 10.05% per annum (previous year 8.65% to 9.95% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**9.68**	28.68
A6	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 9.60% per annum (previous year 8.75% to 10.15% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**2.85**	4.74
A7	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 8.90% per annum (previous year 8.75% per annum)and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**4.32**	6.24
A8	Rupee term loan from Yes Bank Limited carries interest @ 8.75% to 10.00% per annum (previous year 8.75% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**5.33**	7.27
A9	Rupee term loan from IndusInd Bank Limited carries interest @ 9.25% per annum and is repayable in 24 quarterly installments. The term loan is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	**8.51**	–
A10	The Company has taken term loan alongwith a principal only swap (INR to Euro) from Kotak Mahindra Bank Limited. The loan carries interest @ 7.80% to 8.65% per annum (previous year 7.75% to 7.85% per annum) and is repayable in 16 equal quarterly installments after moratorium of 6 quarters starting December 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**5.38**	8.79
A11	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 7.85% to 8.70% per annum (previous year 7.85% to 7.90% per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting February,2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**1.25**	1.70

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

		As at March 31, 2023	As at March 31, 2022
A12	The company has converted rupee term loan in euro, a cross currency swap from Kotak Mahindra Bank Limited, carries interest @ 3.05% per annum on euro notional (previous year 3.05 % per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting December 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**20.27**	28.38
A13	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 8.00% to 9.20% per annum (previous year 8.00% to 8.15% per annum) and is repayable in 16 equal quarterly installments after moratorium of 9 quarters starting February 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**3.45**	4.70
A14	Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 8.00% to 9.55% per annum (previous year 8.00% to 8.15% per annum) and is repayable in 16 equal quarterly installments after moratorium of 3 quarters starting August 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**8.71**	15.68
A15	Rupee term loan from Bajaj Finance Limited carries interest @ 8.90% to 9.85% per annum (previous year 8.90% to 9.05% per annum) and is repayable in 22 quarterly installments starting March'2020. The term loan is secured by first pari passu charge (unless specifically charged) over entire Property plant and equipment of the Company movable and immovable, present and future and mortgage by way of deposit of title deeds of land & building of the Company situated at Plot No 22, sector-5, Phase-II, Groth Center, Bawal, Haryana and Letter of comfort issued by Rico Auto Industries Ltd.	**5.11**	6.92
A16	Rupee term loan from Bajaj Finance Limited carries interest @ 9.00% to 9.80% per annum (previous year 9.00% per annum) and is repayable in 60 equal monthly installments after moratorium of 12 months starting December 2021. The term loan is secured by first pari passu charge (unless specifically charged) over entire Property plant and equipment of the Company movable and immovable, present and future and mortgage by way of deposit of title deeds of land & building of the Company situated at Plot No 22, sector-5, Phase-II, Groth Center, Bawal, Haryana and Letter of comfort issued by Rico Auto Industries Ltd.	**7.33**	9.33
A17	Rupee working capital term loan (ECLGS) from Bajaj Finance Limited carries interest @ 9.00% to 9.80% per annum (previous year 9.00% per annum) and is repayable in 36 monthly installments after moratorium of 12 months starting November 2021. The facility is secured by second pari passu charge (unless specifically charged) over entire Property plant and equipment of the Company movable and immovable, present and future, second pari passu charge on mortgage by way of deposit of title deeds of land & building of the Company situated at Plot No 22, sector-5, Phase-II, Groth Center, Bawal, Haryana.	**2.06**	3.18
A18	Rupee term loan from Axis Finance Limited carries interest @ 9.50% per annum and is repayable in 24 equal quarterly installments starting December-2023. The term loan is secured by first and exclusive charge on moveable fixed assets, current assets and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Bawal and Manesar.	**25.00**	–
A19	Rupee term loan from Axis Bank Limited carries interest @ 8.85% per annum and is repayable in 12 quarterly installments after moratorium of 8 quarters starting Sep 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**8.61**	–
A20	Rupee term loan from Karnataka Bank carries interest @9.00% per annum and is repayable in 24 quarterly installments after moratorium of 5 quarters starting from Sep 2023. The term loan is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	**60.00**	–
A21	Rupee term loan from HDFC Bank Limited carries interest @ 7.25% to 9.50% per annum (previous year 8.50% to 8.60% per annum) and is repayable in 20 equal quarterly installments after moratorium of 4 quarters starting Jauary 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**18.75**	23.75

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

		As at March 31, 2023	As at March 31, 2022
A22	Rupee working capital term loan (ECLGS) from Yes Bank Limited carries interest @ 7.60% to 9.25% per annum (previous year 7.25% to 7.60% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**12.75**	17.00
A23	Rupee working capital term loan (ECLGS) from Kotak Mahindra Bank Limited carries interest @ 7.15% to 8.80% per annum (previous year 7.15% to 7.20% per annum) and is repayable in 48 monthly installments after moratorium of 12 months starting February 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**21.18**	27.46
A24	Rupee working capital term loan (ECLGS) from RBL Bank Limited carries interest @ 7.15% to 9.25% per annum (previous year 7.15% to 7.61% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**12.86**	17.15
A25	Rupee working capital term loan (ECLGS) from State Bank of India carries interest @7.95% to 8.65% per annum (previous year 7.95% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting January,2024. The term loan is secured by second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**8.35**	8.35
A26	Rupee working capital term loan (ECLGS) from Axis Bank Limited carries interest @ 7.35% per annum (previous year 7.35% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting February,2024. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	**8.74**	8.74
A27	Rupee term loan from Bajaj Finance Limited carries interest @ 9.30% to 11.10% per annum (previous year 9.30% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	**15.05**	20.31
A28	Rupee working capital term loan from Axis Finance Limited carries interest @ 9.00% to 10.25% per annum and is repayable in 18 quartelry installments after moratorium of 12 months starting from December 2023. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company.	**75.00**	–
29A	Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 7.20% to 9.52% per annum (Previous year 7.20% to 9.52% per annum).	**3.33**	0.94
29B	Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 8.00% to 8.50% per annum (Previous year 8.00% to 8.50% per annum).	**0.11**	0.17
A2.	**Security Details - non-current unsecured loans**		
	Current secured loans		
1	Term Loan from Related Parties	**479.68**	301.04
B	**Security Details - Current Secured Loans**		
1	Working capital loans/facilities are secured against first pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future) carrying interest rate ranging from 5.60% to 10.25% per annum (previous year 3.70% to 8.90% per annum).	**165.29**	201.05

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

		As at March 31, 2023	As at March 31, 2022
	Current Unsecured loans		
B2	Working capital facility for sale bill discounting from various banks carries interest @ 5.75% to 8.25% per annum (previous year 5.40% to 6.25% per annum)	**33.33**	40.37
B3	Working capital loans / facilities from Bajaj Finance Limited is against tripary agreement between Bajaj Auto Limited, Bajaj Finance Limited and the Company. The loan is secured by Letter of Comfort from Rico Auto Industries Limited, loan carrying interest rate ranging from 8.50% to 9.95% per annum (previous year 8.50% per annum)	**8.31**	10.00
B4	Working capital facility for sale bill discounting from banks carries interest @ 6.00% to 8.50% per annum (previous year 6.00% to 6.25% per annum)	**40.72**	26.89
B5	Loans from Related Parties	**2.14**	2.14
		249.78	280.44
	TOTAL BORROWINGS	**729.46**	**581.48**

Note 16 - Debt Reconciliation
Debt Reconciliation for FY 22-23

Particulars	Short Term and Non-current borrowings
As at April 1, 2022	**581.48**
Cash flows:	
Add: Additions	**288.26**
Less: Repayments	**87.54**
Add: Proceeds from Short Term Borrowings	**(54.24)**
Adjustments:	
Exchange Differences	**1.49**
–Fair value adjustments	**–**
As at March 31, 2023	**729.45**

Debt reconciliation for FY 2021–22

As at April 1, 2021	550.38
Cash flows:	
Add: Additions	24.81
Less: Repayments	(77.99)
Add: Proceeds from Short Term Borrowings	84.57
Adjustments:	
Exchange Differences	(0.29)
–Fair value adjustments	–
Balance	
As at March 31, 2022	581.48

		As at March 31, 2023	As at March 31, 2022
17	**PROVISIONS**		
	Non current		
	Provision for gratuity (refer note 38)	**16.88**	15.94
	Provision for compensated absences	**2.40**	4.16
	Total	**19.28**	20.10
18	**Current**		
	Provision for gratuity (refer note 38)	**0.83**	0.56
	Provision for compensated absences	**0.31**	0.28
	Total	**1.13**	0.85
19	**OTHER LIABILITIES**		
	Current		
	Statutory liabilities	**13.96**	16.28
	Contract liabilities- advance from customers* (refer note 41)	**10.30**	26.62
	Other liabilities	**0.50**	0.24
	Total	**24.77**	43.15
	*Represents non-interest bearing advances from customers, expected to be recognised within the period of 1 year.		

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

		As at March 31, 2023	As at March 31, 2022
20	**TRADE PAYABLES**		
	Payable to micro enterprises and small enterprises (refer note 38)	**19.12**	13.36
	Payable to other than micro enterprises and small enterprises	**362.27**	426.75
	Due to related parties (refer note 43)	**5.07**	7.54
	Total	**388.48**	447.64
21	**OTHER FINANCIAL LIABILITIES**		
	Current		
	I. Derivatives at fair value through profit and loss		
	Derivative liability measured at fair value (refer note 33)	**5.98**	3.07
	Total (I)	**5.98**	**3.07**
	II. Other financial liabilities at amortised cost		
	Interest accrued but not due on borrowings	**1.78**	3.12
	Unclaimed dividends	**0.80**	1.29
	Security deposits	**5.30**	5.49
	Capital creditors	**6.59**	15.23
	Employee benefits payable	**19.41**	17.69
	Land enhancement charges payable	**8.93**	8.93
	Other liabilities	**1.93**	2.97
	Total (II)	**44.73**	54.72
	Total	**50.71**	57.79
22	**REVENUE FROM OPERATIONS**		
	Operating revenue		
	Export Sales	**293.02**	289.52
	Domestic Sales	**1,965.03**	1,502.44
	Sale of products	**2,258.04**	1,791.96
	Sale of services	**0.91**	18.70
		2,258.95	1,810.67
	Other operating revenue		
	Scrap sales	**26.34**	29.71
	Duty draw back and other incentives	**12.50**	12.79
	Claims from customers	**4.26**	4.33
	Others	**0.32**	3.67
		43.42	50.50
		2,302.37	1,861.17
	TOTAL		
	Reconciliation of Revenue Recognised with contracted price is as follows :-		
	Contract Cost	**2,286.45**	1,825.38
	Adjustments to the contract price - cash discount and credit notes	**(27.50)**	(14.71)
	Revenue Recognised	**2,258.95**	1,810.67

The Adjustment made to the contract price comprises of cash discount, returns, and credits under the head "Operating Revenue ".
The amount of INR 26.62 crores included in contract liabilities at 31 March 2022 has been recognised as revenue during the year ended 31 March 2023 (31 March 2022: INR 12.18 crores).
No information is provided about remaining performance obligations at 31 March 2023 or at 31 March 2022 that have an original expected duration of one year or less, as allowed by Ind AS 115.

		As at March 31, 2023	As at March 31, 2022
23	**OTHER INCOME**		
	Interest income under the effective interest method	**5.07**	5.20
	Exchange rate fluctuation (net)	**4.09**	4.65
	Rental income	**2.54**	5.74
	Profit on sale of Assets	**1.54**	0.54
	Miscellaneous Income	**5.93**	3.96
	Total	**19.17**	20.09
24	**COST OF MATERIALS CONSUMED**		
	Raw material and components		
	Opening stock	**49.72**	72.56
	Add : Purchases during the year	**1,368.53**	1,093.07
	Less : Closing stock	**58.65**	49.72
	Raw material and components consumed	**1,359.60**	1,115.91

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
25	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**		
	(a) Work–in–progress		
	Opening stock	**24.77**	22.53
	Closing stock	**32.77**	24.77
		(8.00)	(2.24)
	(b) Finished goods		
	Opening stock	**163.37**	104.63
	Closing stock	**155.75**	163.37
		7.62	(58.74)
		(0.38)	(60.98)
26	**OTHER MANUFACTURING EXPENSES**		
	Consumption of stores and spares	**85.56**	73.15
	Power and fuel	**183.75**	152.31
	Total	**269.31**	225.46
27	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries, wages and bonus	**258.32**	243.97
	Contribution to provident and other funds	**20.19**	11.88
	Staff welfare expenses	**13.44**	12.01
	Total	**291.95**	267.86
28	**FINANCE COSTS**		
	Interest on debts, borrowings and lease liabilities measured at amortised cost	**51.65**	42.15
	Other borrowing costs	**1.47**	1.09
	Exchange difference regarded as an adjustment to borrowing costs	**0.95**	0.54
	Total	**54.07**	43.79
29	**OTHER EXPENSES**		
	Repairs		
	Machinery	**7.62**	8.28
	Buildings	**1.43**	1.97
	Others	**4.05**	2.96
	Rent (refer note 43)	3.07	7.69
	Insurance	**4.94**	4.75
	Rates and taxes	**0.68**	1.35
	Directors' sitting fees	**0.49**	0.59
	Traveling and conveyance	**5.16**	5.26
	Vehicle running and maintenance expenses	**3.67**	3.50
	Legal and professional*	**13.10**	11.20
	Freight, forwarding and other expenses	**103.38**	99.61
	Allowances for bad and doubtful receivables and advances	**0.99**	0.00
	Amortisation of Contract Assets	**5.35**	4.62
	Corporate social repsosibility	**0.20**	1.05
	Miscellaneous expenses**	**6.32**	2.97
	Total	**160.45**	155.81
	***Includes payment to auditors on account of:**		
	As auditors		
	Audit fees for Statutory audit	**0.89**	0.83
	Audit fees for Limited Reviews	**0.15**	0.15
	Certification services	**0.03**	0.09
	In other capacity		
	Reimbursement of expenses	**0.10**	0.05
		1.17	1.12
30	**EXCEPTIONAL ITEMS**		
	Expenditure incurred on account of voluntary retirement scheme	**1.12**	6.15
	Total	**1.12**	6.15

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

31 INCOME TAX

A The reconciliation of estimated income taxt expense at statutory income tax rate is as follows:

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Profit from operations before income tax expense	**73.60**	35.98
Income tax using the Company's domestic tax rate @34.94% for both the years	**25.72**	12.57
	–	1.01
Tax incentives and concessions	**3.15**	(0.70)
Non deductible expenses	**22.57**	12.26
Income tax expenses recognised in the standalone statement of profit and loss		
Tax expense		
Current tax	**14.03**	6.88
Deferred tax expense/(credit)	**8.54**	5.38
Total Tax Expense	**22.57**	12.26

	Opening balance	**Recognised /(reversed) through profit and loss**	**Recognised /(reversed) through OCI**	**Closing balance**
Deferred tax liabilities (net)				
For the year ended March 31, 2023				
Deferred tax liabilities				
Depreciation and amortisation	**44.74**	**4.76**	**–**	**49.50**
Financial assets and liabilities at amortised cost (including leases)	**17.44**	**(11.69)**	**–**	**5.75**
Others	**0.54**	**(0.54)**	**–**	**–**
	62.72	**(7.47)**	**–**	**55.25**
Deferred tax assets				
Employee benefits	**(6.18)**	**0.18**	**(0.22)**	**(6.22)**
Carry forward losses	**(36.69)**	**13.89**	**–**	**(22.80)**
Foreign currency monetary item translation difference account	**(0.80)**	**0.16**	**–**	**(0.64)**
Minimum alternative tax credit entitlement	**(22.24)**	**–**	**–**	**(22.24)**
Effective portion of loss on hedging instruments	**2.05**	**–**	**2.11**	**4.16**
Others	**(1.85)**	**1.78**	**–**	**(0.07)**
	(65.71)	**16.01**	**1.89**	**(47.81)**
Net deferred tax liabilities	**(2.99)**	**8.54**	**1.89**	**7.44**
Deferred tax liabilities (net)				
For the year ended March 31, 2022				
Deferred tax liabilities			–	
Depreciation and amortisation	38.78	5.96	–	44.74
Financial assets and liabilities at amortised cost (including leases)	16.35	1.09	–	17.44
Others	0.54	–	–	0.54
	55.67	7.05	–	62.72
Deferred tax assets				
Employee benefits	(8.00)	1.50	0.32	(6.18)
Carry forward loss	(40.40)	3.71	–	(36.69)
Foreign currency monetary item translation difference account	(0.59)	(0.21)	–	(0.80)
Minimum alternative tax credit entitlement	(16.40)	(5.84)	–	(22.24)
Effective portion of loss on hedging instruments	0.24	–	1.81	2.05
Others	(1.02)	(0.83)	–	(1.85)
	(66.17)	(1.67)	2.13	(65.71)
Net deferred tax liabilities	(10.50)	5.38	2.13	(2.99)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The same is assessed every year basis business projections of taxable profits in future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
32	**EARNINGS PER SHARE**		
	Profit / (loss) after tax (A)(₹)	**48.99**	23.71
	Weighted average number of equity shares (basic/diluted) (B)	**135,285,000**	135,285,000
	Nominal value of equity share (₹)	**1.00**	1.00
	Earnings per share - basic/diluted (A/B) (₹)	**3.62**	1.75

33 FINANCIAL INSTRUMENTS

A Financial Instruments by Category

The carrying amounts and fair values of financial instruments by category are as follows:

	As at March 31, 2023		As at March 31, 2022	
	Derivatives (FV) used for hedging	Amortized Cost*	Derivatives (FV) used for hedging	Amortized Cost*
Financial assets				
Non–current				
Investments#	–	**2.48**	–	2.48
Loans	–	**31.41**	–	5.17
Other financial assets	–	**17.14**	–	17.78
Current				
Trade Receivables	–	**395.13**	–	363.65
Cash and cash equivalents	–	**16.74**	–	7.33
Bank balances other than cash and cash equivalents	–	**18.94**	–	19.76
Loans	–	**14.02**	–	17.79
Other financial assets	–	**9.49**	0.58	14.80
	–	**505.37**	**0.58**	**448.75**
Financial liabilities				
Non–current				
Borrowings (excluding current maturities of long term borrowings)	–	**376.66**	–	188.44
Lease liabilities	–	**18.66**	–	24.88
Current				
Borrowings	–	**352.79**	–	393.03
Trade payables	–	**386.47**	–	447.65
Other financial liabilities	**5.98**	**44.73**	3.07	54.72
	5.98	**1,185.48**	**3.07**	**1,115.59**

* The management assessed that the fair values of current financial assets and liabilities significantly approximate their carrying amounts largely due to the current maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, other current liabilities etc.

The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

The fair value of non-current borrowings are determined basis prevaling interest rate and other terms and conditions. The carrying value approximate their fair value.

B Fair value hierarchy

The categories used are as follows:

Level 1: Quoted price in active market.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to the Group.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at	Level 1	Level 2	Level 3	Total
Derivative asset	**March 31, 2023**	**–**	**–**	**–**	**–**
Derivative liability	**March 31, 2023**	**–**	**5.98**	**–**	**5.98**
Derivative asset	March 31, 2022	–	0.58	–	0.58
Derivative liability	March 31, 2022	–	3.07	–	3.07

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

C Derivative financial instruments and hedge accounting

The Group's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Group follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Group, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters. The Group uses forward contracts, cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. Effective April 1, 2019, these derivatives are designated as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(i) Effects of hedge accounting on balance sheet as at 31 March 2023:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	**EUR 4,845,457**	**–**	**3.85**	**Apr 2020 – Sep 2025**	**79.90**	**(0.97)**	**(0.97)**
(ii) Forward contracts	**USD 3,550,000**	**–**	**0.03**	**Jun 2022 – Jan 2024**	**82.95**	**(0.61)**	**(0.61)**
(iii) Forward contracts	**EUR 9,785,000**	**–**	**2.41**	**Oct 2022 – Feb 2024**	**88.33**	**(2.41)**	**(2.41)**
Interest rate risk							
(i) Interest rate swap	**EUR 1,584,943**	**0.31**	**–**	**Apr 2020 – Sep 2024**	**2.80%**	**0.50**	**0.50**
Total		**0.31**	**6.29**				

(i) Effects of hedge accounting on balance sheet as at 31 March 2022:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 7,381,091	–	2.88	Apr 2020 – Sep 2025	80.10	(3.00)	2.93
(ii) Forward contracts	USD 6,300,000	0.58	–	Apr 2022 – Sep 2022	77.31	0.14	0.14
(iii) Forward contracts	EUR	–	–	Apr 2021 – Sep 2021	–	(0.19)	(0.19)
Interest rate risk							
(i) Interest rate swap	EUR 2,641,572	–	0.19	Apr 2020 – Sep 2024	2.80%	(0.68)	(0.68)
Total		0.58	**3.07**				

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

(ii) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2023:

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	**6.95**	**–**	**3.86**	**Revenue**
Interest rate risk	**0.50**	**–**	**0.26**	**Finance cost**

(ii) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2022:

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	6.19	–	2.06	Revenue
Interest rate risk	0.68	–	(0.38)	Finance cost

(iii) Movement in cash flow hedge reserve

Particulars	Foreign currency and interest rate risk (As at March 31, 2023)	Foreign currency and interest rate risk (As at March 31, 2022)
Opening balance	**2.77**	(0.61)
Add: Changes in fair value of hedging instruments	**7.44**	6.87
Less: Amounts reclassified to profit or loss	**(4.12)**	(1.68)
Less: Deferred tax relating to above (net)	**(1.16)**	(1.81)
Closing balance	**4.93**	**2.77**

34 CAPITAL MANAGEMENT

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Group which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's policy is to keep an optimum gearing ratio. The Group includes within debt, interest bearing loans and borrowings.

Total debt divided by total equity

	As at March 31, 2023	As at March 31, 2022
Total debts*	**754.28**	613.23
Total equity#	**691.61**	642.15
Debt equity ratio	**1.09**	0.95

* includes short term and long term borrowings & lease liabilities
# includes equity share capital and other equity

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets other than derivatives comprise investments, loans given, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also enters into foreign exchange derivative transactions.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the mitigation of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in foreign exchange derivatives for speculative purposes will be undertaken. The policies for managing each of these risks, which are summarized below:-

35A Market risk:

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks namely currency risk and interest rate risk. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

a. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investments & borrowing in foreign currency, etc.

The Group's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Group follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Group, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

(i) Particulars of unhedged foreign currency exposure as at the reporting date

The Group exposure (without considering the derivative contracts) to foreign currency risk at the end of the reporting period expressed in INR are as follows:

As at March 31, 2023	USD	JPY	EURO	GBP	Total
Trade payable	8.15	0.09	2.12	–	10.36
Other payables	–	–	–	–	–
Borrowings:					
Term loan#	–	12.60	104.45	–	117.04
Less: Cash & bank	0.44	–	0.01	–	0.45
Less: Trade receivable	56.48	–	61.59	–	118.07
Net payable / (receivable)	**(48.77)**	**12.69**	**44.97**	**–**	**8.89**
Impact on profit and loss account on account of change in currency					
Sensitivity to increase of 1%	0.49	(0.13)	(0.45)	–	(0.09)
Sensitivity to decrease of 1%	(0.49)	0.13	0.45	–	0.09
Impact on equity, net of tax on account of change in currency					
Sensitivity to increase of 1%	0.32	(0.08)	(0.29)	–	(0.06)
Sensitivity to decrease of 1%	(0.32)	0.08	0.29	–	0.06

Includes INR to EURO Swap amounting to EURO 3,260,514 outstanding as at March 31, 2023.

As at March 31, 2022	USD	JPY	EURO	GBP	Total
Trade payable	10.87	0.28	5.50	2.96	19.61
Other payables	–	–	–	–	–
Borrowings:					–
Term loan#	–	5.77	76.42	–	82.19
Less: Cash & bank	0.29	–	–	–	0.29
Less: Trade receivable	48.83	–	42.02	–	90.85
Net payable / (receivable)	**(38.25)**	**6.05**	**39.90**	**2.96**	**10.66**
Impact on profit and loss account on account of change in currency					
Sensitivity to increase of 1%	0.38	(0.06)	(0.40)	(0.03)	(0.11)
Sensitivity to decrease of 1%	(0.38)	0.06	0.40	0.03	0.11
Impact on equity, net of tax on account of change in currency					
Sensitivity to increase of 1%	0.25	(0.04)	(0.26)	(0.02)	(0.07)
Sensitivity to decrease of 1%	(0.25)	0.04	0.26	0.02	0.07

Includes INR to EURO Swap amounting to EURO 47,39,519 outstanding as at March 31, 2022.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Derivatives outstanding at the reporting date:

	Currency sold	As at March 31, 2023	As at March 31, 2022
Forward Contract (sell) against exports	USD	**29.45**	48.71
Forward Contract (sell) against exports	Euro	**86.43**	–

b. Interest rate risk:

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	**404.40**	236.49

A reasonable change of 0.50% in interest rates at reporting date would have affected the profit and loss shown below:

Variable rate borrowings	Year ended March 31, 2023	Year ended March 31, 2022
Impact on profit and loss account on account of change in interest rate		
Interest rate increase by 0.5%	**2.02**	1.18
Interest rate decrease by 0.5%	**(2.02)**	(1.18)
Impact on equity, net of tax on account of change in interest rate		
Interest rate increase by 0.5%	**1.32**	0.77
Interest rate decrease by 0.5%	**(1.32)**	(0.77)

35B Credit Risk :

Credit risk refers to the risk of default on its obligation by the customer/counter party resulting in a financial loss. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	**16.74**	7.33
Other bank balances	**18.94**	19.76
Trade receivables	**395.13**	363.65
Loans	**45.43**	22.96
Other financial assets	**26.63**	33.16

Cash and cash equivalents and bank balances

Credit risk relating to cash and cash equivalents and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an on–going basis.

Trade Receivables

Trade receivables are unsecured in nature and are derived from revenue earned from customers. Trade receivable are non-interest bearing and are settled upto 30 to 180 days terms.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom the Group grants credit terms in the normal course of business. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers, etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 and March 31, 2022 are insignificant.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Ageing	Expected credit loss %
Within the credit period	0%
0–90 days past due	0%
91–180 days past due	0%
181–365 days	0%
More than 366 days past due	70%

Movement in the loss allowance in respect of trade receivables:	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	0.13	0.13
Amount written off	–	–
Provided during the year	0.80	–
Balance at the end of the year	0.93	0.13

Loans and other financial assets measured at amortised cost

Loans and other financial assets measured at amortised cost includes loans and advances to related parties and employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Given below is the ageing of loans:

Particulars	As at 31 March 2023	As at 31 March 2022
Loans		
Less than 1 year	19.15	8.95
1–3 years	26.28	13.99
More than 3 years	–	–
	45.43	22.94

35C Liquidity risk:

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Group. The Group has established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirements. The below tables summarise the maturity profile of the Group's financial liabilities:

	Less than 1 year	1 – 3 years	More than 3 years	Total
As at March 31, 2023				
Borrowings	352.79	270.46	106.20	729.45
Expected interest on above borrowings	25.58	19.61	7.70	52.88
Interest accrued but not due on borrowings	2.28	–	–	2.28
Trade payable (including capital creditors)	388.47	–	–	388.47
Unclaimed dividends	0.80	–	–	0.80
Employee benefits payable	19.41	–	–	19.41
Security deposits	2.78	–	–	2.78
Derivative liability measured at fair value	5.98	–	–	5.98
Lease liabilities	6.16	18.66	–	24.82
As at March 31, 2022				
Borrowings	393.04	136.90	51.55	581.49
Expected interest on above borrowings	20.29	18.77	3.35	42.41
Interest accrued but not due on borrowings	3.12	–	–	3.12
Trade payable (including capital creditors)	447.64	–	–	447.64
Unclaimed dividends	1.29	–	–	1.29
Employee benefits payable	17.69	–	–	17.69
Security deposits	3.14	–	–	3.14
Derivative liability measured at fair value	3.07	–	–	3.07
Lease liabilities	6.87	24.88	–	31.75

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

36 CONTINGENCIES

A Contingent liabilities: The Group has contingent liabilities in respect of:

A1 Demand against the Group not acknowledged as liability

	As at March 31, 2023	As at March 31, 2022
Income taxes	**0.16**	0.16
Sales tax and Value added tax	**0.05**	0.05
Excise and service tax	6.82	8.96
Dakshin Haryana Bijli Vitran Nigam ("DHBVN")*	5.60	5.60
Land Enhancement charges	**3.97**	3.97

1. DHBVN had demanded ₹5.60 crores (March 31, 2022 : ₹5.60 crores & April 01, 2021 : ₹5.60 crores) for overdrawing power as compared to approved load limit. DHBVN filed a writ petition before Hon'ble High Court of Punjab and Haryana which was dismissed on account of non-prosecution on February 15, 2016. Thereafter, DHBVN filed case against the Company with divisional bench of Honourable High Court of Punjab and Haryana. The Company has deposited ₹3.60 crores with DHBVN. The case is presently pending and next hearing on July 18,2023.
2. One of the Company of the group has received notice for enhancement compensation alongwith interest on Manesar property from Haryana State Industrial and Infrastructure Development Corporation Limited ("HSIIDC") which is under litigation by the Company.

37 COMMITMENTS

	As at March 31, 2023	As at March 31,2022
Estimated amount of contracts remaining to be executed on account of capital commitments pertaining to Property, plant and equipments [net of advances ₹ 5.56 crores (March 31, 2022 : ₹ 21.11 Crores)]	**21.26**	102.32

38 EMPLOYEE BENEFITS

A. Defined contribution plans

	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	**9.40**	8.82
Employer's contribution to ESI	**0.40**	0.40

B. Defined benefit plan

GRATUITY

In accordance with The Payment of Gratuity Act, 1972, the company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India and Indiafirst Life Insurance Company Limited with whom the plan assets are maintained.

The following table sets out the funded status and the amount recognised in the Company's consolidated financial statements.

(₹ in Crores)

		Year ended March 31, 2023	Year ended March 31, 2022
B1	**Change in defined benefit obligation**		
	Present value of obligation as at beginning of the year	**28.33**	29.06
	Current service cost*	**2.17**	2.29
	Interest cost*	**2.05**	1.96
	Benefits paid	**(4.28)**	(4.16)
	Actuarial loss	**0.88**	(0.83)
	Acquisition Adjustment	**–**	–
	Present value of obligation as at end of the year	**29.15**	28.33
	*Included in employee benefit expenses.		

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
B2	**Change in fair value of plan assets**		
	Fair value of assets at the beginning of the year	**11.84**	9.07
	Expected return on plan assets	**0.86**	0.69
	Employer's contributions	**0.12**	0.13
	Benefits paid	**(1.18)**	(0.85)
	Return on plan asset greater than discount rate - (Other comprehensive income)	**(0.20)**	(0.58)
	Prior period adjustments	**–**	3.38
	Fair value of plan assets as at end of the year	**11.44**	11.84
	The major categories of plan assets of the fair value of the total plan assets are as follows:		

Particulars – Defined Gratuity Plan	As at 31 March 2023	As at 31 March 2022
Investment in funds managed by the LIC / India First Life Insurance Co Ltd	**11.44**	11.84

B3	**Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation**		
	Present value of obligation as at the end of the year	**29.15**	28.33
	Fair value of plan assets as at the end of the year	**11.44**	11.84
	Amount recognised in provisions (refer note 17)	**17.71**	16.49
B4	**Expense recognised during the year**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	In consolidated statement of profit and loss account		
	Current service cost	**2.17**	2.29
	Interest cost (net of income)	**1.19**	1.27
	Net cost	**3.36**	3.57
	In other comprehensive income		
	– Change in financial assumptions	**(3.14)**	(0.18)
	– Return on plan asset greater than discount rate	**0.21**	(0.58)
	– experience variance (i.e. actual experience vs assumptions)	**1.44**	(0.66)
	Net cost	**(1.49)**	(1.42)
B5	**The principal assumptions used in determining gratuity obligation for the Group's plans are shown below:**		
	Discount rate	**7.48%**	7.30%
	Rate of increase in compensation levels	**5.50%**	5.50%
	Mortality rate (% of IALM 12–14)	**100.00%**	100.00%
	Retirement age (years)	**58**	58
	Attrition / Withdrawal rates, based on age (per annum)		
	Upto 30 years	**7.40%**	7.40%
	31 to 40 years	**2.80%**	2.80%
	41 to 50 years	**0.52%**	0.52%
	Above 50 years	**0.22%**	0.22%

B6 Sensitivity analysis for gratuity liability

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	As at March 31, 2023		As at March 31, 2022	
	Increase	**Decrease**	Increase	Decrease
Impact of change in discount rate (+/– 0.5%)	**(1.50)**	**1.14**	(1.64)	1.08
Impact of change in salary (+/– 0.5%)	**1.20**	**(1.57)**	1.10	(1.67)
Impact of change in attrition rate (+/– 0.5%)	**(0.12)**	**(0.38)**	(0.21)	(0.47)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

B7 Expected contribution during the next annual reporting period

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
The Group's best estimate of contribution during the next year	**17.94**	7.71

B8 Maturity profile of Defined Benefit Obligation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average duration (based on discounted cashflows)	**10 years**	9 years

Expected cash flows over the next (valued on undiscounted basis):	Year ended March 31, 2023	Year ended March 31, 2022
1 year	**1.49**	2.02
2 to 5 years	**7.85**	7.17
6 to 10 years	**15.29**	13.00
More than 10 years	**44.51**	42.27

39 The Group is engaged in the manufacturing and sale of auto components for two wheelers and four wheelers. Considering the nature of the Group's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the Group has one reportable business segment as per the requirements of Ind AS 108 – 'Operating Segments'.

Particulars	India	UK (including Europe)	US	Other countries	Total
Year ended March 31, 2023					
Revenue from external customers (gross)	**1,805.59**	**264.27**	**221.35**	**11.16**	**2,302.37**
Non–current assets#	**1,118.36**	**–**	**–**	**–**	**1,118.36**
Year ended March 31, 2022					
Revenue from external customers (gross)	1,399.96	246.25	189.17	25.79	1,861.17
Non–current assets*	1,037.90	–	–	–	1,037.90

Excluding Financial assets and Deferred tax assets

40 As per the transfer pricing norms applicable in India, the Group is required to use certain specified methods in computing arm's length price of transactions between the associated enterprises and maintain prescribed information and documents related to such transactions. The appropriate method to be adopted will depend on the nature of the transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Group is in the process of updating the transfer pricing study for the current financial year. However, in the opinion of the management the same would not have a material impact on these consolidated financial statements.

41 The Group generates revenue primarily from the sale of automotive products.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts from customers (A)		
Sale of products	**2,258.04**	1,791.96
Sale of services	**0.91**	18.7
Other operating revenues (B)	**43.42**	50.5
Total revenue from operations (A+B)	**2,302.37**	1,861.17
Following are the disclosures with respect to revenue from operations in accordance with Ind AS 115 –		
The Group's revenue disaggregated by geographical markets is as follows:		
India	**1,805.59**	1,399.96
Other than India	**496.78**	461.21
Total	**2,302.37**	1,861.17
The following table provides information about trade receivables, contract costs and contract liabilities from contracts with customers:		

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract asset		
– Trade receivables	**395.13**	363.65
Contract cost	**15.79**	19.30
Contract liabilities		
– Advances from customers & Deferred revenue	**10.30**	26.62

Significant changes in Contract costs and contract liabilities during the year are as follows:

Particulars	As at March 31, 2023				As at March 31, 2022			
	Contract asset	Unbilled revenue	Advances from customers	Deferred revenue	Contract asset	Unbilled revenue	Advances from customers	Deferred revenue
Opening balances	**19.30**	**8.11**	**26.62**	**0.01**	19.31	5.14	20.28	0.11
Addition during the year	**1.83**	**–**	**21.89**	**–**	4.61	9.31	21.91	–
Revenue recognized/ amount adjusted/amortized during the year	**(5.34)**	**(8.11)**	**(38.22)**	**(0.01)**	(4.62)	(6.34)	(15.56)	(0.10)
Closing balance	**15.79**	**–**	**10.30**	**–**	**19.30**	**8.11**	**26.62**	**0.01**
Non–current	**8.80**	**–**	**–**	**–**	**14.61**	**–**	**–**	**–**
Current	**6.99**	**–**	**10.30**	**–**	**4.69**	**8.11**	**26.62**	**0.01**

42 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

For the year ended March 31, 2023

	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As at March 31, 2023		for the year ended March 31, 2023		for the year ended March 31, 2023		for the year ended March 31, 2023	
	As % Consolidated net assets	Amount	As % Consolidated net profit	Amount	As % Consolidated other comprehensive income	Amount	As % Consolidated other comprehensive income	Amount
Parent								
Rico Auto Industries Limited	91.96%	633.80	82.63%	42.17	46.33%	1.78	80.1%	43.95
Indian subsidiaries								
AAN Engineering Industries Limited	0.17%	1.20	2.55%	1.30	0.08%	0.00	2.38%	1.30
Rico Jinfei Wheels Limited	1.68%	11.60	(0.64%)	(0.33)	3.41%	0.13	(0.36%)	(0.20)
Rico Fluidtronics Limited	8.16%	56.26	16.7%	8.52	(0.16%)	(0.01)	15.52%	8.51
Rico Friction Technologies Limited	0.36%	2.45	0.88%	0.45	0.09%	0.00	0.83%	0.45
Foreign subsidiaries								
Rico Auto Industries Inc., USA	5.56%	38.30	3.73%	1.90	0.0%	–	3.46%	1.90
Rico Auto Industries (UK) Limited, UK	1.36%	9.38	(0.56%)	(0.28)	0.0%	–	(0.52%)	(0.28)
Non-controlling interest								
Rico Jinfei Wheels Limited	0.0%	–	0.0%	–	0.0%	–	0.0%	–
Add/(Less): Effect of Intercompany	(9.25%)	(63.74)	(5.29%)	(2.70)	50.24%	1.93	(1.4%)	(0.77)
Total	100.00%	689.25	100.00%	51.03	100.00%	3.84	100.00%	54.87

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

For the year ended March 31, 2022

Particulars	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As at March 31, 2022		for the year ended March 31, 2022		for the year ended March 31, 2022		for the year ended March 31, 2022	
	As % Consolidated net assets	Amount	As % Consolidated net profit	Amount	As % Consolidated other comprehensive income	Amount	As % Consolidated other comprehensive income	Amount
Rico Auto Industries Limited	93.46%	599.86	80.59%	19.12	78.35%	4.13	80.18%	23.25
Indian subsidiaries								
AAN Engineering Industries Limited	(0.02%)	(0.11)	(2.51%)	(0.60)	(0.01%)	(0.00)	(2.06%)	(0.60)
Rico Jinfei Wheels Limited	1.84%	11.79	3.31%	0.79	(2.11%)	(0.11)	2.33%	0.67
Rico Fluidtronics Limited	8.1%	52.00	30.02%	7.12	3.1%	0.16	25.12%	7.28
Rico Friction Technologies Limited	0.31%	2.00	1.64%	0.39	(0.19%)	(0.01)	1.31%	0.38
Foreign subsidiaries								
Rico Auto Industries Inc., USA	5.25%	33.73	5.21%	1.24	0.0%		4.26%	1.24
Rico Auto Industries (UK) Limited, UK	1.07%	6.87	(0.94%)	(0.22)	0.0%	–	(0.77%)	(0.22)
Non-Controlling Interest								
Rico Jinfei Wheels Limited	0.0%	–	0.0%	–	0.0%	–	0.0%	–
Add/(Less): Effect of Intercompany	(10.02%)	(64.32)	(8.05%)	(4.11)	20.87%	1.10	(10.38%)	(3.01)
Total	**100.00%**	**641.82**	**109.27%**	**23.72**	**100.00%**	**5.27**	**100.00%**	**28.99**
Rico Auto Industries (UK) Limited, UK	1.07%	6.87	(0.94%)	(0.22)	0.0%	–	(0.77%)	(0.22)
Non-Controlling Interest								
Rico Jinfei Wheels Limited	0.0%	–	0.0%	–	0.0%	–	0.0%	–
Add/(Less): Effect of Intercompany	(10.02%)	(64.32)	(8.05%)	(4.11)	20.87%	1.10	(10.38%)	(3.01)
Total	**100.00%**	**641.82**	**109.27%**	**23.72**	**100.00%**	**5.27**	**100.00%**	**28.99**

During the year, the Holding Company has invested ₹2.43 crores by way of purchase of 2,434,640 fully paid equity shares of ₹10/– each of Roop Ram Industries Private Limited ("Roop Ram") constituting 26% of the paid–up equity share capital of the said company on 11 August 2021. Also, the Company had entered the Power Purchase Agreement ('PPA') with Roop Ram to procure their output of solar power on subsidized rates. As per the agreements entered, in the event of termination of the contracts or completion of the contract term, the Company will receive the investment made by it without any share of profit/loss in associate. As the Company has significant influence in Roop Ram, such investment amount has been accounted as Investment in Associate as per Ind AS 28 "Investment in associates and joint ventures" and carried at cost.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Subsidiaries considered for consolidation

The Group's subsidiaries as at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The Country of incorporation or registration is also their principal place of business.

Name of entity	Indian / Foreign	Place of business/ country of incorporation	Ownership interest held by the Group		
			March 31, 2023	March 31, 2022	
AAN Engineering Industries Limited	Indian subsidiaries	India	**100.00%**	100.00%	Wholly owned subsidiaries
Rico Auto Industries Inc., USA	Foreign subsidiaries	USA	**100%**	100%	Wholly owned subsidiaries
Rico Auto Industries (UK) Limited, UK	Foreign subsidiaries	UK	**100.00%**	100.00%	Wholly owned subsidiaries
Rico Jinfei Wheels Limited	Indian subsidiaries	India	**95.26%**	95.26%	Entities having non-controlling interest
Rico Friction Technologies Limited	Indian subsidiaries	India	**100.00%**	100.00%	Wholly owned subsidiaries
Rico Fluidtronics Limited	Indian subsidiaries	India	**98.44%**	98.44%	Entities having non-controlling interest

43 LEASES (REFER NOTE 3.3(II) OF ACCOUNTING POLICIES)

i. Nature of Leasing activities

The Group has entered into lease arrangements for land, plant and equipment, and office and factory buildings that are renewable on a periodic basis with approval of both lessor and lessee. The Group does not have any lease commitments towards variable rent as per the contract.

ii. Following are the changes in the carrying value of right of use assets:

Particulars	Land	Building	Plant and equipment	Total
	Category of ROU assets			
Balance as at April 01, 2021	**18.04**	**9.17**	**2.04**	**29.25**
Addition during the year	0.62	–	**27.14**	**27.76**
Deletions during the year	–	–	**–**	**–**
Depreciation charge for the year	0.20	1.31	**0.86**	**2.37**
Balance as at March 31, 2022	**18.46**	**7.86**	**28.32**	**54.64**
Addition during the year	–	1.56	**0.75**	**2.31**
Deletions during the year	–	2.02	**–**	**2.02**
Depreciation charge for the year	0.21	1.51	**1.87**	**3.59**
Balance as at March 31, 2023	**18.25**	**5.90**	**27.20**	**51.35**

iii. The weighted average incremental borrowing rate applied to lease liability is 7.75% (previous year @ 8.50%).

iv . Lease liabilities are presented in the consolidated Balance Sheet as follows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Non–current	**18.66**	24.88
Current	**6.16**	6.87
Total lease liabilities	**24.82**	31.75

v. The following is the movement in lease liabilities:

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	**31.75**	13.08
Addition during the year	**2.14**	24.56
Deletion during the year	**(5.38)**	–
Modification during the year	**–**	–
Finance cost accrued during the year	**2.28**	2.57
Repayment of lease liability	**(3.69)**	(5.89)
Payment of interest	**(2.28)**	(2.57)
Closing balance	**24.82**	31.75

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

vi. Lease payments not recognized as liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Short term leases	3.07	7.09
Total	**3.07**	7.09

vii. Lease term ranges from 4–9 years (previous year 4– 9 years)

viii. The below tables summarise the maturity profile of the lease liabilities:

	Less than 1 year	1 – 3 years	More than 3 years	Total
As at March 31, 2023	6.16	18.66	–	24.82
As at March 31, 2022	6.87	24.88	–	31.75

ix. Lease income recognized during the current year ₹2.54 crores (previous year ₹5.74 crores)

x. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Less than one year	2.54	2.54
One to two years	–	–
Two to three years	–	–
Three to four years	–	–
Four to five years	–	–
More than five years	–	–
	2.54	2.54

44 RELATED PARTY DISCLOSURES

I Related parties

A Related Parties (Entity in which KMP exercise significant influence) with whom there are transactions during the year or balances as at year end

i. ASN Manufacturing and Services Private Limited
ii. Magpie Manufacturing and Tech Private Limited
iii. ASN Properties Private Limited
iv. Helical Spring (Unit of T.K. Precision Private Limited)
v. Kapbros Engineering Industries Limited
vi. Ishvara Manufacturing and Finvest Advisors Private Limited

B Key management personnel

i. Shri Arvind Kapur – Chairman, CEO & Managing Director
ii. Shri Arun Kapur – Joint Managing Director (up to 25 August 2022)
iii. Shri Kaushalendra Verma – Executive Director (w.e.f 26 August 2022)
iv. Shri Rajiv Kumar Miglani – Executive Director (w.e.f 26 August 2022)
v. Shri Samarth Kapur – Executive Director (w.e.f 26 August 2022)
vi. Smt. Upasna Kapur – Non-Executive Director (upto 30 September 2022)
vii. Dr. Amarjit Chopra – Independent Director
viii. Shri Satish Sekhri – Independent Director
ix. Dr. Ashok Seth – Independent Director
x. Shri Kanwal Monga – Independent Director
xi. Shri Rajeev Kapoor – Independent Director
xii. Shri Vinod Kumar Nagar – Independent Director
xiii. Ms Sarita Kapur – Independent Director
xiv. Shri Hemal Bharat Khandwala - Independent Director (w.e.f 26 August 2022)
xv. Shri Rakesh Kumar Sharma – Chief Financial Officer *
xvi. Shri B.M. Jhamb – Company Secretary*

* as per the Companies Act 2013

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

II Transactions with related parties:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Entity in which KMP exercise significant influence		
1	**Kapbros Engineering Industries Limited**		
	Purchase of raw material including job work	**27.29**	50.33
	Sale of goods	**0.31**	12.76
	Purchase of property, plant and equipment	**7.89**	6.28
	Sale of assets	**0.23**	1.18
	Recovery of expenses	**2.62**	3.08
	Reimbursement of expenses	**0.06**	0.06
	Rent income	**0.92**	1.14
	Interest Expense	**0.98**	–
	Loan given	**–**	–
	Interest paid	**–**	0.66
	Loan repayment	**3.00**	–
2	**ASN Manufacturing and Services Private Limited (Formerly Kapsons Manufacturing and Services Private Limited)**		
	Purchase of raw material including job work	**3.99**	4.55
	Sale of goods	**3.20**	3.68
	Rent expense	**1.04**	1.04
	Rent income	**0.04**	0.04
	Interest received	**1.66**	2.51
	Recovery of expenses	**0.22**	0.24
	Loan received	**7.71**	6.96
	Purchase of Assets	**–**	0.26
3	**Magpie Manufacturing and Tech Private Limited (Formerly Magpie Finvest Advisors Private Limited**		
	Purchase of raw material including job work	**7.65**	11.99
	Sale of goods	**0.03**	–
	Interest expense	**0.15**	0.03
	loan taken	**–**	2.00
	Repayment of loan	**2.00**	–
4	**Helical Spring (Unit of T.K. Precision Private Limited)**		
	Purchase of raw material including job work	**6.47**	1.34
	Sale of goods	**0.12**	–
	Recovery of expenses		
5	**Ishvara Manufacturing and Finvest Advisors Private Limited**		
	Rent expense	**0**	0.08
6	**ASN Properties Private Limited**		
	Rent income*	**0.00**	0.00
7	**Key management personnel compensation****		
	Particulars		
	Short Term Employee Benefits	**13.97**	10.72
	Post Employement employee benfits	**–**	
	Share based payments	**–**	
	Total managerial remuneration paid to key management personnel*	**13.97**	10.72

* Amounts have been rounded off to zero

Note: The above transactions are in the ordinary course of business.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

III Balances with related parties:

	Particulars	As at March 31, 2023	As at March 31, 2022
	Entity in which KMP exercise significant influence		
1	**Kapbros Engineering Industries Limited**		
	Trade payables	**0.75**	4.40
	Trade receivables	**3.96**	9.66
	Interest payable	**0.95**	1.08
2	**ASN Manufacturing And Services Private Limited (formerly Kapsons Manufacturing and Services Private Limited)**		
	Security deposits	**0.26**	0.26
	Trade receivables	**3.60**	0.15
	Trade Payables	**2.47**	–
	Interest receivable	**0.44**	0.42
3	**Magpie Manufacturing and Tech Private Limited (formerly Magpie Finvest Advisors Private Limited)**		
	Trade payables	**0.02**	0.93
4	**Helical Spring (Unit of T.K. Precision Private Limited)**		
	Trade payables	**1.79**	2.13
5	**ASN Properties Private Limited**		
	Trade receivables	**0.00***	0.00*
	Loans		–
6	**Ishvara Manufacturing and Finvest Advisors Private Limited**		
	Security deposits	**0.01**	0.01
	Trade payables	**0.04**	0.08
	Loans from Related Party	**42.59**	14.16
	Loans to Related Party	**44.43**	21.70

* Amounts have been rounded off to zero

All transactions with related parties are made on the terms equivalent to those that prevail at arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured.

45 Trade receivables ageing schedule

Trade Receivables ageing schedule as on 31 March 2023

Particulars	Outstanding for the following periods from due date of payments							Total
	Unbilled	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	**–**	**356.04**	**29.19**	**8.74**	**0.75**	**0.21**	**0.19**	**395.13**
ii) Undisputed Trade receivables- which have significant increase in credit risk	–	–	–	–	–	–	–	–
iii) Undisputed Trade Receivables- credit Impaired	–	–	–	–	**0.80**	**0.02**	**0.11**	**0.93**
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 loss	–	–	–	–	**(0.80)**	**(0.02)**	**(0.11)**	**(0.93)**
	–	**356.04**	**29.19**	**8.74**	**0.75**	**0.21**	**0.19**	**395.13**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Trade Receivables ageing schedule as on 31 March 2022

Particulars	Outstanding for the following periods from due date of payments							Total
	Unbilled	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	8.11	267.93	79.76	7.83	0.01	–	–	**363.65**
ii) Undisputed Trade receivables- which have significant increase in credit risk	–	–	–	–	–	–	–	**–**
iii) Undisputed Trade Receivables- credit Impaired	–	–	–	–		0.02	0.11	**0.13**
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 loss	–	–	–	–	–	(0.02)	(0.11)	**(0.13)**
	8.11	**267.93**	**79.76**	**7.83**	**0.01**	**–**	**–**	**363.65**

46 Trade payables ageing schedule
As at March 31, 2023

Particulars	Outstanding for the following periods from due date of payments						Total
	Unbilled	Not due	Less than 1 year	1–2 years	2–3 years	More than 3 years	
i) Undisputed MSME	**0.12**	**17.97**	**1.03**	**–**	**–**	**–**	**19.12**
ii) Undisputed Others	**0.02**	**182.08**	**183.74**	**1.50**	**–**	**–**	**367.34**
iii) Disputed dues - MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
iv) Disputed dues - Others	**–**	**–**	**–**	**–**	**–**	**–**	**–**

As at March 31, 2022

Particulars	Outstanding for the following periods from due date of payments						Total
	Unbilled	Not due	Less than 1 year	1–2 years	2–3 years	More than 3 years	
i) Undisputed MSME	–	6.44	6.91	–	–	–	13.35
ii) Undisputed Others	2.57	227.56	204.15	–	–	–	434.29
iii) Disputed dues - MSME	–	–	–	–	–	–	–
iv) Disputed dues - Others	–	–	–	–	–	–	–

47 Business Combination (Acquisition of Rico Castings Limited)

Rico Jinfei Wheels Limited (RJWL), a step-down subsidiary company has in its meeting held on 26 July 2021 approved the Scheme of Amalgamation ("Scheme") for merger of Rico Castings Limited (RCL) with RJWL, to supplement each other's activities by consolidating the activities of both the companies, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 1 April 2021. The Scheme was filed with NCLT on 30 September 2021 and was subject to necessary statutory and regulatory approvals. Pursuant to the directions of Hon'ble NCLT, the shareholders and creditors of the respective companies have approved the Scheme of Amalgamation with requisite majority. The NCLT approved the Scheme vide its order dated 5 January 2023, certified copy of which received by the Company on 18 January 2023 and filed with the Registrar of Companies subsequently.

Pursuant to the Scheme, all the assets and liabilities of RCL have been vested in RJWL with effect from the appointed date at their fair values and the information in the these consolidated financial statements have been restated from 1 April 2021.

Pursuant to the scheme of Amalgamation, RCL has transferred assets amounting to INR 88.13 crores and liabilities (except share capital) amounting to INR 82.35 crores to RJWL resulting in issue of shares of RJWL of INR 5.78 crores (1,578,125 equity shares of RJWL of Rs. 36.63 each) to the shareholders of RCL. The fair value of the equity shares issued was based on the Enterprise value of the Company as at 01 April 2021 of INR 36.63 per share.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Details of the purchase consideration, the net assets acquired are as follows:

Particulars	Amount (INR Crores)
Cash paid till the date of acquisition	–
Fair value of equity shares issued to the shareholders of RCL (1,605,556 shares of INR 10/- each, having fair value of INR 36/- each)	5.78
Total Purchase Consideration	5.78

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Fair Value recognised on Acquisition
Assets	
Property, plant and equipment	79.21
Trade receivables*	0.87
Inventories	0.48
Cash and cash equivalents	0.98
Other financial assets	5.62
Other current assets	0.97
Total Assets	**88.13**
Liabilities	
Long term borrowings	41.93
Long term provisions	0.26
Other long term liabilities	5.02
Short term borrowings	2.14
Trade payables	3.10
Other liabilities	23.56
Short term provisions	0.89
Contingent liabilities	5.45
Total Liabilities	**82.35**
Net identifiable net assets/ (liabilities) at fair value	**5.78**

* Trade receivables has been recognised at fair value. Gross contribution is Rs. 0.87 crore and impairment loss is Nil.

Calculation of Goodwill / capital reserve:

Particulars	Amount (INR Crores)
Purchase consideration	5.78
Non-controlling interest in the acquired entity	
Less: Net identifiable net assets/ (liabilities) acquired	(5.78)
Goodwill / capital reserve	**–**

Purchase consideration - cash outflow

Particulars	Amount (INR Crores)
Outflow of cash to acquire subsidiaries, net of cash acquired:	
Purchase consideration	5.78
Less : Balances acquired:	
Cash and cash equivalents	0.98
Other bank balance	–
Net purchase consideration	**4.80**

Revenue and profit Impact of acquisition	FY 22-23	FY 21-22
Revenue for the year	**4.17**	11.25
Profit for the year	**(2.85)**	(1.26)

Transaction costs were expensed and are included in other expenses (Refer note 29).

In accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 1 April 2021 which overrides the relevant requirement of Ind AS 103 (according to which the scheme would have been accounted for from the date of acquisition as per the aforesaid standard). The net assets acquired of RCL on 1 April 2021 is ₹5.78 crores and on the date of acquisition is ₹2.73 crores.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

48. Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

Loans and advances in the nature of loans to entities	As at		Maximum balance outstanding during the year ended	
Name of entity	Mar-31-23	Mar-31-22	Mar-31-23	Mar-31-22
ASN Manufacturing and Services Private Limited	**13.99**	21.70	**21.70**	28.87
Loan to Related Parties	**30.44**	–	**38.06**	–
Loan to Employees	**1.00**	1.24	**–**	–

Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Nature of the transaction (loans given/investment made/guarantee given)	As at March 31 2023	As at March 31 2022
Long-term loans given to provide financial assistance to related parties for general business purpose *		
ASN Manufacturing and Services Private Limited @ 10.00% per annum		
Opening balance	**15.44**	20.19
Loans given during the year	**–**	–
Loans received back during the year	**4.75**	4.75
Closing balance	**10.69**	15.44
AAN Engineering Industries Limited @ 10.00% per annum		
Opening balance	**–**	4.41
Loans given during the year	**–**	–
Loans repaid during the year	**–**	(4.41)
Closing balance	**–**	–
ASN Manufacturing & Services Private Limited @ 10.00% per annum		
Opening balance	**3.30**	4.01
Loans given during the year		–
Loans repaid during the year	**–**	(0.71)
Closing balance	**3.30**	3.30
Loan @ 8.00% per annum		
Opening balance	**11.00**	11.00
Loans given during the year	**2.75**	–
Loans repaid during the year	**0.72**	–
Closing balance	**13.03**	11.00
Loan @ 8.00% per annum		
Opening balance	**–**	–
Loans given during the year	**3.25**	–
Loans repaid during the year	**–**	–
Closing balance	**3.25**	–
Loan @ 10 % p.annum		
Opening balance	**9.75**	11.05
Loans given during the year	**–**	–
Loans repaid during the year	**4.55**	1.30
Closing balance	**5.20**	9.75
Loan @ 10.00% per annum		
Opening balance	**14.56**	19.04
Loans given during the year	**–**	–
Loans repaid during the year	**5.60**	4.48
Closing balance	**8.96**	14.56
ASN Manufacturing & Services Private Limited @ 10.00% per annum		
Opening balance	**2.96**	4.67
Loans given during the year	**–**	–
Loans repaid during the year	**2.96**	1.71
Closing balance	**–**	2.96

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

49. Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

Nature of the transaction (loans given/investment made/guarantee given)	As at 31 March 2023	As at 31 March 2022
Investments #		
Investment in equity shares ##		
Rico Care Foundation	**0.05**	0.05
Roop Ram Industries Private Limited	**2.43**	2.43

* refer note 7 for particulars of the loans and advances given.

refer note 6 for full particulars of the investments made. The above investments are shown at cost per financial reporting requirements

50. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds were primarily allocated and utilized for the activities that are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amount required to be spent by the group during the year	**0.20**	1.05
(b) Amount approved by the board to be spent during the year	**0.20**	1.05
(c) Amount spent during the year		
(i) Construction/acquisition of any asset	**–**	–
(ii) On purpose othe than (i) above	**0.20**	1.05
(d) Details of related party transactions	**–**	–
(e) Details of unspent obligations	**–**	–

51. Business Combination (common control transaction with its wholly owned subsidiary company, Rico Investments Limited and step down subsidiary companies namely RASA Autocom Limited and Rico Aluminium and Ferrous Auto Components Limited.

The Board of Directors of the Company, based on the recommendation of Audit Committee, in its meeting held on 26 July 2021, have considered and approved the Scheme of Amalgamation ("Scheme") for merger of its subsidiary company namely M/s. Rico Investments Limited and step down subsidiary companies namely M/s. RASA Autocom Limited and M/s. Rico Aluminium and Ferrous Auto Components Limited ("Transferor Companies") with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 01 April 2021. The Scheme was filed with National Company Law Tribunal ("NCLT") on 29 September 2021 and was approved by NCLT on 15 February 2023.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of transferror companies have been vested in the Company with effect from 1 April 2021 at the carrying values in financial statements of transferor companies in accordance with IND AS 103.

Particulars	Carrying value of net assets acquired
Rico Investments Limited	122.45
RASA Autocom Limited	28.08
Rico Aluminium and Ferrous Auto Components Limited	27.72
Total Assets	178.25
Inter company eliminations	171.16
Investments	2.36
Other assets	173.52
Total Liabilities	4.73
Net assets	
Net impact on reserves	**4.73**

Transaction costs were expensed and are included in other expenses (Refer note 29).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

52. Events after Balance sheet date

There are no reportable subsequent events after the balance sheet date.

53. Additional regulatory information not disclosed elsewhere in the financial information

(i) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) The Group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC (the same is not required to be registered with RBI as not being Systemically Important CIC).

(v) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) The Group does not have any charge which is yet to be registered with ROC beyond the statutory period.

(x) The Group has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
   ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xi) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or
   ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xii) The Group has not undertaken 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).

54. The following dividend were declared and paid by the company during the year :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
INR 0.40 per equity Share (31 March 2022: INR 0.20)	5.41	2.71
After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.		
INR 0.75 per equity Share (31 March 2022: INR 0.40)	10.15	5.41

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 29, 2023

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

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Director
DIN: 02004259

B M Jhamb
Company Secretary

Rakesh Kumar Sharma
Chief Financial Officer

Rajiv Kumar Miglani
Director
DIN: 06873155

Place : Gurugram
Date : May 29, 2023

Concept to Completion

1. R&D - Design Development, Validation & Testing
2. Engineering CAD CAM CAE
3. Manufacturing - Dies & Tooling
4. Manufacturing - Special Purpose Machines with CNC Controls
5. Casting - Aluminium & Ferrous Special Alloy for Electric Vehicle Components
6. Manufacturing & Process Engineering
7. Setup of Machining & Assembly Facility
8. Logistics Management
9. Start of Serial Production

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