July 27, 2022

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, Block -G
Bandra-Kurla Complex
Bandra (East), Mumbai – 4000 51

Scrip Symbol: SANSERA

Bombay Stock Exchange Limited
Corporate Relationship Department
P.J. Towers, Dalal Street
Mumbai – 4000 01

Scrip Code: 543358

Dear Sir

Sub: Integrated Annual Report of the Company for the Financial Year 2021-22

Pursuant to Regulations 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the Financial Year 2021-22 along with the Notice of AGM. The same will be sent through electronic mode (email) today i.e., July 27, 2022, to all those members whose e-mail addresses are registered with the Company / Depository Participant(s) / Registrar and Transfer Agent.

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

Kindly take the same on your record.

Thanking you,

for Sansera Engineering Limited

Rajesh Kumar Modi
Company Secretary and Compliance Officer

Encls: a/a

SANSERA ENGINEERING LIMITED
(Formerly Sansera Engineering Pvt Ltd)
Reg Off: No. 143/A, Jigani Link Road, Bangalore-560 105, India, Tel: +91 80-27839081/82/83. Fax: +91 80-27839309
E-mail id: info@sansera.in Website: www.sansera.in CIN: L34103KA1981PLC004542

SANSERA
ideas@work

DIVERSIFICATION. EXPANSION. PROGRESSION.

Annual Report
2021-22

What's Inside…

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

**Please find our online version at:
https://sansera.in/financial_reports/all_years/2021_2022**

Or simply scan to download

Investor Information

Market Capitalisation
as at March 31, 2022:
₹ 35,049 mn

CIN:
L34103KA1981PLC004542

BSE Code:
543358

NSE Symbol:
SANSERA

Bloomberg Code:
1312462D:IN

Dividend Declared:
₹ 2 per equity share

AGM Date & Time:
August 18, 2022 at 11.00 am (IST)

AGM Venue/Mode:
VC/OAVM

DIVERSIFICATION.
EXPANSION.
PROGRESSION.

WITH AN INDUSTRY EXPERIENCE OF OVER THREE DECADES, SANSERA ENGINEERING HAS ESTABLISHED ITSELF AS ONE OF THE LEADING MANUFACTURERS OF HIGH-PRECISION COMPONENTS IN THE AUTOMOTIVE AND NON-AUTOMOTIVE SPACE.

OVER THE YEARS, SANSERA HAS DIFFERENTIATED ITSELF THROUGH ITS DESIGN AND ENGINNERING CAPABILITIES, OPERATIONAL EXCELLENCE AND PRODUCT QUALITY.

The rich experience gained over the years is a result of Sansera's resilient endeavours and agility. The Company's focus on 'Diversification', 'Expansion' and 'Progression' will further lead towards consolidation and enhancement of global market share within its existing portfolio as well as deepen capabilities further in automotive (technology agnostic and xEV components etc.) and non-automotive sector.

₹ **20,045** mn ▲ **27.48%**
Total Revenue

₹ **3,491** mn ▲ **18.25%**
EBITDA

₹ **1,319** mn ▲ **20.05%**
PAT

*EBITDA: Earnings Before Interest Tax and Depreciations & Amortisation. **PAT: Profit After Tax
xEVs: All types of electrified vehicles including battery electric vehicles, plug in-hybrid electric vehicles, hybrid electric vehicles, and fuel-cell electric vehicles

Sansera Engineering Limited:

A QUICK READ

SANSERA ENGINEERING LIMITED IS AN ENGINEERING-LED INTEGRATED MANUFACTURER OF COMPLEX AND CRITICAL PRECISION FORGED AND MACHINED COMPONENTS CATERING TO OEMS GLOBALLY.

Established in the year 1981, Sansera Engineering Limited ('Sansera' or 'the Company') manufactures and supplies a wide range of components and assemblies critical for engine, transmission, suspension, braking, chassis and other systems for the two-wheeler, passenger vehicle and commercial vehicle verticals. In addition, within the Non-Automotive sector, Sansera manufactures and supplies a range of precision components for the aerospace, off-road, agriculture and other segments.

Sansera is a technology-driven company with a focus on design, engineering, machine building and automation capabilities.

The Company has 17 integrated manufacturing facilities for production, coupled with concurrent engineering capabilities, supported by modular and fungible production lines. Sansera recently commissioned a dedicated facility for xEV parts during Q4 FY 2021-22. Besides, a new facility for aerospace and defence will be commissioned during 2022-23.

17

Integrated Manufacturing Facilities

Largest

Supplier of Connecting Rods, Rocker Arms and Gear Shifter Forks for the Two-wheeler Segment in India

Largest

Supplier of Connecting Rods and Rocker Arms for the Light-vehicle Segment in India

25+

Countries Export Presence

245

Dedicated Team Members across Design, Engineering, Machine Building and Automation

Top 10

Supplier of Connecting Rods across the Globe

Source: Ricardo Report and CRISIL report commissioned by the Company in 2021

Number of Customers

56
AUTOMOTIVE CUSTOMERS

31
NON-AUTOMOTIVE CUSTOMERS

Revenue by End-user Industry

89%
AUTOMOTIVE

11%
NON-AUTOMOTIVE

Revenue by Geography

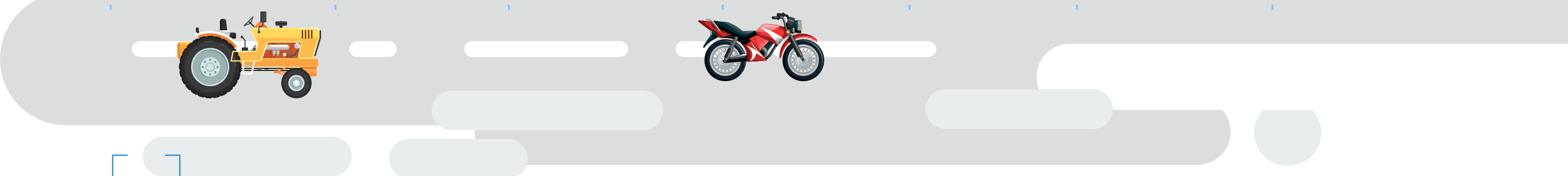
63%
INDIA

37%
INTERNATIONAL

DIVERSIFICATION HAS BEEN ONE OF THE KEY STRENGTHS THAT ALLOWED SANSERA TO ADAPT TO THE EVOLVING MARKET NEEDS OVER THE LAST FOUR DECADES.

Sansera's growth journey over the years

1981	Mr S Sekhar Vasan incorporated Sansera Engineering Limited
1986	Received first purchase order from Maruti Udyog Limited
1991	Mr F R Singhvi, Mr Unni Rajgopal & Mr D Devaraj joined the Company as Promoters
1996	Started supplying two-wheeler parts
2006	Received investment from Monsoon India Inflection Equity Fund
2004-08	Commenced operations at new plants in Haryana, Maharashtra and Uttarakhand
2013	Commenced the supply of machined connecting rods to Toyota Kirloskar



2013

Investment by Client Ebene and CVCIGP II Employee Ebene

2015

Set up a dedicated facility and commenced Aerospace Operations

2017

- Acquired Mape Sweden, European manufacturer of engine components for HCV
- Started the use of green energy

2019

- Commissioned largest plant in Bidadi, Bengaluru which also houses manufacturing lines for aluminium-forged products
- Platinum certified by Indian Green Building Council
- Commenced supply of suspension products

2020

Commenced development of:

- Suspension and drive train components for a domestic e-2W OEM
- multiple drive train components for Hybrid PVs and steering components for PVs
- Braking assembly & chassis components for HCVs

2021

- Commenced development of components for PV braking assembly and Battery Electric Vehicle (BEV)

CMD'S MESSAGE

> **The year gone by has been challenging, to say the least with successive covid pandemics to industry related changes such as increase in raw material costs, semi-conductor shortages and supply chain disruptions. However, I am glad to state that in such a hostile environment your company successfully sailed through and crossed ₹ 20 billion in annual revenues for the first time ever.**

Dear Shareholders,

It is my privilege to present to you our maiden Annual Report post IPO in September 2021. Our IPO received an overwhelming response which is a validation of our robust business model and future growth prospects. I place on record my heartfelt thanks to all the investors for showing trust and confidence in the Company and its management.

Reflecting on our performance

Our ability to embrace change and promote business diversification has resulted in a successful year for the Company. Our total revenues stand at ₹ 20,045 mn, a growth of 27%. We reported an EBIDTA of ₹ 3,491 mn and PAT of ₹ 1,319 mn showing a growth of 18% and 20% respectively. The EBIDTA and PAT margins were 17.4% and 6.6% respectively.

I am delighted to inform you that the Board has approved a dividend of 100% on the face value of ₹ 2 per share for the year 2021-22.

Our twin strategies of globalisation and diversification have paid off and a healthy order pipeline has been built up with global orders constituting 61% of the pipeline. Many of these are for our existing products with existing customers.

We have built up a strong and diverse product pipeline for future growth with 245 purchase orders/LoI from 66 customers in the auto and 33 customers in the non-auto segment. We now have orders from nine xEV customers - 5 e2W manufacturers (both incumbent and new age OEMs) and 2 customers each in PV and CV segment.

I would particularly mention what we consider as a strategic breakthrough, are the Aluminium forged and machined parts that we have developed for BMW Motorrad.

Reflecting on our recognitions

I am happy to state that customers have consistently recognised us for our creative technology and environment sustainable initiatives.

Of particular mention are

- The General Motors Annual Supplier Award given at Phoenix, Arizona.

- Award from Honda Motorcycle & Scooters India for environmental initiatives.
- Award from Knorr-Bremse (world leaders in braking systems) for Technology Support after being satisfied with our line set up at Pune for them.
- Sansera was nominated amongst top 3 companies globally for sustainability award from Daimler for the year 2021.

Reflecting on diversification

As mentioned earlier, we are constantly looking for diversification opportunities in order to de-risk ourselves and offer a wide spectrum of products to our customers. Our foray in several non-automotive sectors such as aerospace, off-road and agriculture has further allowed us to leverage our existing capabilities and widen our addressable markets. For instance, we are manufacturing and supplying several high value components for the aerospace segment, which will help us gain a competitive edge and also make us ready for exploring other sectors such as defence, power transmission and railways.

Reflecting on Expansion

Aligned to our diversification strategy, Sansera continued to progress well on its capex plan. During the year, we completed the setting up our dedicated facility for xEV components within our existing plant at Bangalore. We have already procured business from traditional OEM's and new age start-ups in the xEV space and production has commenced.

Considering an increasing demand from the EV space we are confident of optimum utilisation of this capacity over the next two years.

We are also setting up a dedicated greenfield facility dedicated to Aerospace and Defence. The same will go on stream during 2022-23. With the ramp up in production schedules by aerospace expect considerable traction in these segments.

Reflecting on our Intellectual knowhow

Our success over the years is an outcome of our consistent investments in the value-added and technology-driven components. Our strong engineering and innovation capabilities has allowed us to respond to the evolving dynamics of the industry and retain customer confidence and establishing us as a preferred supplier for several major global OEMs. We have been witnessing strong momentum in demand for new components and today as I write, we have about 255 components under various stages of development, including auto and non-auto excluding aerospace. We are also working at another 300 components at various stages of RFQ.

Reflecting on Softer Values

The Sansera Board recognises the organisation's responsibilities to the community and the environment and considers them as an important component of best practice in business management. We strive to be recognised as an 'equal opportunity' employer, committed to promoting diversity and encouraging employee engagement across our operations. Besides, our operational practices, further allows us to optimise processes and reducing impact on the environment as a business.

Looking into the future

Going forward, we shall continue to consolidate on our strengths and focus on achieving higher operational excellence, product quality and ensuring the continuity of supply to our customers. While we will continue to enhance our global share in the existing portfolio, we will also increase our penetration in the non-auto and technology agnostic and xEV components.

I would like to place on record my thanks to the Leadership team and our employees, for their outstanding efforts during the year. We have some of the best people in the industry working at Sansera and their efforts will continue to place the Company in a strong position to capture the opportunities ahead. I would also like to thank my fellow Board Members for their support and guidance during the year. We have had a solid year with new family of shareholders joining the journey. The outlook is positive, as the overall economic conditions are improving, and the auto industry is also witnessing recovery. Our wide range of product offerings and participation in the growing xEV segment further provides better opportunity of growth. Diversification into technology-agnostic components and non-auto sectors makes our business model more agile and resilient. I look forward to the years ahead with confidence.

Best Wishes,

S. Sekhar Vasan
Chairman and Managing Director

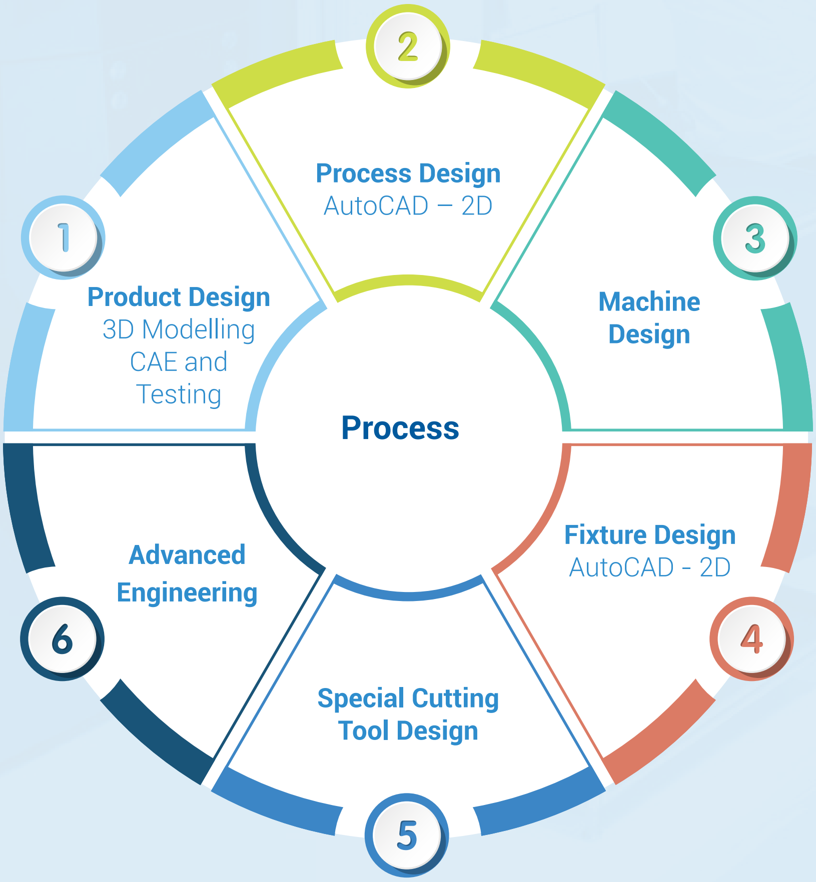
Driving Technological Diversity

DELIVERING INNOVATIVE OUTCOMES

₹ **122** mn
Engineering spend

Sansera's consistent endeavour towards process and efficiency improvements, new product development and higher responsiveness to customer needs is an outcome of its investments in design, engineering, machine building, automation & technical support functions while enabling fungibility of its equipments across diverse applications.

CONCURRENT ENGINEERING AND DESIGN CAPABILITIES



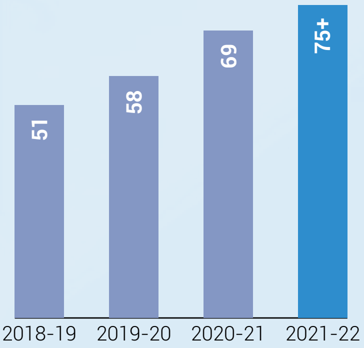
Process

1. **Product Design**
3D Modelling
CAE and
Testing
2. **Process Design**
AutoCAD – 2D
3. **Machine Design**
4. **Fixture Design**
AutoCAD - 2D
5. **Special Cutting Tool Design**
6. **Advanced Engineering**

Outcomes

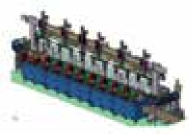
- Optimised cycle time
- New product development

Product families supplied

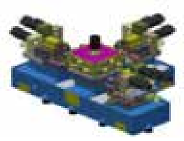


IN-HOUSE MACHINE BUILDING CAPABILITIES

State-of-the-art Machines

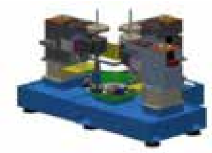


Automated cells



4 station special propose machines

Double disc grinding machines



Vertical honing machines

Internal grinding machines

Highlights

950+ CNC machines built in-house

49 machines manufactured in 2021-22

55 dedicated personnel in machine building division

AUTOMATION CAPABILITIES

State-of-the-art Automation

33
Dedicated personnel in the automation division

Automated fracture and bolt assembly cells

Robotic final inspection cells

160
Robots installed across all facilities

Outcomes

- Increased productivity
- Increased cost control
- Consistent product quality

Building a Diversified Product Portfolio

CATERING TO A LARGE AND GLOBAL CUSTOMER BASE

Sansera manufactures a wide range of complex and critical precision engineered components for the Automotive sector. Most of the products are sold directly to OEMs in finished (forged and machined) condition leading to significant value-addition. Besides, the Company also delivers its products to Non-Auto segments like aerospace, off-road, agricultural and others.

AUTO SEGMENT

Sales Mix 2021-22

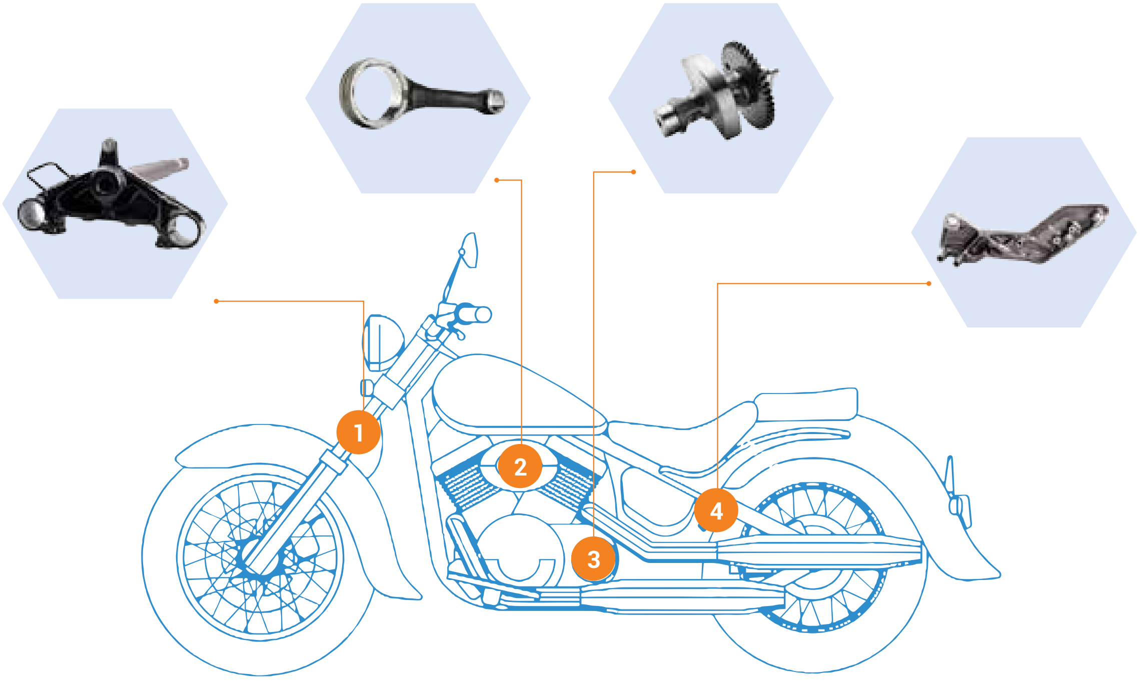
Motorcycle	37%
Scooters	10%
Passenger Vehicles	28%
Commercial Vehicles	13%

TWO-WHEELERS

Rocker Arm | Connecting Rod | Crankshaft | Gear Shifter Fork | Stem Comp (Suspension) | Aluminium Forged Comp. (Chassis)

Key Customers

Indian	Global
9 out of Top 10 two-wheeler OEMs	European, US and Japanese premium two-wheeler OEMs

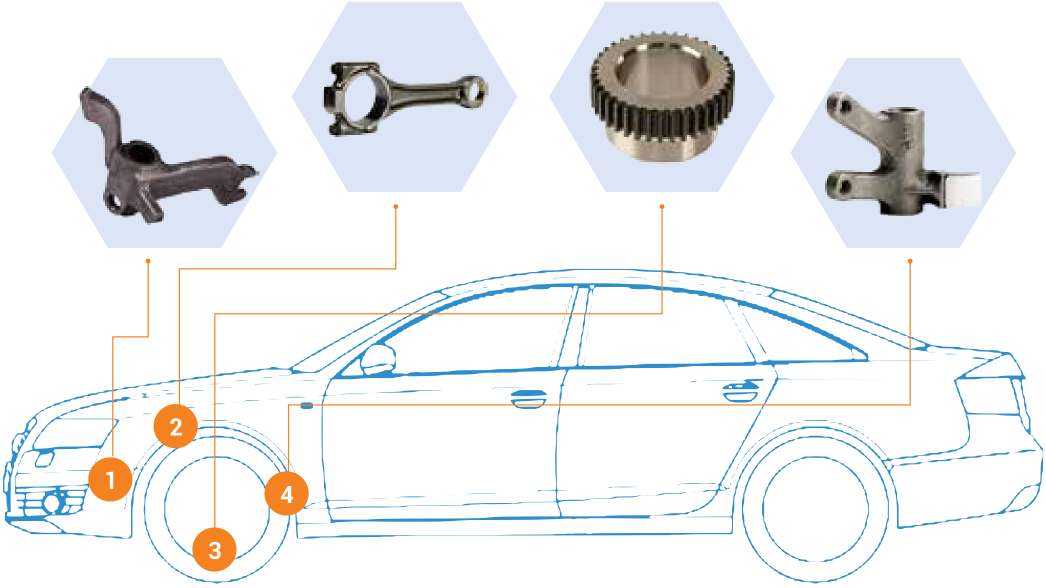


PASSENGER VEHICLES

Connecting Rod | Rocker Arm (Diamond like Carbon Coating) | Gear Shifter Fork | Attachment Lower Ball Joint | End RR | Towing Hook

Key Customers

Indian	Global
Leading Indian PV OEM	Leading North American and European PV OEMs

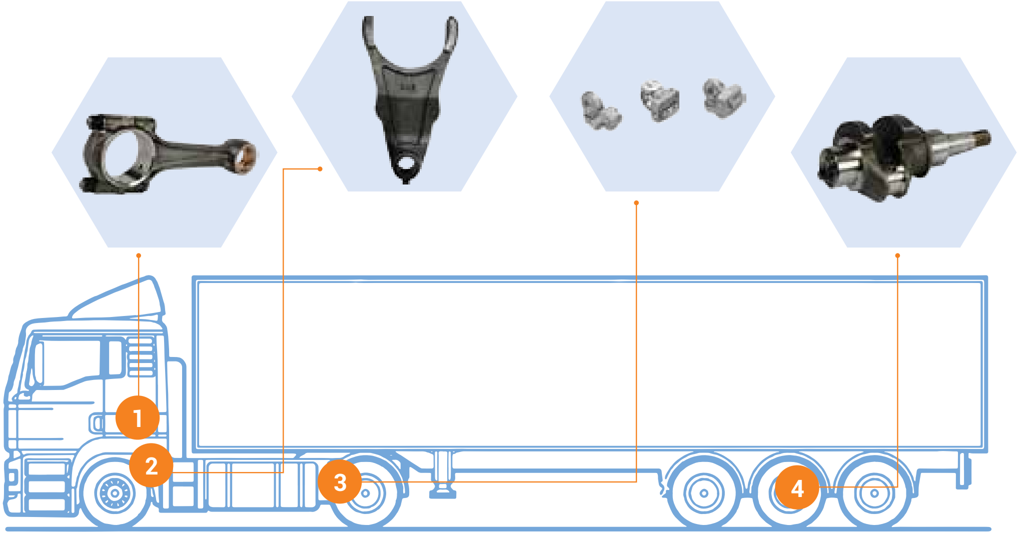


COMMERCIAL VEHICLES

Fractured Connecting Rod | Gear Shifter Fork | Integral Crankshaft (Braking System) | Cabin Tilt System Comp. (Chassis)

Key Customers

Indian	Global
Leading Indian and European OEMs Global supplier of actuation and motion control systems	Leading European, Japanese and US OEMs Global suppliers of braking systems



NON-AUTO SEGMENT

Sales Mix

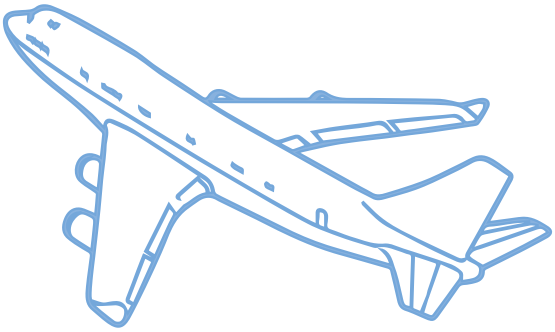
Aerospace 3%	Off-road 3%	Agriculture 3%	Others 2%

AEROSPACE

Speciality Seating | Aerostructure, Equipment Housings | Cargo Systems | Actuation parts | Lighting parts | Engine Casing | Landing Gear Components

Key Customers

Indian	Global
Leading Indian tier 1 supplier	Global tier 1 suppliers Global European aircraft OEM Global North American aircraft OEM

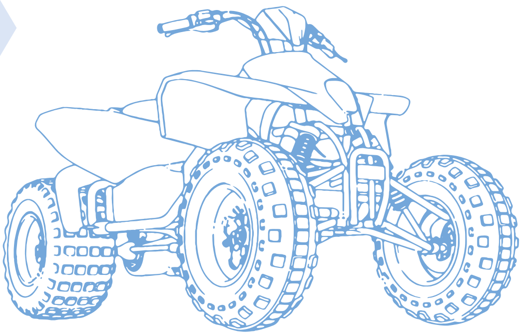


OFF-ROAD

Connecting Rod | Split | Gear Shifter Fork | Crankshaft | Rocker Arms

Key Customers

Global Recreational Vehicle OEM



AGRICULTURE

Fractured CR | Cam Shaft | Pump Barrel

Key Customers

Indian arm of a global supplier of fuel injection systems

Indian arm of a global engine based

fuel and air management systems manufacturer

OTHERS

Connecting Rod | Integral Crankshaft

(Stationary Engine) | Crankshaft | Pump Barrel

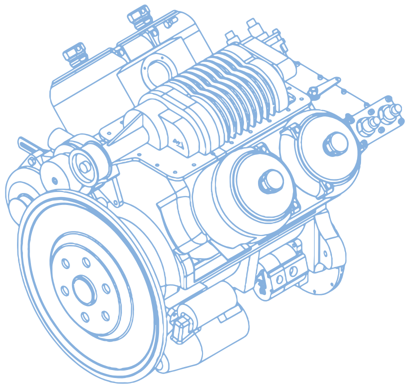
Key Customers

Global OEM of earth moving equipment

Indian arm of a global manufacturing and supply chain management co.

Subsidiary of a leading global power tools manufacturer

Global marine engine manufacturer



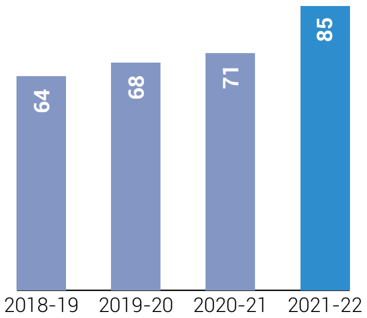
Building a Diversified Customer-Base

ENHANCING PRESENCE

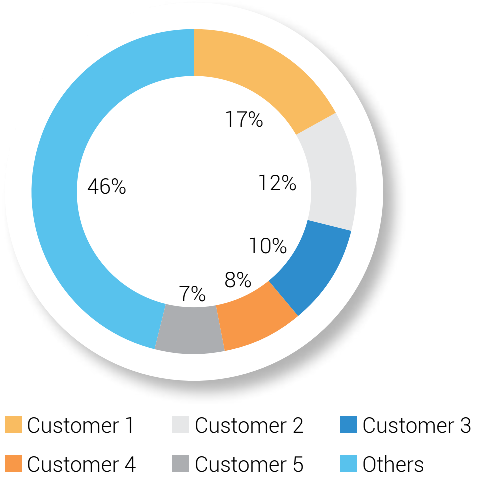
The Company is consistently diversifying its customer base to enhance its footprint beyond India.

Within India, the customers, include nine of the top 10 two-wheeler OEMs and the leading passenger vehicle OEM based on production volume for 2020-21. The global customers include six out of top 10 global light vehicle OEMs and three of the top 10 global MHCV OEMs. The Company also has 30+ years of relationship with the leading PV OEM in India. Sansera has supplied to 85 customers during 2021-22, as compared to 71 during 2020-21 and is continuously pursuing new customer relationships.

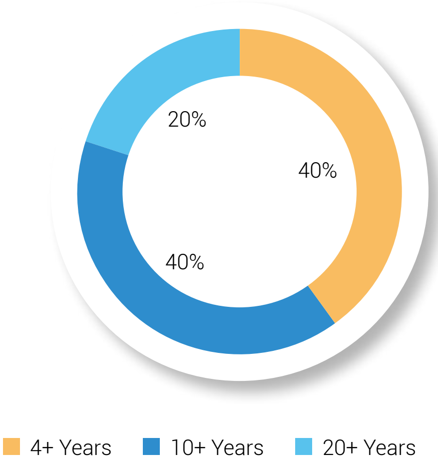
No of customers



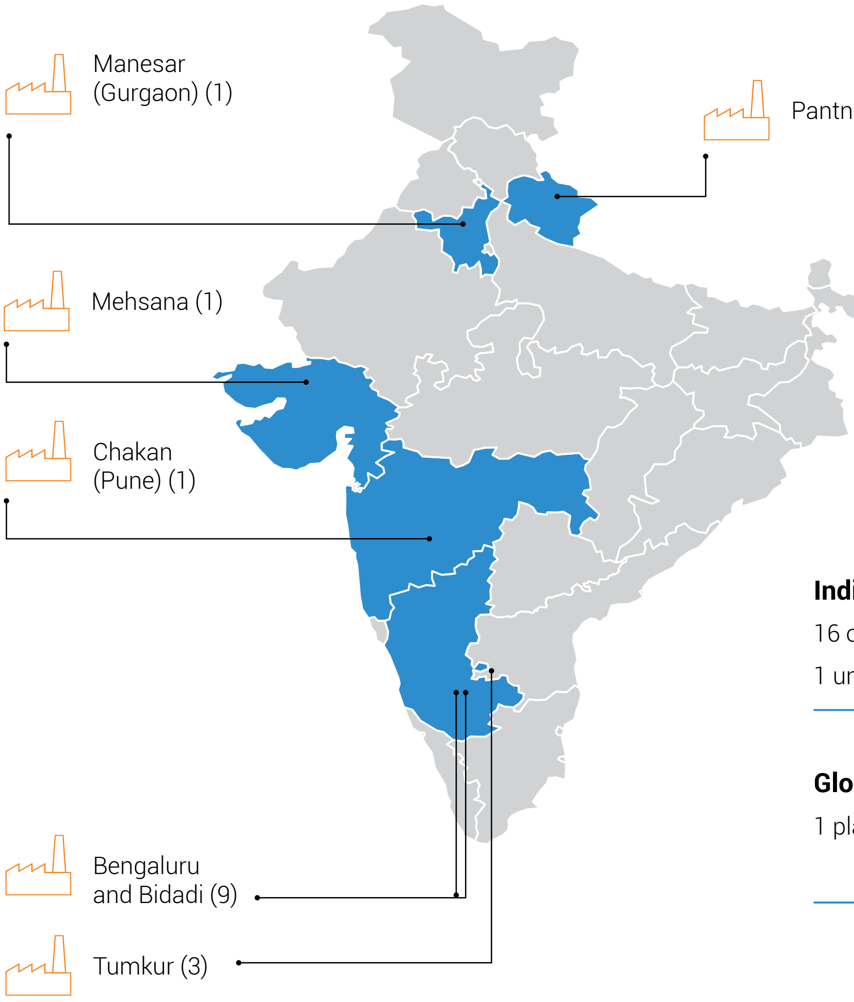
REVENUE BY TOP 5 CUSTOMERS



CUSTOMER RELATIONSHIP



SANSERA HAS STRATEGICALLY LOCATED ITS PLANTS IN PROXIMITY TO THE CLIENT PRODUCTION FACILITIES.



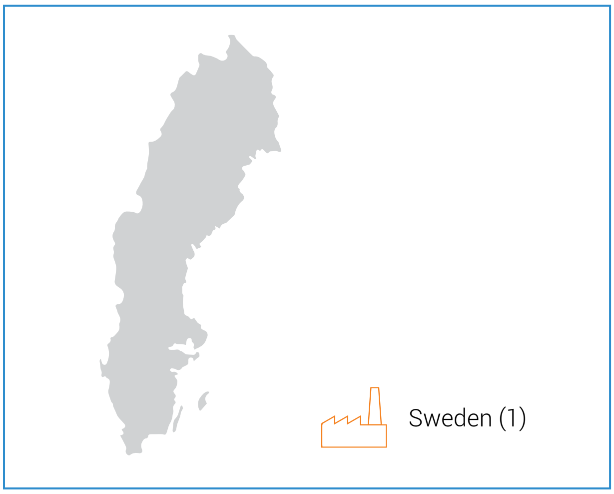
India

16 operational plants

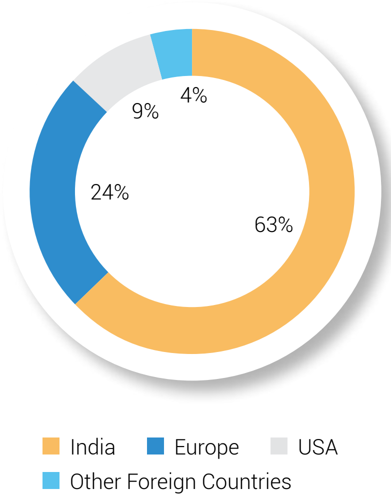
1 under-construction

Global

1 plant



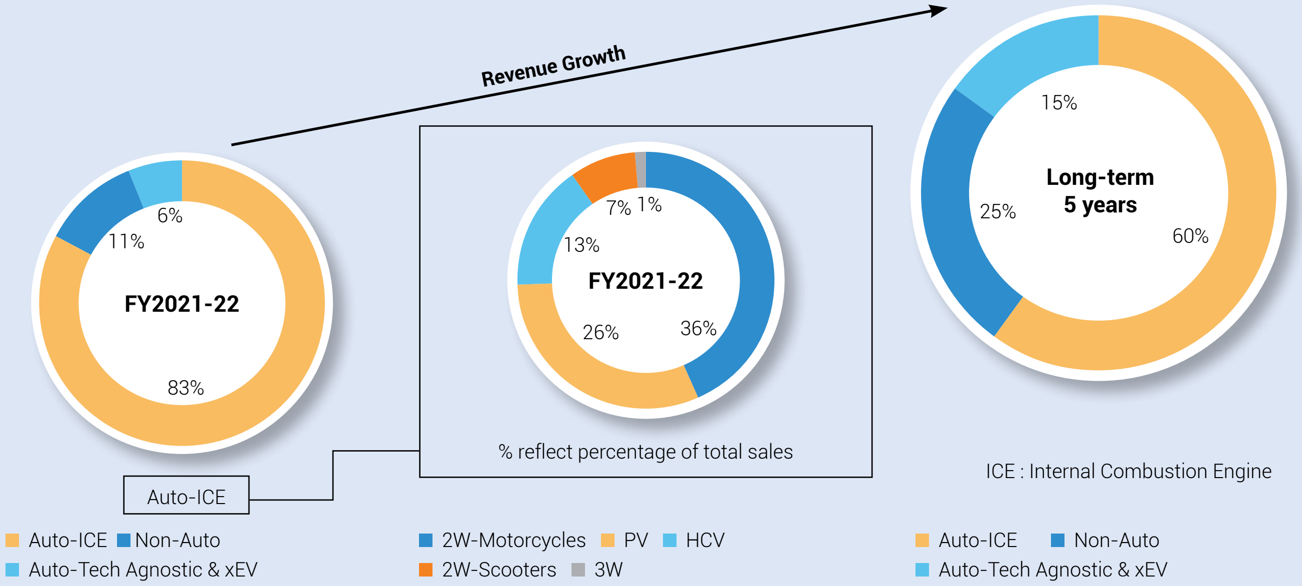
REGION-WISE REVENUE GENERATION



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

THE INDUSTRY OPPORTUNITY IS EVOLVING. SANSERA'S VISION AND EXPANSION PLANS ARE ALIGNED TO MEET THE NEEDS OF THE CUSTOMERS BY PARTICIPATING IN THE GROWING xEV OPPORTUNITY AND DIVERSIFYING INTO TECHNOLOGY AGNOSTIC COMPONENTS AND NON-AUTO SECTORS.

SANSERA'S 5-YEAR VISION ROAD MAP

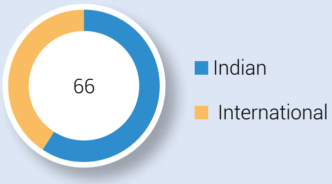


STRONG AND DIVERSE BUSINESS PIPELINE

245 LOIs/Purchase Orders from 66 customers in the Auto and 33 customers in the Non-Auto sector

STRONG PIPELINE

Automotive customers (#)



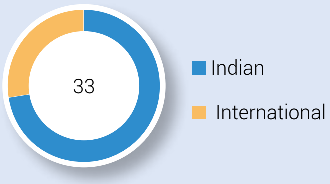
9 xEV Customers

5 (2W)

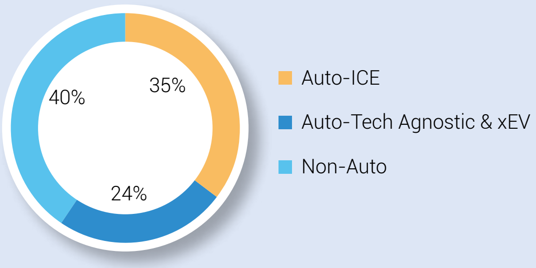
2 (PV)

2 (CV)

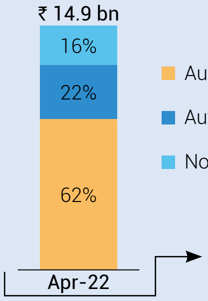
Non-automotive customers (#)



245 LOIS/PURCHASE ORDERS



RISING PEAK ANNUAL REVENUES



Auto-ICE

47% (PV & CV)

15% (2W)

Domestic	**39%**
Global	**61%**

SANSERA'S PROGRESSION STRATEGIES

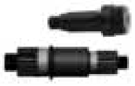
#STRATEGY 1

DIVERSIFY INTO TECH-AGNOSTIC PRODUCTS AND CATER TO THE xEV OPPORTUNITY.

Indian markets are witnessing a robust demand of Electric Vehicles (EV). According to registrations on the Vahan portal, total EV sales increased 211% in 2021-22. The Company is developing multiple technology-driven systems and components for catering the growing opportunities in electrification of vehicles. It has also set up a dedicated facility for hybrid and electric components within its existing plant located in Bengaluru. Production lines for e-2W and hybrid-PVs have begun mass production in the last quarter of 2021-22.

RECENT PRODUCTS/PRODUCTS UNDER DEVELOPMENT

2W/e-2W



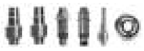
Drive Train Components

Suspension Components

- LoI/PO from 5 e2W OEMs
- Commenced supplies during 2021-22

PV/Hybrid/B-EV

Steering Parts



Drive Train Components

Braking System Components

- Supply of steering components started in 2021-22
- Supply of drivetrain components for Hybrid EVs started in 2021-22
- Supply of braking assembly components to start in 2022-23

CV

Chassis Components (Cabin Tilt System)

Braking System Components

- Developing proto samples for a leading global BEV OEM
- Supply of cabin tilt system components started in 2020-21
- Supply of braking system components to start from 2022-23

#STRATEGY 2

LEVERAGE EXISTING CAPABILITIES TO DIVERSIFY FURTHER INTO NON-AUTOMOTIVE BUSINESSES AND EXPAND ADDRESSABLE MARKET

Sansera's Foray into non-automotive business

Engine Casing

Suspension Components

Common Rails

- Supplied machined engine casings to Aerospace segment in from 2021-22
- Supply of suspension components for off-road started in 2021-22
- Supply of common rail systems for agriculture to start in 2022-23

Sansera's Initiatives Towards Addressing the New Business Opportunities

Key Initiatives

Aerospace/Defence	- Dedicated facility for aerospace & defence under construction in Bengaluru - Secured orders from Defence sector for applications in radar system and space telescope
Bicycles	- Secured order for supply of premium bicycle parts from North American customer - High potential in this growing market for forged (Aluminium, Steel) and machined parts
Other Sectors	- Developed multiple components, including CR for industrial engines & construction equipment - Developed precision components for power transmission & railways segment

#STRATEGY 3

RETAIN AND STRENGTHEN TECHNOLOGICAL LEADERSHIP THROUGH CONTINUED FOCUS ON ENGINEERING CAPABILITIES

Sansera places strong emphasis on continuous enhancement of its design and engineering capabilities, to provide high value-added and technology-driven components. It would allow the Company to capture shifts in customer preferences and evolving regulatory requirements, such as stricter emissions control standards. Furthermore, this would boost the chances of being a favoured supplier, providing opportunity to strengthen its industry positioning.

TECHNOLOGY ENHANCEMENTS TO UPGRADE ENGINEERING CAPABILITIES

Technological innovation

Commissioned Aluminium Forging Lines

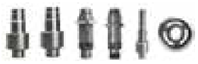
Five-axis Machining Capabilities

Fatigue Testing Machine

Opportunity

- Capitalise on growing demand for light-weight and environment-friendly components
- Machining of large structural components for aerospace
- Enhance product reliability, durability and performance

Leveraging engineering know-how in product design



Multiple Drive Train Components

Aluminium Forged

GSF with Moly Coating

Finger Followers with Diamond like Coating

Hybrid and BEV Transmission Systems

Intricately shaped components for ICE and Electric 2W

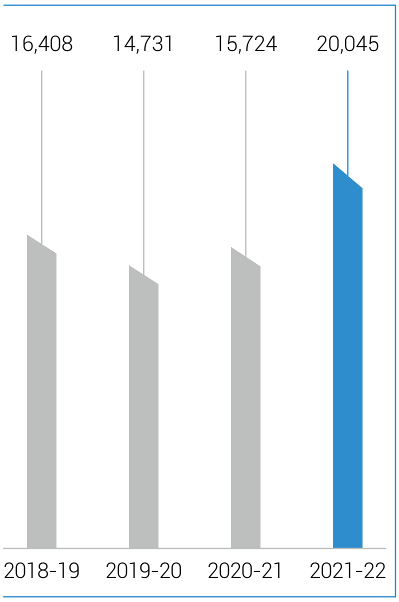
For Multiple Global OEM and PVs

NUMBERS THAT TESTIFY THE PROGRESS

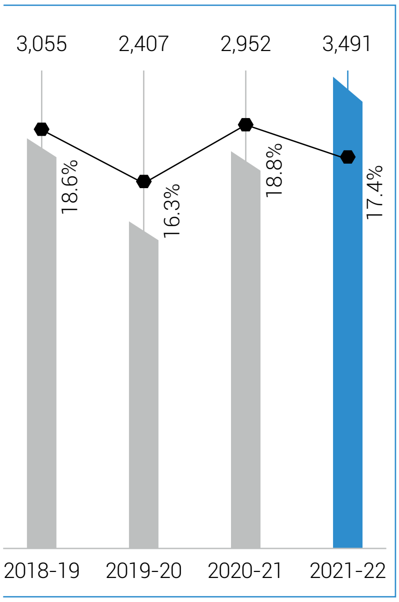
Key Financial Parameters

Despite the industry facing headwinds in the form of higher material cost, shortage of semi-conductors and supply chain disruptions, the Company showcased resilience leading to stronger financial outcome.

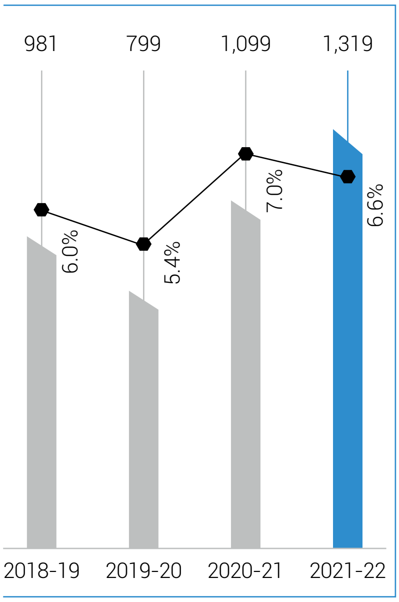
Revenue from Operations
(₹ in mn)



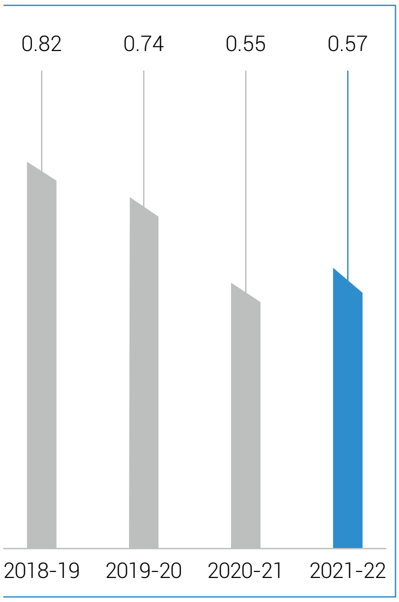
EBITDA (₹ in mn)
and EBITA Margins (%)



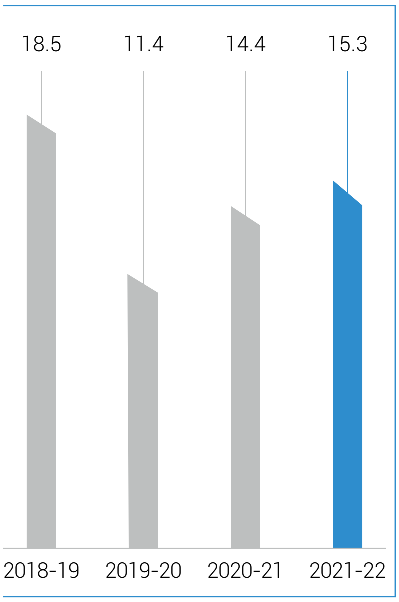
PAT and (₹ in mn)
PAT Margins (%)



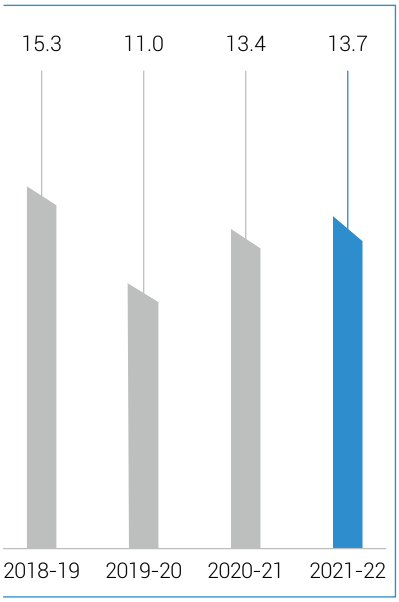
Net-Debt-to-Equity
(x times)



***ROCE**
(%)



***ROE**
(%)



*ROCE: Return on capital employed
*ROE: Return in equity

PROGRESSING TO CONTRIBUTE AND CONSERVE

At Sansera, CSR entails identification of those areas wherein we can endeavor to uplift the society, particularly the underserved and unserved sections. We have trained and equipped our employees with well-devised methods to deliver their responsibilities in the same direction.

Our Company undertook various CSR activities wherein we integrate social concerns in our business operations, fostering a better world around us. We have proactively worked towards the development of underprivileged communities, over the years. Through consistent participation in social initiatives, we aim to contribute in improvement of livelihoods, healthcare and sanitation facilities, while also providing educational access to the communities, for a holistic inclusive development.

The ethics that guide Sansera's CSR activities are designed to help in education of mentally challenged/deprived and poor children and are also focused at improving their civic responsibilities. This is being achieved by adopting Government Schools in the vicinity of the factory, making our employees implement various activities in the associated schools.

₹ 49.5 mn

Spent on CSR Activity

Education

Education is the fundamental right of every human being. It is the first step toward increasing awareness, critical thinking, empowerment, and the ability to improve people's lives.

Initiatives undertaken in the field of education

- Scholarship programme
- Science Kit support
- Renovation of Gurubhavan
- School bus donated to Shivanahalli Vivekananda Ashram
- Infrastructure support to Begur school
- 5S implementation in School

Schools Covered Under Sansera CSR

Healthcare

Sansera Engineering emphasizes on providing healthcare programmme and conducts various initiatives for the upliftment health care facilities.

Initiatives undertaken in the field of healthcare

- Distributed food packets during COVID-19
- Donated beds and ECG Machine to Corona Primary Health Care Centre
- Provided Oxygen Concentrators & Bipap Donation
- Donated Oxygen Concentrators
- Encouraged blood donation by Sansera employees
- Supported Government Primary Healthcare centre

Environment

Lake & Solid waste management

Being a socially responsible Company, Sansera pays special attention to the environment and related aspects, and endeavours to enhance the same.

Environmental Initiatives

- Rejuvenation of Bommasandra Lake
- Waste Management

LEADERSHIP TEAM THAT DRIVES PROGRESSION

Governance

Sansera has a strong, purpose-driven and experienced Board of Directors, who are invested in and committed to intellectual leadership. The Board leads the business with integrity as it consistently pursues sustainable value-creation while preserving unique entrepreneurial spirit.

Board of Directors

Mr S Sekhar Vasan
Chairman and
Managing Director

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

Experience: He has 39 years of experience in the field of manufacturing of precision products. He has been with Sansera since the incorporation.

Mr F R Singhvi
Joint Managing Director

Qualification: Previously with M/s Singhvi, Dev & Unni (CA) Chartered Accountant

Experience: He has 39 years of professional experience. He has been associated with Sansera for over 15 years now and guides the automobile and aerospace business.

Mr Raunak Gupta
Non-Executive,
Nominee Director

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

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

Mr Muthuswami Lakshminarayan
Non-Executive,
Independent Director

Qualification: Master's Degree in Technology from IIT Bombay

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

Mrs. Revathy Ashok
Non-Executive,
Independent Director

Qualification: PGDM from IIM Bengaluru

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

Mr Sylvain Bilaine
Non-Executive,
Independent Director

Qualification: Engineering Degree from National Higher College, Polytechnic National Institute of Grenoble

Experience: He was previously associated with Renault & founded SY.B Consulting. An Executive development from International Institute for Management Development in Switzerland.

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr S Sekhar Vasan
Chairman & Managing Director

Mr F R Singhvi
Joint Managing Director

Mrs Revathy Ashok
Independent Director

Mr Lakshminarayan M
Independent Director

Mr Raunak Gupta
Non-Executive, Nominee Director

Mr Sylvain Bilaine
Independent Director
(retiring on July 28, 2022)

Mr Samir Purushottam Inamdar
Additional Independent Director
(appointed on May 23, 2022)

GROUP CHIEF EXECUTIVE OFFICER

Mr B R Preetham

CHIEF FINANCIAL OFFICER

Mr Vikas Goel

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr Rajesh Kumar Modi

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants

SECRETARIAL AUDITORS

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

COST AUDITORS

M/s. Rao, Murthy & Associates, Cost Accountants

INTERNAL AUDITORS

M/s. Aneja & Associates, Chartered Accountants

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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

BANKERS & LENDERS

State Bank of India

CitiBank NA

HDFC Bank Limited

Axis Bank Limited

HSBC

DBS

Bajaj Finance Limited

BOARD'S REPORT

To,

The Members,

Your Directors have immense pleasure in presenting the 40th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended as at March 31, 2022. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Performance

The financial performance of the Company for the financial year ended March 31, 2022 is summarized below:

(₹ in mn)

Particulars	**Standalone**		**Consolidated**	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Revenue from operations	17,450.04	13,513.40	19,890.32	15,492.71
Other income	170.87	168.49	154.93	230.93
Total Revenue	**17,620.91**	**13,681.89**	**20,045.25**	**15,723.64**
Earnings Before Interest, Tax, Depreciation and amortization (EBITDA)	3,190.09	2,620.50	3,490.84	2,952.11
Finance charges	440.39	411.90	510.13	473.90
Depreciation and amortization	1,034.61	883.50	1,197.03	1,016.76
Profit before tax	1,715.09	1,325.10	1,783.68	1,461.45
Tax expenses	433.52	346.30	464.79	362.85
Profit after tax	**1,281.57**	**978.80**	**1,318.89**	**1,098.60**
Other comprehensive income/(expense) for the year, net of income tax	19.29	(17.60)	(14.59)	20.25
Minority interest	-	-	14.34	18.21
Total comprehensive income for the year, net of tax	1,300.86	961.22	1,304.30	1,118.85

Standalone Financial Results:

The standalone revenue from operations increased by 29% to ₹ 17,450.04 mn for FY 2021-22 as compared to ₹13,513.40 mn in FY 2020-21. EBITDA for FY 2021-22 stood at ₹ 3,190.09 mn compared to ₹ 2,620.50 mn achieved in FY 2020-21 reflecting an increase of 22% from previous year. The profit after tax stood at ₹1,281.57 mn for FY 2021-22 as compared to ₹ 978.80 mn in FY 2020-21 reflecting an increase of 31% from the previous year.

Consolidated Financial Results:

The Company's consolidated revenue from operations recorded an increase of 28% to ₹ 19,890.32 mn for FY 2021-22 as compared to ₹ 15,492.71 mn in FY 2020-21 primarily on account of:

- growth in the PV segment across domestic and export markets;
- growth in domestic 2W segment from newly added customers;
- growth in business from the CV segment and
- start of multiple tech agnostic / xEV businesses in the 2W segment domestically

Consolidated EBITDA for FY 2021-22 stood at ₹3,490.84 mn compared to ₹ 2,952.11 mn achieved in FY 2020-21 reflecting an increase of 18% from previous year. During the year under review, the consolidated profit after tax stood at ₹ 1,318.89 mn as compared to ₹ 1,098.60 mn in the previous year.

Listing of Equity Shares

During the year under review, the Company has successfully completed the initial public offering of its equity shares ("IPO") through book building process, which includes an offer for sale of 17,244,328 equity shares of face value ₹ 2/- each for cash at a price of ₹ 744/- per equity share aggregating to ₹ 12,825.20 mn by the selling shareholders, comprising of 8,635,408 equity shares by Client Ebene Limited ("CEL"), 4,836,723 equity shares by CVCIGP II Employee Ebene Limited ("EEL") (collectively the "Investor selling shareholders"), 2,058,069 equity shares by Subramonia Sekhar Vasan; 571,376 equity shares by Unni Rajagopal Kothenath; 571,376 equity shares by Fatheraj Singhvi and 571,376 equity shares by Devappa Devaraj (collectively, the "Promoter selling shareholders"). This offer included a reservation of 127,118 equity shares, aggregating to ₹90 mn (constituting 0.25% of the post-offer paid-up equity share capital) for purchase by eligible employees (the "employee reservation portion") at a discount of 4.84% (equivalent to ₹36/- per equity share).

The Company's equity shares were listed on the recognized stock exchanges i.e., BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on September 24, 2021.

Dividend

The Board recommends a dividend of ₹ 2.00 per equity share (face value of ₹ 2.00 each) for the financial year 2021-22. The dividend will be paid on or before September 09, 2022, if approved by the shareholders at the 40th AGM of the Company. The Company has formulated a dividend distribution policy and the same is available on the website of the Company i.e., https://sansera.in/wp-content/uploads/2021/11/Dividend-Distribution-Policy.pdf

Reserves and Surplus

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

Changes to Equity Share Capital

The Equity Share Capital of the Company as on March 31, 2022 stood at ₹104.31 mn (previous year ₹ 93.87 mn) as per detail given below:

S. Nos	Particulars	Amount (₹ in mn)
1	Equity Share Capital as on March 31, 2021	93.87
2.	Add: Conversion of Compulsory Convertible Preference Shares on September 3, 2021	8.88
3.	Add: Allotment of Equity Shares on Exercise of Stock Option 2015 on November 17, 2021	1.35
4.	Add: Allotment of Equity Shares on Exercise of Stock Option 2015 on March 29, 2022.	0.21
	TOTAL:	**104.31**

Note: Post March 31, 2022, the Company on May 23, 2022 has further allotted 4,72,325 equity shares of ₹ 2/- each to employees on exercise of stock options under ESOP- 2015 plan.

Management Discussion and Analysis

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis report for the financial year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report as **Annexure 1**.

Change in nature of Business

During FY 2021-22, there was no change in nature of Company's business.

Details of Subsidiary Companies

As at March 31, 2022, the Company has 2 (two) directly held subsidiaries i.e., Fitwel Tools and Forgings Private Limited and Sansera Engineering Private Limited, Mauritius and 1 (one) step down subsidiary i.e., Sansera Sweden AB. Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiaries is given as **Annexure 2**. None of the subsidiaries are material as on March 31, 2022.

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

Particulars of Employees

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

Board Meetings

The Board of Directors duly met nine times (9) during the year under review. For more details, please refer to section on Corporate Governance forming part of this Report. The intervening gap between any two meetings was within the period prescribed under the provisions of the Companies Act, 2013 and Listing Regulations including circulars/notifications issued by the Ministry of Corporate Affairs and SEBI.

Auditors

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

Secretarial Audit Report

In terms of the provisions of Section 204 and applicable provisions of the Companies Act, 2013, M/s. BMP & Co., LLP, a practicing Company Secretary firm was appointed by the Board of Directors to conduct the Secretarial Audit for the Financial Year 2021-22 and issue the Secretarial Audit Report.

The Secretarial Audit Report with no qualification, received from M/s. BMP & Co., LLP, a practicing Company Secretary firm is attached to this report as **Annexure 4**.

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

a) By Statutory Auditors in their audit report: There were no qualifications, reservation or adverse comments by the Statutory Auditors of the Company in their report submitted to the Company. The report issued by the Auditors was unmodified for the FY 2021-22.

b) By Secretarial Auditors in their secretarial audit report: There was no adverse comments issued by the Statutory Auditors of the Company in their report for the FY 2021-22.

Cost Audit

In terms of the provisions of Section 148 and applicable provisions of the Companies Act, 2013, ("Act") read with the Companies (Audit and Auditors) Rules, 2014, M/s. Rao Murthy and Associates, Cost Accountants, Cost Auditors was appointed by the Board to conduct the audit of cost records of your Company for the financial year 2022-23. As per the provisions of the Act, a resolution seeking members' ratification for the remuneration payable to Cost Auditors is included in the Notice convening the 40th AGM.

Internal Control Systems and Adequacy of Internal Financial Controls

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

Employee Stock Option Plans (ESOPs)

During the year under review, the Company has granted the following options:

i) 148,625 options at the rate of ₹ 135.20 per option to eligible employees under Employee Stock Option Plan 2015 (ESOP 2015) on April 01, 2021. These options were due for vesting after completion of one year from the date of grant i.e., April 1, 2022.

ii) 8,08,327 stock options at the rate of ₹744/- per option to eligible employees under Employee Stock Option Plan 2018 (ESOP 2018) prior to listing on September 22, 2021. These options will vest in 4 equal instalments in 4 years from the date of grant i.e., 25% each year.

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

a) 6,72,840 equity shares of ₹2/- each on November 17, 2021.

b) 1,05,125 equity shares of ₹ 2/- each on March 29, 2022.

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

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

The Company has received a certificate from M/s. BMP & Co. LLP, Secretarial Auditors that the Sansera Engineering Limited Employee Stock Option Scheme 2015 and Sansera Engineering Limited Employee Stock Option Scheme 2018 has been implemented in accordance with the SEBI SBEB Regulations.

Vigil Mechanism/ Whistle-blower

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on vigil mechanism/whistle blower, which provide a Vigil Mechanism for directors and employees to report genuine concerns. The said policy is available on the website of the Company i.e., https://sansera.in/wp-content/uploads/2021/09/Vigil-Mechanism-Whistle-Blower-Policy.pdf

During the year under review, the Company has not received any complaints under the said mechanism.

Risk management policy

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

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

Your Company has entered into long term contracts with the customers to mitigate enterprise risk, undertakes forward contracts and foreign currency borrowings to minimize the risk of currency fluctuation on net foreign currency exposure, has taken insurance cover against key insurable risks and has further implemented statutory compliance monitoring tool "Ricago" for effective monitoring of statutory compliance. Apart from this, your Risk Management Committee reviews on a regular basis, the risks associated with the Company including action plan to mitigate the risks. Your Board has constituted Risk Management Committee at its first meeting held after listing and have approved the Risk Management policy as per SEBI Listing Regulations.

Details of frauds reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

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

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

There was no material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future as on March 31, 2022. Details of litigation on tax matters are disclosed in the financial statements.

The details of Directors and key managerial personnel who were appointed or resigned during the year.

Directors

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

Mr F R Singhvi, (DIN: 00233146), Director, liable to retire by rotation at the 40th AGM of the Company and being eligible offers himself for re-appointment at the ensuing annual general meeting.

Mr Sylvain Bilaine, Non-Executive Independent Director of the Company is completing his second term as an Independent Director on July 27, 2022.

Mr Samir Purushottam Inamdar (DIN 00481968) was appointed as an Additional Director (Category: Non-Executive Independent) by the Board on recommendation of the Nomination & Remuneration Committee at its meeting held on May 23, 2022, subject to applicable provisions of the Companies Act, 2103 and Listing Regulations. The said appointment will be placed for approval of the shareholders at the forthcoming AGM of the Company.

For more details regarding additional information under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards, please refer to notice of 40th AGM forming part of this Report.

Key Managerial Personnel (KMP)

There was no change in the KMP during the year in comparison to last year's report:

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

Declaration by Independent Directors and statement on compliance of code of conduct

All independent directors of your Company have given declaration to your Company under Section 149 (7) of the Act that, they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). All independent directors of your Company have also given declarations to your Company under Rule 6 of Companies (Appointment and Qualification of Directors) Rules 2014. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of management. The independent directors have affirmed compliance with the Code of Conduct. The Independent Directors also affirmed compliance under Sec 150 of the Companies Act, 2013 including any amendments/ notifications.

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. Composition of Independent Directors are optimum mix of expertise (including financial expertise), leadership and professionalism.

Particulars of loans, guarantees or investments under section 186

Pursuant to Section 186 of the Act, disclosure on particulars relating to loans, advances, guarantees and investments are provided in the financial statements forming part of this Annual Report.

BOARD'S REPORT (Contd.)

Particulars of contracts or arrangements with related parties:

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

Obligation of Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

Conservation of energy, technology absorption and foreign exchange earnings and outgo

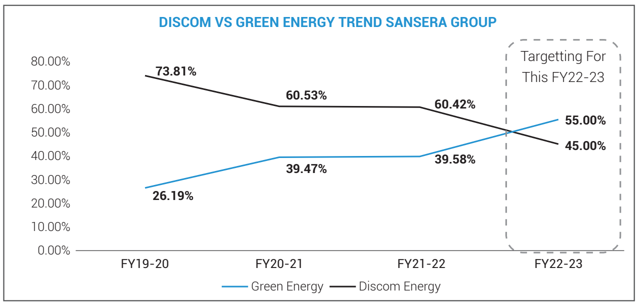
The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

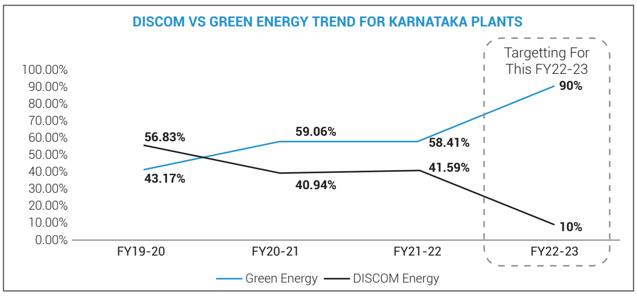
a. Conservation of energy

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

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

1. Sansera is taregeting 55% Green Energy on pan India basis and 90% utilization in Karnataka plants through various Green Energy contracts in FY 2023. Total contracted volume is of 73.1 mn units / annum (equivalent to reduction of 58,480 Tons/ Annum of CO2 emission), which consists of a mix of Solar and Wind contracts and solar Roof top.





2. Sansera has implemented many Energy Conservation Projects (42 Projects) as part of improving Energy Efficiency, Energy Performance and Carbon foot print Reduction, through ISO 50001:2018 (EnMS) & ISO 14001:2015 (EMS) Certification across the manufacturing units in India. As a result, we have saved approximately 9% of Power Consumption per annum through Machine Shop, Forge Shop, Heat Treatment Shop & Utilities by implementing multiple EMAPs (energy management programs).
3. Some of the key initiatives include:

Machine Shop:

- ➢ All the CNC machines have been enabled with Power saving logic. (Around 1700 Machines)
- ➢ Waste heat recovery (WHR) system adopted for washing machines. (Installed in two compressors and utilized for four washing machines)
- ➢ Old power packs and motors are being continuously replaced with Energy Efficient Power Pack & IE3/IE4 Motors.
- ➢ Cycle time review and optimization as a continual process.

Forge Shop:

- ➢ Auto Power regulation system implemented for Induction billet heaters to avoid reheating of the billets.
- ➢ Cavity die lubrication introduced as against Continuous die lubrication & Lubrication motor interlocked with stroke counter in place of Time-based control.
- ➢ Constant upgradation of the hammers/presses by equipping them with IE3/IE4 Motors with VFD (Variable frequency drives) control etc.
- ➢ Yield improvement and optimization by using updated simulation softwares, as a continual process.

BOARD'S REPORT (Contd.)

Heat Treatment Shop:

- ➢ Elimination of Endo gas generator in Heat Treatment process by introducing PNG.
- ➢ Conversion of Electric heating to PNG in continuous type heat treatment furnaces
- ➢ Preheating and Tempering Furnaces upgraded with Thyristor based controllers for improved energy efficiency.

Utility:

- ➢ MS air pipelines replaced by Aluminum extruded air pipelines for optimal air flow and improvement in energy efficiency in pneumatic circuits.
- ➢ ECBC standard EFF-Level3/4 grade Transformers have been installed to reduce no-load & load losses.
- ➢ Centralized Sigma air Manager adopted for all Air Screw compressors.
- ➢ Usage of LED lights/ VRF and 5-star rated air conditioners adoption across the Plants.

New Technology Adoption:

- ➢ Online monitoring of Energy consumption and OEE to optimize the resource utilization.
- ➢ Further deployment of online monitoring and controlling of special processes through SCADA.
- ➢ IOT 4.0 implementation in Shopfloors to monitor and optimize the machine performance.
- ➢ Robotic Technology adoption / automation to improve the productivity and to improve OEE.
- ➢ Adopting BMS to optimize Energy consumption.

b. Technology absorption

Sansera has been constantly striving to absorb & upgrade with the emerging technologies related to product development, designing and manufacturing.

The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

The following are few highlights of FY22:

- Sansera has successfully developed technology for manufacturing High Precision Aluminium components used in various sectors including Auto & Non-Auto sectors. The process developed includes Aluminium Forging, Critical Heat treatment, precision machining and high technology Surface treatment, all of which have been created in our State-of-the-Art plant at Bidadi.
- We have Further expanded the use of non-contact type (laser beam technology) inspection of critical parameters, helping reduce human intervention and automation of the process.
- We have introduced continuous polishing through abrasive stones (in place of belt polishing) for improvement and sustenance of surface finish quality in critical parts.
- We have established the usage of vision systems with AI for identifying the size & spacing of voids (on fractured surfaces in conrods) beyond the specified limits. The systems learn different position, shape & size of the voids & continuously updates its library.
- Developing and introduction a new concept of burr removal machine (Sansera CNC SPM) from conrods, through vibratory mechanism
- Developing and introduction of internal grinding Sansera CNC SPM for critical operations, in-line with our efforts to manufacture critical machines (in-house) to get benefits of lower capex, shorter lead-times, energy efficiency and fungibility.
- Continuous upgrade / update of design and simulation software for product & processes and Advanced engineering applications.

c. Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 2,505.95 mn and the total foreign exchange earned was ₹ 4,846.19 mn.

Corporate Social Responsibility (CSR)

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

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

The Board of Directors of the Company amended the CSR Policy of the Company pursuant to amendments in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on the website of the Company at https://sansera.in/wp-content/uploads/2022/03/CSR-Policy.pdf.

Business Responsibility Report (BRR)

A detailed BRR in terms of the provisions of Regulation 34 of the Listing Regulations is attached as **Annexure 7** forming part of this Report.

BOARD'S REPORT (Contd.)

Corporate Governance

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

A certificate from BMP & Co., LLP, Practicing Company Secretaries, confirmed that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same is attached along with the report on Corporate Governance.

Annual Performance Evaluation

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

Familiarisation Programme for Board Members

The familiarisation programme aims at making the Independent Directors of the Company familiar with the business and operations of the Company through various structured familiarisation programmes. The Company had organised such program for directors during the year under review and have plan for more such programs as and when required to update the Board on their roles and responsibilities as per requirements of Listing Regulations. The said familiarisation programmes are placed on the website of the Company i.e., https://sansera.in/wp-content/uploads/2022/07/Familiarisation-Programme-1.pdf

Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Directors' Responsibility Statement

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

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

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

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

Nomination and Remuneration Policy of the Company

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

Committees of the Board

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

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

BOARD'S REPORT (Contd.)

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

Details of Amount Received from a Director of the Company or a relative of the Director

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

Compliance of Applicable Secretarial Standards by the Company

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

Extract of Annual Return

Pursuant to the provisions of Section 92(3), the extract of the Annual Return is available on the website of the Company i.e., https://sansera.in/wp-content/uploads/2021/09/Annual-Return-MGT-7-FY-2020-21.pdf

Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

There was no unpaid/unclaimed dividend that was required to be transferred to Investor Education and Protection Fund.

Deposits

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

Disclosure on Managing Director and Key Managerial Personnel receiving remuneration and commission from holding company or subsidiary company.

The Managing Director and Key Managerial Personnel (KMPs) of the Company are not in receipt of remuneration and commission from any of its subsidiary companies.

Insolvency and Bankruptcy Code, 2016:

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

Settlements with Banks or Financial Institutions:

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

Details of Penalties/Punishment/ Commitments affecting the financial position of the Company between the end of the Financial Year and the date of the Directors' Report

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

Acknowledgements

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

The Board also wishes to place on record its appreciation to the Book Running Lead Managers (BRLM's), Legal Counsels, Securities Exchange Board of India (SEBI), Registrar of Companies (ROC), National Stock Exchange of India Limited (NSE), BSE Limited, Registrar and Transfer Agent (RTA), auditors and all intermediaries for their co-operation and immense support extended to the Company in its entire process of the Initial Public Offer (IPO).

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

On Behalf of Board of Directors
Sd/-
S. Sekhar Vasan
Chairman & Managing Director
DIN:00361245

Place: Bengaluru
Date: May 23, 2022

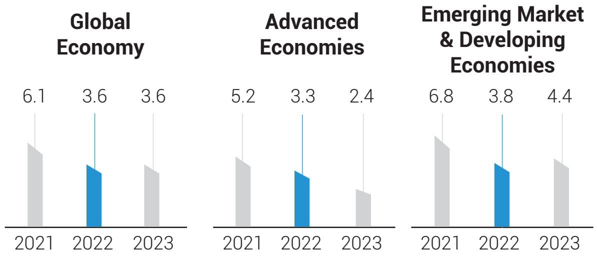
MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE 1

Global Economy Overview

After a prolonged battle against the Covid-19 pandemic, the global economy which had shrunk by 3.3% in 2020, began to revive in 2021, showcasing 6.1% growth led by effective vaccination drives, government policy and injection of liquidity / lower interest rates by major central banks across the world. Backed by these measures, the global economy witnessed progress and a strong comeback – the highest ever pace of growth post-recession, in the past 80 years.

Although the first half of 2021 registered strong demand and improved economic conditions, the second half witnessed major economic events such as high energy prices, and supply chain disruptions triggered higher and more severe inflation than anticipated. This phase also witnessed the outbreak of the omicron variant that caused mobility restriction. Despite these challenges, progressive market demand facilitated a good flow and continuous activity in the overall economy, inducing growth.



World Economic Outlook April 2022

GROWTH PROJECTIONS

International Moentary Fund *IMF org *WEO*

Outlook

With economic activities normalising across sectors and countries, the IMF projects a positive growth outlook. However, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium-term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022)

Indian Economic Overview

In 2021-22, India continued with the recovery that had commenced in the second half of 2020-21. The second wave of COVID-19 pandemic took a grievous toll, pushing the nation into arguably one of the worst health crisis the country had ever faced. Supported by continuing fiscal measures and congenial financial conditions engendered by monetary, regulatory and liquidity initiatives by the Reserve Bank, the real GDP bounced back in Q2:2021-22 and Q3:2021-22 with GDP exceeding the corresponding pre-pandemic quarters. In Q4:2021-22, however, the Omicron wave, the Russia-Ukraine war along with the inflationary pressures and supply side disruptions resulted in a slowdown in growth.

India's GDP grew by 8.7% in 2022 from a contraction of 6.6% in the previous year. The 2022 GDP growth was slightly lower than the last official forecast of 8.9% due to a weak Q4, with growth falling to 4.1%, from 5.4% in the previous quarter.

Private Final Consumption Expenditure (PFCE) remained weak by historical standards as contact-intensive activity is yet to normalise fully and discretionary consumption spending lacked traction. Government consumption expenditure accelerated in 2022, providing an upward thrust to aggregate demand. Gross Fixed Capital Formation (GFCF) rebounded sharply, primarily backed by public investment as government prioritised capital expenditure. Exports recovered strongly in spite of hostile international environment and entered into positive growth territory from Q4 of 2021. Propelled by surging import demand and rising international commodity prices, especially of crude, the current account shifted from a surplus to modest deficits from Q2: 2022.

Industrial output measured by the Index of Industrial Production (IIP) expanded by 11.4% during 2022 as against a contraction of 8.4% in the previous year. However, manufacturing capacity utilisation continues to remain low. Sector-wise, manufacturing contracted by 0.2% in Q4 and construction grew by 2%. Agriculture remained growth-supportive, expanding by 4.1% in Q4 and 3% in the year as a whole. The economy continues to normalise, surpassing pre-Covid-19 output levels in all segments on a quarterly YoY basis.

(Source: RBI Annual Report https://www.rbi.org.in/Scripts/AnnualReportPublications.aspx?Id=1344)

Outlook

India's strong fundamentals and growing consumer demand is helping the Indian economy in further growth. Covid cases are well controlled and most economic lead indicators are positive. However, the outlook is cautious due to factors such as inflation (energy, food, commodities) globally and more particularly in advanced economies, trade sanctions, tightening policies etc.

Industry Overview

Global Automotive Industry trends

The Automotive industry continues to see huge changes in business models as the pace of electrification rises and advances in connectivity technology continue. These changes are giving rise to intense competition that is undermining existing brand strategies, and has given rise to new opportunities for both existing Original Equipment Manufacturers (OEM) and new brands alike.

The primary obstacle remains lack of timely access to microchips, and the impact on investor sentiment because of the big changes rippling through the industry, which increases uncertainty and financing costs across the board.

The combined pressures of evolving mobility, changing drivetrain and model type requirements, a shifting customer and regulatory landscape, and new technology requirements are all creating an inflection point for the industry, and the brands within it. Innovation is continuing at a strong pace and investment in new capacity, particularly for electric vehicles (EVs), is soaring, and customer demand is increasing.

EVs are by the far the best performing drivetrain type in terms of relative growth. In 2021, about 6.4 mn Plug in Hybrid Electric Vehicles (PHEVs) were sold – an increase of over 100%. This represents a rise from 4.5% of all vehicles sold in 2020 to 9% in 2021.

(Source: https://brandfinance.com/insights/2022-auto-trends)

2022 Outlook

The global Auto industry continues to navigate a challenging supply chain environment as well as lingering Covid-19 impact. While ongoing lockdowns in areas of mainland China are having a material impact on production within the country and some surrounding markets, S&P Global Mobility (formerly IHS Markit | Automotive) analysts are also seeing a measure of stability in other regions relative to some of the more meaningful downward revisions made in recent months.

As automakers and suppliers continue to adapt to the changing landscape, COVID conditions and the general state of the supply chain will remain dominant factors influencing production in the near-term, along with the macro implications of the ongoing Russia/Ukraine conflict.

The May 2022 light vehicle production forecast update from S&P Global Mobility reflects that during 2022, annual production of Light vehicles is expected to grow by 4% against calendar year 2021 to 80.4 mn units and a further 9% in calendar year 2023 to 87.9 mn units. Major gains are expected in the regional markets of Middle east/Africa, North America, South America and South Asia.

(Source: https://ihsmarkit.com/research-analysis/may-2022-production-forecast-sees-variations-in-regions.html)

Indian Automotive Industry

The Indian Automobile sector is among India's principal industrial catalysts, providing jobs to over 35 mn people, directly and indirectly. Therefore, contributing around 7.1% to India's overall GDP and 49% to the Manufacturing sector GDP.

The Indian Automobile industry can be bifurcated into four different segments: Two-wheelers, Three-wheelers, Passenger Vehicles and Commercial Vehicles.

The domestic and export market exhibited strong demand during the 2022 with an exception in two-wheelers in the domestic markets.

(Source: https://www.ibef.org/download/1650364338_automobile-ppt-february-2022.pdf)

Total Production

The domestic industry produced a total 22,929,169 vehicles, including Passenger Vehicles, Commercial Vehicles, Three-wheelers and Two-wheelers from April 2021 to March 2022, as against 22,651,773 units from April 2020 to March 2021, a YoY growth of 1.2%. An increase in total cost of ownership (vehicle prices, fuel cost and interest rates) and a slower revival in the purchasing power of lower segment consumers are likely to be the headwinds for 2Ws and entry level cars limiting the growth. Chip shortages and supply chain disruptions have impacted production of premium end vehicles.

(Source: India Ratings FY23 Outlook : Auto)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Automobile Production Trends

(In Numbers)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YoY (%)
Passenger Vehicles	38,01,670	40,20,267	40,28,471	34,24,564	30,62,280	36,50,698	19.2%
Commercial Vehicles	8,10,253	8,95,448	11,12,405	7,56,725	6,24,939	8,05,527	28.9%
Three-wheelers	7,83,721	10,22,181	12,68,833	11,32,982	6,14,613	7,58,088	23.3%
Two-wheelers	1,99,33,739	2,31,54,838	2,44,99,777	2,10,32,927	1,83,49,941	1,77,14,856	(3.5%)
Grand Total	**2,53,29,383**	**2,90,92,734**	**3,09,09,486**	**2,63,47,198**	**2,26,51,773**	**2,29,29,169**	**1.2%**
		14.9%	**6.3%**	**(14.8%)**	**(14.0%)**	**1.2%**	

(Source: SIAM)

Domestic Sales

Total domestic sales of vehicles recorded 17,513,472 units during 2021-22, as against 18,620,245 units in the previous financial year (April 2020 to March 2021), a year on year decline of ~6%. All segments registered growth except Two-wheelers sales which decreased from 15,120,783 to 13,466,412 units in April 2021 to March 2022 over same period last year. Passenger Vehicle sales increased by 13% from 2,711,457 to 3,069,499 units, with the intra-segment mix shifting in favour of Utility Vehicles from 39% to 48% displacing the Passenger Cars from 57% to 47.8%. The overall Commercial Vehicles sales increased by 26% from 568,559 to 716,566 units with the highest percentage growth in Heavy Commercial Vehicles.

The industry faced some headwinds – an increase in raw material costs and semiconductor prices, coupled with supply chain disruptions. Rising geopolitical tensions further elevated concerns - Russia is a major producer of palladium while Ukraine is a major producer and exporter of neon gas (both used in manufacturing semiconductors) – because of which the industry suffered an overall contraction of 6%.

Automobile Domestic Sales Trends

(In Numbers)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Passenger Vehicles	30,47,582	32,88,581	33,77,389	27,73,519	27,11,457	30,69,499	13.2%
Commercial Vehicles	7,14,082	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	26.0%
Three-wheelers	5,11,879	6,35,698	7,01,005	6,37,065	2,19,446	2,60,995	18.9%
Two-wheelers	1,75,89,738	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,34,66,412	(10.9%)
Grand Total	**2,18,63,281**	**2,49,81,312**	**2,62,65,552**	**2,15,44,609**	**1,86,20,245**	**1,75,13,472**	**(5.9%)**
		14.3%	**5.1%**	**(18.0%)**	**(13.6%)**	**(5.9%)**	

(Source: SIAM)

Exports

From April 2021 to March 2022, Total Vehicle exports increased by 36% with various segments reflecting growth over previous year as per the table below.

Automobile Exports Trends

(In Numbers)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Passenger Vehicles	7,58,727	7,48,366	6,76,192	6,62,118	4,04,397	5,77,875	42.9%
Commercial Vehicles	1,08,271	96,865	99,933	60,379	50,334	92,297	83.4%
Three-wheelers	2,71,894	3,81,002	5,67,683	5,01,651	3,93,001	4,99,730	27.2%
Two-wheelers	23,40,277	28,15,003	32,80,841	35,19,405	32,82,786	44,43,018	35.3%
Grand Total	**34,79,169**	**40,41,236**	**46,24,649**	**47,43,553**	**41,30,518**	**56,12,920**	**35.9%**
		16.2%	**14.4%**	**2.6%**	**(12.9%)**	**35.9%**	

(Source: SIAM)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Electric Vehicles

The aggressive subsidies from Central/State Government and launch of several new models, combined with an improved customer acceptance, induced demand in the EV segment. The overall EV sales volumes increased from 133,831 units in 2020-21 to 429,342 units in 2021-22. EVs contributed 2.61% to the overall vehicle sales for the year 2021-22 – as compared to 0.87% in 2020-21 – with the highest growth being in the Two-wheeler EV segment.

EV Sales	2018-19	2019-20	2020-21	2021-22
Two-wheeler	25,393	24,839	40,837	2,31,357
Three-wheeler	1,18,944	1,40,683	88,378	1,77,874
Four-wheeler	1,632	2,727	4,588	16,853
Goods Vehicle	517	50	28	1,017
Total	**1,46,597**	**1,68,311**	**1,33,831**	**4,29,342**

Source: SIAM, CMIE

During the year, the Two-wheeler segment faced challenges leading to a sales drop of 10.9%. This was led by subdued domestic demand both in rural and urban markets amidst a significant increase in total cost of ownership (higher fuel prices, commodity inflation, acquisition costs and insurance costs).

Indian Passenger Vehicle Segment

During 2021-22, the Indian Passenger Vehicle segment showcased robust performance. Total Passenger Vehicle sales increased from 27,11,457 to 30,69,499 units, showcasing a growth of 13.20%, while the export recorded a growth of 43% and stands at 5,77,875 units. There was a sharp growth in sales during the second half of the financial year led by the resumption of operations in a phased manner. The industry benefited due to high pent-up demand which was witnessed after the re-opening of several states during the festive season.

The PV sales for 2022 could have even higher but was negatively impacted from the following factors:

- At the entry level segment, the rise in commodity prices along with higher fuel prices dampened consumer sentiments
- The OEMs increased vehicle prices during the year to offset the higher raw material prices (commodity costs) which increased the purchase price for end-users, further restricting growth
- For the premium segment, the semiconductor shortage was a major reason behind dampened production and volumes rates during the fiscal year, and it continues to remain a key concern.

Sansera Performance vs Industry

Revenue from Two-wheeler sector contributed 48% of the Company's consolidated revenues from operations. Despite a significant under-performance of the domestic Two-wheeler industry primarily because of increased cost of ownership, the Company registered robust performance - 15% growth YoY in the Two-wheeler segment (and a 24% led by addition of new customers and a continued focus on a diversified business model – products, segments and geographic spread.)

Sansera growth in domestic sales vs Industry in domestic market 2W & PV

Sansera Domestic Revenue (₹ in mn)

Sector	2020-21	2021-22	Growth
Two-wheeler	6,309	7,269	15%
Passenger Vehicles	2,037	2,744	35%
Commercial Vehicles	294	717	144%
Three-wheeler	116	149	29%
Total	**8,756**	**10,880**	**24%**

Outlook

India Ratings and Research (Ind-Ra) has revised the outlook for the Auto sector for 2022-23 to neutral from improving, primarily on account of a muted recovery in domestic Two-wheeler (2W) sales and supply chain constraints. Ind-Ra expects the domestic sales volumes to grow 5%-9% YoY in 2022-23, after three consecutive years of decline (likely 5%-8% decline in 2021-22). Continued preference for personal mobility, some recovery in consumer sentiments, and favourable macroeconomic tailwinds will support the overall growth. Passenger Vehicle (PV) volume could grow 5%-9% YoY in 2022-23 (likely 8% to 12% YoY in 2021-22), as supply chain issues could persist for next few quarters while easing gradually.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Automotive Components Industry's Growth Factors

Auto Components Industry

Demand for auto components stems from domestic OEMs, replacement demand and exports. Domestic OEM demand has remained a mixed bag across segments in 2022, with increase in total cost of ownership and semiconductor shortage dragging down overall production volumes.

Exports have remained a bright spot in the Indian auto component growth trajectory , partly aided by the China +1 strategy. This is despite supply chain issues. ICRA believes that the growth in 2022 exports would have been even better if not for the semiconductor shortage. While auto ancillaries have healthy export order book for the next few months, the impact of geopolitical and supply-chain issues on actual offtake remains a monitorable.

With the sharp increase in commodity prices in the last 3-4 quarters, gross margins of auto ancillaries have been impacted due to partial / lagged pass through of the cost and optical impact of the inflation on cost and revenue reducing the margins. Apart from commodities, auto ancillaries are also witnessing inflation in other costs, including freight rate, which has increased multifold. The recent geopolitical tensions have resulted in increase in fuel costs as well. Supply chain uncertainties, inflation and need for inventory stocking have led to incremental inventory requirements.

2023 Outlook

India Ratings and Research (Ind-Ra) expects the sector revenue to grow 10%-15% YoY in 2022-23, supported by moderate growth of 5%-9% YoY in OEMs volumes and continued healthy exports. Improved demand would be aided by higher realisations as the lag remaining in pass through of raw material price in 2021-22 gets largely absorbed by early 2022-23. Ind-Ra expects profitability margins to remain broadly stable in 2022-23, supported by better operating leverage, and as the raw material prices are likely to remain firm. Ind-Ra expects the ongoing Russia-Ukraine situation to increase commodity prices, crude oil prices, and supply chain issues, thereby, impacting the recovery in EBITDA margins during 2022-23. Credit metrics are expected to remain stable in 2022-23.

Aerospace & Defense Industry

The Aerospace & Defense industry comprises the Commercial Aerospace and Defense market. The Commercial Aerospace market is made up of the revenues earned by manufacturers from all commercial aerospace procurement. The Defense market includes revenue earned from the manufacturers of the products for defense forces (air, land, sea), weapon system, rocket & missiles, communication & security. Both the Commercial & Military Aircraft industry includes aircraft assembly, engines, aviation, cargo, helicopters, business jets, rotorcraft, satellites, Unmanned Aerial Vehicles (UAVs), maintenance, repair & overhaul.

Outlook

The global Aerospace market is expected to grow from USD 298 bn in 2019-20, to USD 430.9 bn in 2024-25 and reach USD 573.6 bn in 2029-30. Backed by market fundamentals and resilience, the demand is expected to reach over 43,500 new airplanes by 2040, worth $7.2 trillion. The global defense & space market is estimated to reach $2.6 trillion globally in next 10-Years.

The growth is mainly due to the companies rearranging their operations and recovering from the Covid-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. While current market condition is dynamic, the past year has proven that, when there is confidence in the health & safety in the air-travel and when conditions allow Governments to re-open the borders, demand is resilient.

India's Defense Manufacturing sector has been witnessing a CAGR of 3.9% between 2016 and 2020. The Indian Government has set the defense production target at USD 25 bn by 2025 (including USD 5 bn from exports by 2025) under the 'Make in India' initiative. India targets to export military hardware worth USD 5 bn (₹ 35,000 Cr.) in the next 5 years.

Sansera is already supplying machined and mechanical assemblies in the area of Interiors – Seating, Lighting, Mechanical systems, Aerostructures, Actuation systems, Engine and Landing Gear. OEMs are exploring to outsource even higher value-added business from countries such as, India, given the engineering strengths, cost benefits and capacity build for demand ramp up.

Business Overview

Sansera Engineering Limited is an engineering-led integrated manufacturer of complex and critical precision engineered components across Automotive and Non-Automotive sectors. Within the Automotive sector, Sansera manufactures and supplies a range of precision forged and machined components and assemblies, such as connecting rod, rocker arm, crankshaft, gear shifter fork, stem comp, and aluminium forged parts, that are critical for engine, transmission, suspension, braking, chassis and other systems for the Two-wheeler, Passenger Vehicle and Commercial Vehicle verticals.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Within the Non-Automotive sector, Sansera manufactures and supplies a range of precision components for the aerospace, off-road, agriculture and other segments, including engineering and capital goods. Sansera supplies most of its products directly to OEMs in finished (forged and machined) condition, resulting in significant value addition. For 2021-22, Sansera derived 89% aaand 11% of its revenue from the Automotive and Non-Automotive sectors, respectively. Sansera is a global supplier and for 2021-22, it derived 63% of revenue from sale of products from India and 37% of revenue from sale of products from Europe, USA and other foreign countries combined.

Sansera has been one of the top 10 global suppliers of connecting rods within the light vehicle segment (Passenger Vehicles with gross vehicle weight of 3.5 tonnes or less, 'light vehicle') and one of the top 10 global suppliers of connecting rods within the Commercial Vehicle (CV) segment for CY 2020. Sansera has also been gaining market share in connecting rods in terms of production volume (units) for (i) Light Vehicles with a global market share of 2.3% in CY 2020 compared to a global market share of 0.9% in CY 2015 and (ii) CVs with a global market share of 3.0% in CY 2020 compared to a global market share of 0.9% in CY 2015.

As of March 31, 2022, the Company has 17 manufacturing facilities, out of which 16, are in India located across the states of Karnataka (Bengaluru, Bidadi, Tumkur), Haryana (Manesar), Maharashtra (Chakan), Uttarakhand (Pantnagar), and Gujarat (Mehsana), while one facility is setup in Trollhättan, Sweden.

The Company's business is well diversified across various customers, sectors, products and geographies.

- Customers
  - For 2022, Top 5 customers accounted for 54% (59% for 2021) of product sales (single-largest customer accounting for 17% (21% for 2021)
- Sectors –
  - Automotive – 89% comprising Two-wheeler - 48% (including, 11% scooters), PV - 28%, CV - 13%
  - Non-Auto — 11%, including Aerospace - 3%, Agriculture - 3%, Off-road- 3%.
- Products – Engine, Transmission, Suspension, Steering, Braking System, Driveline, Chassis, and
- Geography — India- 63% and balance 37% from 25 countries across Europe, USA and others

Sansera's focus towards a diversified business model remains a key aspect of its business. The Company added nine xEV customers across 2W/PV/CV segments and created a robust pipeline of future orders of which ~40% is from Auto (xEV + technology agnostic) and Non-auto businesses.

The Company recently received the General Motors Overdrive Award in General Motors' 30th Annual Supplier of the Year Awards, for development and support of 6.2 liters small block connecting rod for full-size truck engines. Sansera has been awarded by Honda Motorcycles and Scooters India (HMSI) for environmental initiatives. Knorr-Bremse, which is one of the world's leading manufacturers of braking system and a leading supplier of the other safety critical rail and Commercial Vehicle systems presented Technology Support Award to Sansera.

Growth Strategy

Consolidate and strengthen global market share in our existing automotive product portfolio

As OEMs focus their resources on the final assembly of vehicles, they are increasingly looking to external suppliers for content that they have previously produced in-house. This trend is underpinned by OEMs' growth outside their home markets, consumer expectations with regard to product complexity and feature integration and an increased focus on safety and the environment.

Accordingly, Sansera intends to take advantage of this outsourcing trend that has led to an increase in OEM dependency on suppliers that are capable of managing complex component production while maintaining high quality standards across multiple geographies. Further, the Company intends to focus on consolidating its leading market share, both globally and in India across its existing product portfolio. The Company's long-standing experience in supplying most complex and critical engine and transmission components, positions it well to diversify into other segments such as suspension, braking, steering, chassis and other systems within the Automotive sector. The Company's recent foray into suspension products such as stem comp and scale up of this business over the last couple of years further corroborates its ability to continually diversify Sansera's business.

Diversify into new products to cater to the expected increase in electrification of vehicles

Sansera is in the process of developing multiple technology-driven systems and components to cater to growing opportunities in electrification of vehicles. It has commissioned a dedicated facility for hybrid and electric components and started supplies during 2021-22. Currently, the Company has orders from 5 e-2W OEMs and from 4_xEV PV/CV OEMs for supply of EV parts and currently under discussion for further range expansion.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Diversification into non-automotive businesses and expand addressable market

With a track record of developing complex and critical precision engineered components for the Automotive sector over multiple decades, the Company believes its manufacturing capabilities can be extended to manufacture precision components for several Non-Automotive segments, such as aerospace, off-road, agriculture and engineering and capital goods. Sansera recently developed and started supplying components for several new non-automotive applications such as defence.

Further, its existing key product families in the Automotive sector have multiple applications across various Non-Automotive sectors. Within the Non-Automotive segment, the Company primarily focuses on manufacturing precision engineered components that require complex engineering capabilities, resulting in high value addition.

Retain and strengthen our technological leadership through continued focus on our engineering capabilities

Sansera's customer demands for higher performance and top-quality products is growing. In response to this, the Company placed emphasis on continually improving its design and engineering capabilities so that the Company can focus on providing high value-added and technology-driven components, expecting it to present the Company with opportunities to capture shifts in customer preferences as well as evolving regulatory requirements, such as heightened emissions control standards. Further, this would increase opportunities for the Company to become a preferred supplier to its customers, thus giving the opportunity to consolidate business' position with its customers. Leveraging its years of engineering know how in product design, validation through simulation, testing and manufacturing engineering, Sansera has recently developed or is currently developing (i) complex machined drivetrain components for hybrid transmission systems in Passenger Vehicles; (ii) intricately shaped aluminium forged and machined components for ICE and electric 2Ws; (iii) gear shifter forks with moly coating (for high wear resistance) and case carburised split connecting rods for super premium motorcycles for multiple global OEMs, (iv) complex profile steel forged & precision machined parts for suspension and chassis application for e-2Ws, (v) steel forged, machined and assembled side crank for bicycle application and (vi) wide variety of precision parts for applications in the defence sector such as military variant light utility helicopters, anti sub-marine rockets, multi surveillance radar applications etc.

Further, its machine building, automation and advanced engineering capabilities enables it to de-risk its business against product obsolescence and reconfigure machines to suit new products in various verticals.

Financial Review

Consolidated Income Statement Summary

In terms of consolidated performance, the Company reported a total revenue of ₹ 20,045 mn in 2022, increase of 27% from 2021, while EBITDA and PAT for the period stood at ₹ 3,491 mn and ₹ 1,319 mn, an increase of 18% and 20%, respectively, over the previous year.

(₹.mn)

Particulars	Consolidated		
	2021-22	2020-21	YoY (%)
Total Revenue	20,045	15,724	27%
Total Expenses	16,554	12,772	30%
EBITDA	3,491	2,952	18%
Finance Charges	510	474	8%
Depreciation and Amortisation	1,197	1,017	18%
Profit before Tax	1,784	1,461	22%
Tax Expenses	465	363	28%
Profit after Tax	1,319	1,099	20%
EPS (Diluted)	24.36	20.55	19%

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Details of Significant Ratio Changes

The key financial ratios of the Company are given below:

Key Financial Ratios (Standalone)	2021-22	2020-21	Variance (%)
Current Ratio	1.18	1.10	6.85%
Debt-to-Equity Ratio	0.58	0.57	2.70%
Debt Service Coverage Ratio	1.75	1.52	15.14%
EBITDA margin	18.10%	19.15%	(1.05)%
Return on Capital Employed	12.70%	11.99%	0.71%
PAT margin	7.27%	7.15%	0.12%
Return on Equity	13.34%	11.66%	1.68%

Notes:

Current Ratio = Current Assets / Current Liabilities

Debt-to-Equity Ratio = Total Debt / Shareholders Equity. Total Debt includes non-current borrowings, current borrowings, current maturities of non-current borrowings, lease liabilities and accrued interest

Debt Service Coverage Ratio = Earnings available for Debt Servicing / Debt Servicing. Earning for Debt Servicing = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisation + Interest - other adjustments like gain on sale of fixed assets, income from government grant and dividend income/share of profit from investment. Debt Servicing = Interest and Lease Payments + Principal Repayments

EBITDA margin = EBITDA / Total Revenue. EBITDA = Earnings Before Interest, Tax, Depreciation and amortization

Return on Capital Employed = EBIT / Capital Employed. Capital Employed = Tangible net worth + Borrowings + Deferred tax liabilities

PAT margin = Net Profit after Taxes / Total Income.

Return on Equity = Net Profits after Taxes/ Average Shareholders' Equity

Shareholders' Equity =Equity Share Capital + Other Equity

Risk Management

Sansera works hard to identify business risks and implement risk management strategies in order to reduce the impact of any potential risk event materialising. Sansera has a risk management framework, appropriate policies and procedures in place to identify, evaluate, mitigate and report risks. The Risk Management committee, overseen by the Board, has been mandated to identify, evaluate various risks and lay out appropriate mitigation strategies for the same.

Economic Slowdown & Geopolitical developments

Global economy is facing geopolitical tensions and elevated inflation, resulting in the economy's degrowth. Sansera regularly reviews its order book, execution strategies, opportunities and changes in the environment, and accordingly carve out strategies for growth.

Technological Shifts and Govt. Policy leading Change in Consumer behavior

Changes in consumers' preferences, regulatory or industry requirements, or competitive technologies may render certain of its products obsolete or less attractive. Consumer preferences, especially in many developed markets, appear to be moving in favour of more fuel efficient and environment-friendly vehicles. In addition, increased Government regulations and volatile fuel prices have brought significant pressure on the Automotive industry to reduce carbon-dioxide emissions.

The Company is constantly engaging in diversifying its product offerings for a) technology agnostic applications within the Automotive sector such as suspension, chassis, driveline, braking systems etc. across both ICE and EV powertrain technologies and b) customers in Non-Automotive sectors – aerospace, defence, agriculture, industrial automation, stationary engines etc. The progress in diversification on the new order book is monitored on a regular basis.

Inflation

Rising energy and steel prices can increase overall cost of input. Thus, it holds the potential to dent the Company's margins. The Company is able to mitigate raw material price increase up to a major extent. The Company continuously

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

tracks the price movement of key raw materials and the increase/decrease which is passed on to the domestic customers as product price change, while for exports, some inflation may be built in at the time of finalisation of contract itself and is further subjected to periodic reviews and adjustments for exceptional movements. Besides, the Company has undertaken various cost improvement initiatives, including process automation for manpower optimisation, transition to cheaper renewable energy sources, supply chain efficiency improvement and material yield improvement.

Human Resources

Human resources are vital for building, strengthening, and fostering a healthy organisational culture. Thereby, the Company ensures that its Human Resources department remains in sync with its human resources department remains in sync with our organisational goals. Sansera is focused on developing expertise and skills among its employees. Sansera's personnel policies are aimed at recruiting talented individuals and promoting the development of their skills, including in-house as well as external training programmes. With a strength of 4,152 permanent employees and 4,160 contractual employees as on March 31, 2022, the Company depends on its team's skills and hard work to execute development and manufacturing of its products while maintaining the highest standards of health and safety.

At Sansera, the Company encourages diversity and strive to create a culture that values mutual respect. This enables workers to take an active at workplace, encourages personal development, fosters diversity of values, and a pleasant working environment that is free of discrimination and harassment.

Internal Control Systems and its Adequacy

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

Cautionary Statement

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

FORM AOC-1

ANNEXURE 2

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

Name of Subsidiary Company	Fitwel Tools and Forgings Private Limited	Sansera Engineering Private Limited. Mauritius.	Sansera Sweden AB.
Currency	(₹ in mn)	(₹ in mn)	(₹ in mn)
The date since when subsidiary was acquired	Aug 01, 2014	Nov 04,2016	April 14, 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	EURO	SEK
Share Capital	3.56	1 EURO = Avg: ₹ 86.34 Closing: ₹ 84.22	1 SEK = Avg: ₹ 8.43 Closing ₹ 8.14
Share Capital	3.56	791.67	207.16
Reserves and Surplus	395.06	15.45	(137.02)
Total Assets	1,014.31	808.08	1,583.47
Total Liabilities	1,014.31	808.08	1,583.47
Investments	-	747.1	-
Total Income	1,301.51	-	1,666.79
Profit/(Loss) before Tax	79.82	3.06	(13.56)
Provision for Tax	31.92	0.37	-
Profit/(Loss) After Tax	47.81	2.7	(13.56)
Proposed Dividend	-	-	-
% of shareholding	70	100	100

Part "B": Associates and Joint Ventures

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

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

Notes:

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

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

ANNEXURE 3

Details of Remuneration of Directors, KMPs and Employees and comparatives

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

1. **The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2021-22:**

Sr. No.	Name	Designation	Ratio (Times)
1.	Mr S Sekhar Vasan	Chairman & Managing Director	59.56
2.	Mr F R Singhvi	Joint Managing Director	59.56
3.	Mr Raunak Gupta	Non-Executive – Nominee Director	0
4.	Mr Muthuswami Lakshminarayan	Independent Director	6.00
5.	Ms Revathy Ashok	Independent Director	6.12
6.	Mr Sylvain Bilaine	Independent Director	5.56

2. **The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:**

Sr. No.	Name	Designation	Percentage Increase over previous year
1.	Mr S Sekhar Vasan	Managing Director, Chairman	No change
2.	Mr F R Singhvi	Joint Managing Director	No change
3.	Mr Raunak Gupta	Non-Executive – Nominee Director	Not Applicable
4.	Mr Muthuswami Lakshminarayan	Independent Director	No Change
5.	Ms Revathy Ashok	Independent Director	No Change
6.	Mr Sylvain Bilaine	Independent Director	No Change
7.	Mr B R Preetham	Chief Executive Officer	15%
8.	Mr Vikas Goel	Chief Financial Officer	10%
8.	Mr Rajesh Kumar Modi	Company Secretary and Compliance Officer	10%

3. **The percentage increase in the median remuneration of employees in the financial year:** 11% (approx.)
4. **The number of permanent employees on the rolls of the Company:** 4,152 Employees
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:** 11% (approx.)
6. **Affirmation that the remuneration is as per the remuneration policy of the Company and Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year:** Yes

ANNEXURE 3 (Contd.)

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

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 1,02,00,000/- (Rupees One Crore Two Lacs Only) per annum (if employed for a part of the financial year, was in receipt of remuneration for any part of that year, then ₹8,50,000/- (Rupees Eight Lacs Fifty Thousand only) per month.

Sl. No.	Name	Designation of Employee	Remuneration Received [₹ In mn]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	The percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any Director of the Company and if so, name of such Director
1	Mr S. Sekhar Vasan	Chairman & Managing Director	14.89	B. Tech (IIT), PGDM (IIMB)	39	69	1981	Rambal Engineering Private Limited	19.65%	No
2	Mr F.R. Singhvi	Joint Managing Director	14.89	B. Com, FCA	39	67	2006	Partner, M/s Singhvi Dev Unni. Chartered accountants	5.46%	No
3	Mr B.R. Preetham	Group CEO	16.39	B.E	28	52	1992	Not Applicable	0.06%	No
4	Mr Vikas Goel	CFO	16.31	B. Com (H). FCA, ACMA	28	56	2019	Ingersol Rand India Limited	Nil	No

Note:

1) Remuneration shown above includes Salary, Allowances, Perquisites and Incentives but excludes options granted and exercised by the employees under Company's Employee Stock Option Plans 2015 and 2018.

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

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

FORM NO. MR-3

ANNEXURE 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

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

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

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') with effect from September 24, 2021:

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

   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; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

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

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

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

   1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder

   2. Electricity Act, 2003

   3. Environment (Protection) Act, 1986

   4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules

   5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules

   6. Hazardous Wastes (Management and Handling) Rules, 1989

ANNEXURE 4 (Contd.)

7. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
8. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules
9. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
10. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules
11. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
12. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any
13. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any
14. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any
15. The Maternity Benefit Act, 1961 & its Rules
16. The Industrial Employment (Standing Orders) Act, 1946 & its Rules
17. The Employee's Compensation Act, 1923
18. The Industrial Dispute Act, 1947
19. The Trade Marks Act, 1999
20. Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013

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

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

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

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

We further report that: -

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

During the year under review, the Company has successfully completed the initial public offering of its equity shares ("IPO") through book building process, which includes an offer for sale of 17,244,328 equity shares of face value ₹ 2/- each for cash at a price of ₹ 744/- per equity share aggregating to ₹ 12,825.20 mn by the selling shareholders, comprising of 8,635,408 equity shares by Client Ebene Limited ("CEL"), 4,836,723 equity shares by CVCIGP II Employee Ebene Limited ("EEL") (collectively the "Investor selling shareholders"), 2,058,069 equity shares by Subramonia Sekhar Vasan; 571,376 equity shares by Unni Rajagopal Kothenath; 571,376 equity shares by Fatheraj Singhvi and 571,376 equity shares by Devappa Devaraj (collectively, the "Promoter selling shareholders"). This offer included a reservation of 127,118 equity shares, aggregating to ₹90 mn (constituting 0.25% of the post-offer paid-up equity share capital) for purchase by eligible employees (the "employee reservation portion") at a discount of 4.84% (equivalent to ₹36/- per equity share).

The Company's equity shares were listed on the recognized stock exchanges i.e., BSE Limited (BSE) and National Stock Exchange of India Limitd (NSE) on September 24, 2021.

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

For BMP & Co. LLP,
Company Secretaries

Sd/-
Pramod S M
Partner
FCS No: 7834, CP No: 13784
UDIN: F007834D000366423

Place: Bangalore
Date: May 23, 2022.

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

ANNEXURE 4 (Contd.)

Annexure A

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

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

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

For BMP & Co. LLP,
Company Secretaries

Sd/-
Pramod S M
Partner
FCS No: 7834, CP No: 13784
UDIN: F007834D000366423

Place: Bengaluru
Date: May 23, 2022.

FORM NO. AOC- 2

ANNEXURE 5

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

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

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

   Your Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

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

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

ANNEXURE 6

1. Brief outline on CSR policy of the Company

Company's CSR policy

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

Our Corporate Social Responsibility (CSR) efforts have been primarily carried out by the Sansera Foundation which was incorporated on July 5, 2007. Sansera Foundation strives to achieve our charters through its CSR programs, grant programs, voluntary programs, and organizational development programs

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

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

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. The CSR projects carried out in 2021-22 promotes education of underprivileged children, construction of sanitation facilities in rural schools, project related to environmental sustainability etc. have benefitted the communities across the country. The Company has adopted and taken note of amendments in CSR Regulations. Necessary action plan was also approved by the Company. Details of the CSR policy and projects or programs undertaken by the Company are provided below.

Endorse education & healthcare and support in infrastructure projects

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

Social impact projects

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

Support Environment projects

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

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

The Company's Corporate Social Responsibility Policy is available on the Company's website.

2. Composition of the CSR Committee

Sl. No.	Name of Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr S. Sekhar Vasan	Chairperson	1	1
2	Mr F.R. Singhvi	Member	1	1
3	Mr Sylvain Bilaine*	Member	1	1

* Mr Samir Purushottam Inamdar has been appointed as member of the CSR committee in place of Mr Sylvain Bilaine on May 23, 2022.

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

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

Not applicable.

ANNEXURE 6 (Contd.)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

   Not applicable.

6. Average net profit of the Company as per section 135(5)

   The average net profit for the last three audited financial years for the purpose of computation of CSR was ₹1,356.03 mn.

   (a) Two percent of average net profit of the Company as per section 135(5): ₹ 27.12 mn

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

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

7. Total CSR obligation for the financial year 2021-22 (6a+6b+6c): ₹ 27.12 mn

8. (a) CSR amount spent or unspent for the financial year 2021-22:

Total Amount Spent for the Financial Year. (₹ in mn)	Amount Unspent (₹ In mn)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer
27.12	-	-	-	-	-

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹ in mn).	Amount spent in the current financial Year (in ₹ in mn.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in mn).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration no
1	Education	(ii)	Yes	Karnataka	Bangalore	Ongoing	8.91	8.91	-	Direct	-	-
2	Healthcare	(i)	Yes	Karnataka	Bangalore	Ongoing	5.43	5.43	-	Direct	-	-
3	Projects	(x)	Yes	Karnataka	Bangalore	Ongoing	6.88	6.88	-	Direct	-	-
4.	COVID	(viii)	Yes	Karnataka	Bangalore	Ongoing	5.89	5.89	-	Direct	-	-

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

   (d) Amount spent in Administrative Overheads: Nil

   (e) Amount spent on Impact Assessment, if applicable: Not applicable

   (f) Total amount spent for the Financial Year 2021-22 (8b+c+d+e): ₹ 27.12 mn

   (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	27.12
(ii)	Total amount spent for the Financial Year 2021-22	49.50*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(22.38)
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

** Includes unspent amount of previous financial years.*

ANNEXURE 6 (Contd.)

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

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
1	2020-21	85,00,000	-	-	-	-	-
2	2019-20*	NA	NA	NA	NA	NA	NA
3	2018-19*	NA	NA	NA	NA	NA	NA

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

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

1	2	3	4	5	6	7	8	9
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	FY31.03.2021_1	Education	2020-21	36 months	61,90,000	61,90,000	1,88,40,000	Completed
2	FY31.03.2021_2	Healthcare	2020-21	36 months	20,90,000	20,90,000	136500000	Completed
3	FY31.03.2021_3	Projects	2020-21	36 months	1,05,6000	1,05,60,000	1,05,60,000	Completed

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

(a) Date of creation or acquisition of the capital asset(s).: NA

(b) Amount of CSR spent for creation or acquisition of capital asset.: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).:NA

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

NA.

for Sansera Engineering Limited

Sd/-	Sd/-
S Sekhar Vasan	**F R Singhvi**
Chairperson - CSR Committee	Joint Managing Director
DIN:00361245	DIN: 00233146

Place: Bengaluru
Date: May 23, 2022.

BUSINESS RESPONSIBILITY REPORT

ANNEXURE 7

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L34103KA1981PLC004542
2. Name of the Company : Sansera Engineering Limited
3. Registered office : Plant 7, No. 143/A, Jigani Link Road
Bengaluru – 560105, Karnataka.
4. Website : www.sansera.in
5. E-mail id : rajesh.modi@sansera.in
6. Financial Year reported : April 01, 2021 to March 31, 2022
7. Sector(s) that the Company is engaged in (Industrial activity code-wise) : 293 (National Industrial Classification 2008 (NIC-2008)– manufacture of parts and accessories for motor vehicles
8. List three key products/services that the Company manufactures/provides (as in balance sheet) : Rockers arm, Crankshaft and Connecting rod
9. Total number of locations where business activity is undertaken by the Company
    (a) Number of International Locations (Provide details of major 5) : One (1) i.e., Sweden
    (b) Number of National Locations : Six (6) i.e., Bengaluru, Tumkur, Pantnagar, Pune, Mehsana, Manesar.
10. Markets served by the Company (Local/State/National/International) : National: PAN India
International: North America, South America, U.K, Europe, Asia (excluding India)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹) : 10,43,11,630 divided into 52,155,815 equity shares of 2 each.
2. Total Turnover (₹) : 17,450.04 mn as on March 31, 2022 (Standalone)
19,890.32 mn as on March 31, 2022 (Consolidated)
3. Total profit after taxes (₹) : 1,281.57 mn as on March 31, 2022 (Standalone)
1,318.89 mn as on March 31, 2022 (Consolidated)

BUSINESS RESPONSIBILITY REPORT (Contd.)

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
   - i) 3.86% (Standalone) and
   - ii) 3.75% (Consolidated)
5. List of activities in which expenditure in 4 above has been incurred in 2021-22:
   - ➢ Education
   - ➢ Health
   - ➢ Special projects
   - ➢ Covid

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. The Company have the following subsidiaries as on March 31, 2022:
   - a) Fitwel Tools and Forgings Private Limited
   - b) Sansera Engineering Pvt. Ltd, Mauritius.
   - c) Sansera Sweden AB (step-down subsidiary)
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s). – No. BR initiatives of the Company are limited to its own operations.
3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]. – No. BR initiatives of the Company are limited to its own operations.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN: 00233146
2. Name: Mr. F R Singhvi
3. Designation: Joint Managing Director

(b) Details of the BR head:

No.	Particulars	Details
1	DIN (if applicable)	00233146
2	Name	Mr. F R Singhvi
3	Designation	Joint Managing Director
4	Telephone number	080-27839081
5	e-mail id	fr@sansera.in

BUSINESS RESPONSIBILITY REPORT (Contd.)

2. Principle-wise (as per NVGs) BR Policy/policies

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	Remarks
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Policy has been finalised keeping in mind interest of all stakeholders
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Policy is in line with the peer group
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y	The Whistle-Blower Policy and Code of Conduct for Board and Senior Management Personnel are overseen by the Audit Committee and the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the CSR Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Committee (IC) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6	Indicate the link for the policy to be viewed online?	https://sansera.in/wp-content/uploads/2021/09/Vigil-Mechanism-Whistle-Blower-Policy.pdf									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Wherever required.
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y	

BUSINESS RESPONSIBILITY REPORT (Contd.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-								
3	The Company does not have financial or manpower resources available for the task	-								
4	It is planned to be done within next 6 months	-								
5	It is planned to be done within the next 1 year	-								
6	Any other reason (please specify)	-								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year –

The BR performance of the Company is reviewed by the Board on an annual basis along with other reports. However, the senior management review the performance of various BR parameters periodically, as and when required.

(B) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Being the first report after listing of equity shares on recognised stock exchanges, the Company will publish the Business Responsibility Report as part of the Annual Report for financial year 2021-22.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1)	a)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.	Yes, the Company has Anti-Corruption Compliance Policy, Whistle-Blower Policy, Code of conduct for the Board and Senior Management, Code of Conduct for Employees and Vendors. The above Policies encourage employees and the business partners to report any violation of the Code to the Company through various means.
	b)	Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	Yes, it is applicable to all its subsidiaries and stakeholders associated with the Company.
2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.		During the financial year under review, the Company has not received any stakeholder complaint.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company along with its subsidiaries manufactures technology agnostic components such as stem comp steering (suspension part), aluminium forged (chassis part) for the automotive sector as well as components for non-automotive sectors such as aerospace, off-road, agriculture, bicycles etc. These products do not have any significant social or environmental concern or risk.

2)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company has installed roof top solar panel at its plants at Pune and Bidadi for the reduction of GHG emissions and saving energy by using electricity generated through them.
3)	Does the Company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes, The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and audits. 100% inputs are sustainably sourced.
4)	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	In addition to sourcing directed by our customers, the criteria for selection of goods and services is based on quality, reliability, cost and timely delivery schedule.
5)	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes, The Company has recycled 100% of its Hazardous & Non-Hazardous waste product wherever possible. The Company recycle a lot of scraps into manufacturing process as far as possible.

Principle 3 - Businesses should promote the well-being of all Employees -

<table>
<tr><td>1.</td><td>Please indicate total number of employees</td><td>8,312 (including contract employees) as on March 31, 2022.</td></tr>
<tr><td>2.</td><td>Please indicate the Total number of employees hired on temporary/contractual/casual basis</td><td>4,160</td></tr>
<tr><td>3.</td><td>Please indicate the Number of permanent women employees</td><td>55</td></tr>
<tr><td>4.</td><td>Number of permanent employees with disabilities</td><td>5</td></tr>
<tr><td>5.</td><td>Do you have an employee association that is recognised by management</td><td>Yes</td></tr>
<tr><td>6.</td><td>What percentage of your permanent employees is members of this recognised employee association</td><td>91%</td></tr>
<tr><td>7.</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>
<table>
<tr><th>Sr. No.</th><th>Category</th><th>No. of complaints filed during (2021-22)</th><th>No. of complaints pending as on end of (2021-22)</th></tr>
<tr><td>1.</td><td>Child labour / forced labour/ involuntary labour</td><td>-</td><td>-</td></tr>
<tr><td>2.</td><td>Sexual harassment</td><td>-</td><td>-</td></tr>
<tr><td>3.</td><td>Discriminatory employment</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>What percentage of you under mentioned employees were given safety & skill up-gradation training in the last year?
a. Permanent Employees
b. Permanent Women Employees
c. Casual/Temporary/Contractual Employees
d. Employees with Disabilities</td><td>
<table>
<tr><td>Permanent Employees</td><td>100%</td></tr>
<tr><td>Permanent Women Employees</td><td>100%</td></tr>
<tr><td>Casual/Temporary/Contractual</td><td>100%</td></tr>
<tr><td>Employees with Disabilities</td><td>100%</td></tr>
</table>
</td></tr>
</table>

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1.	Has the Company mapped its internal and external stakeholders?	Yes. The Company has identified employees, customers, investors, vendors, contractors, collaborators/ technical partners, local community and government/ regulators as its key stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.	Yes
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	The Company undertakes initiatives to identify disadvantaged and vulnerable stakeholders in and around its manufacturing locations. The focus is to identify unemployed & unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe drinking water and access to sanitation, children having limited or no access to basic education and absence of avenues for gainful employment.

Principle 5 - Businesses should respect and promote human rights

Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	Yes, policy is extended to all stakeholders associated with the Company.
How many stakeholder complaints have been received in the past financial year and what % was satisfactorily resolved by the management?	During the year under review, the Company has not received any complaints from any stakeholders.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.	All stakeholders associated with the Company
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	No. The Company takes its own efforts towards building a more sustainable environment.
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes. potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	The Company continues to work towards sustainability development mainly through energy saving projects, water saving, waste reduction, recycling of waste and its re-use in the process,
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. several initiatives on clean technology, energy efficiency, renewable energy and sustainability development have been taken like Generation of electricity through renewable resources and Installation of Solar capacity across plants & facilities wherever feasible.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all parameters are within the limits. Environmental monitoring has been conducted on regular intervals as per govt. guidelines.6.
Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.		Nil

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The Company is member of following association: 1. Bengaluru Chamber of Industry and Commerce 2. Automotive Component Manufacturers Association of India
2.	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company has joined hands with association for betterment and advancement of society at large. The Company has contributed in the area of Governance, administrative and economic reforms.

Principle 8 - Businesses should support inclusive growth and equitable development

Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. Details on the same have been shared in Boards' Report.
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?	The programmes/projects are undertaken mostly through Charitable Trust owned by the Company i.e., Sansera Foundation.
Have you done any impact assessment of your initiative?	Not applicable.
What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	In FY 2021-22 Company spent on education and health sector amounting to ₹ 26.19 mn contributing to community development projects under CSR initiatives.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Initiatives conducted under CSR are tracked by the CSR committee on a regular basis to determine the outcomes achieved and the benefits to the community.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Nil
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Not applicable as the Company supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case has been filed by any stakeholder against the Company.
4.	Did your Company carry out any consumer survey/ customer satisfaction trend	No

REPORT ON CORPORATE GOVERNANCE

ANNEXURE 8

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

I. BOARD OF DIRECTORS:

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

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

As on March 31, 2022, the Company has six Directors. Out of six Directors two are Executive Director, one is Non-Executive Nominee director and three are Non-Executive Independent Directors including one women director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, technology, finance, human resource and business administration.

The composition of the Board, Directorship and Committee positions as on March 31, 2022 is as under:

Table 1: Composition of the Board of Directors

Name of the Director	Category	Attendance particulars			No. of Directorships and committee memberships/Chairmanships in indian Companies as on March 31,2022			Directorship in other listed entity (category of Directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the company (i)	Committee memberships held in Indian Public Limited Companies including the company (ii)	Committee Chairmanships held in Indian Public Limited Companies including the company (ii)	
		Held	Attended					
Mr. S Sekhar Vasan (DIN: 00361245)	Executive	9	9	Yes	1	1	0	Nil
Mr. F R Singhvi (DIN: 00233146)	Executive	9	9	Yes	1	2	0	Nil
Mr. Raunak Gupta (Din: 06624489)	Non-Executive Nominee	9	9	No	1	0	0	Nil
Mrs. Revathy Ashok (DIN:00057539)	Independent (ID)	9	9	No	6	6	4	ADC India Communications Limited (Id), Welspun Corp Limited (Id), Quess Corp Limited (Id), Astrazeneca Pharma India Limited (Id) and Barbeque Nation Hospitality Limited (Id).

REPORT ON CORPORATE GOVERNANCE (Contd.)

<table>
<tr><th rowspan="3">Name of the Director</th><th rowspan="3">Category</th><th colspan="3">Attendance particulars</th><th colspan="3">No. of Directorships and committee memberships/Chairmanships in indian Companies as on March 31,2022</th><th rowspan="3">Directorship in other listed entity (category of Directorship)</th></tr>
<tr><th colspan="2">Number of Board Meetings</th><th rowspan="2">Last AGM</th><th rowspan="2">Number of Directorship(s) held in Indian Companies including the company (i)</th><th rowspan="2">Committee memberships held in Indian Public Limited Companies including the company (ii)</th><th rowspan="2">Committee Chairmanships held in Indian Public Limited Companies including the company (ii)</th></tr>
<tr><th>Held</th><th>Attended</th></tr>
<tr><td>Mr. Lakshminarayan. M (DIN: 00064750)</td><td>Independent (ID)</td><td>9</td><td>9</td><td>No</td><td>7</td><td>4</td><td>4</td><td>WABCO India Limited (ID),
TVS Electronics Limited (ID), ASM Technologies Limited (ID),
Wendt (India) Limited (ID),
Kirloskar Oil Engines Limited (ID) and Suprajit Engineering Limited (ID)</td></tr>
<tr><td>Mr. Sylvain Bilaine (DIN: 00128817)</td><td>Independent (ID)</td><td>9</td><td>6</td><td>No</td><td>1</td><td>0</td><td>0</td><td>Nil</td></tr>
</table>

Note:

i) Excludes Directorship in Private Limited companies, Foreign Companies and Section 8 Companies.

ii) Includes only Audit and Stakeholders' Relationship Committees.

iii) The Company was listed in recognised stock exchanges i.e., BSE and NSE on September 24, 2021. Since the Company was not a listed Company last year, so the Chairperson of Audit Committee, SRC and NRC did not attend the last AGM.

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

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

Core Skills / Expertise / Competencies available with the Board

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

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

(B) INDEPENDENT DIRECTORS

The Independent Directors have submitted declarations under Regulation 25(8) of the Listing Regulations stating that they meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 alongwith compliance under in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(b) of the Listing Regulations. In terms of the provisions of the Act, Independent Directors were appointed for a second term of 5 years w.e.f. July 28, 2021 , except Mr. Sylvain Bilaine who was appointed for a period of one year effective from July 28, 2021. A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities is available on the website of the Company www.sansera.in.

Board Meetings Procedures

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

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

The Board has complete access to any information within the Company which includes the information as specified in Schedule II, Part A to Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are updated about their roles and responsibilities in the Company.

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

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

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

During the Financial Year 2021-22, 9 (Nine) Board meetings of the Company were held on April 19, 2021, May 31, 2021, June 09, 2021, August 22, 2021, September 03, 2021, September 06, 2021, September 17, 2021, November 10, 2021 and February 07, 2022. The details for attendance of Directors at Board Meetings and at the last Annual General Meeting (AGM) are provided in Table 1 above.

Familiarisation programs

Familiarisation programs for all Independent Directors were conducted during the year under review as per the provisions of Regulation 25(7) and 46 of the Listing Regulations. The Company has more such plans in the next financial year for Independent Directors to keep them updated about their roles, rights, responsibilities in the Company as an Independent Director.

The policy on Familiarisation programme and Familiarisation programs in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on the website of the Company https://sansera.in/wp-content/uploads/2022/07/Familiarisation-Programme-1.pdf.

Independent Directors Meeting

The Independent Directors Meeting in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and the Rules made thereunder and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on February 07, 2022, without the presence of Non-Independent Directors and members of the management.

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

Performance Evaluation

The performance of the Board, Committee, every Directors including the Independent Directors and Chairman was evaluated on the basis of the criteria specified in the Guidance Note issued by the Securities and Exchange Board of India ("SEBI") and the Institute of Company Secretaries of India (ICSI).

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

Accordingly, the performance evaluation of the Board, each Committee, every Director including Independent Directors and Chairman was carried out for the financial year under review on February 07, 2022. All the Directors were participative, interactive and communicative during the entire evaluation process.

Code of Conduct

The Company has stipulated Code of Conduct for all Directors and the Senior employees of the Company ("the Code"). The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is also applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. A copy of the Code has been placed on the Company's website.

The Code has been circulated to the Directors and all Senior employees of the Company and its compliance is affirmed by them for the financial year ended on March 31, 2022. A declaration signed by the Group Chief Executive Officer is published in this Report.

II. COMMITTEE OF THE BOARD

The Board has constituted five (5) committees of the Board namely Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee as per the Companies Act, 2013 and Listing Regulations. Apart from this an additional IPO Committee was also constituted for the purpose of IPO.

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

Audit Committee

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

The members of the Audit Committee met five (5) times during financial year 2021-22 i.e., on April 19, 2021, May 31, 2021, September 06, 2021, November 10, 2021 and February 07, 2022.

The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days until and unless relaxation granted by the SEBI and Ministry of Corporate Affairs from time to time due to COVID 19 pandemics. Also, the necessary quorum was present in all the meetings.

The composition of the Committee and attendance of each member at the Audit Committee meetings held during the year 2021-22 is as below:

Sl. Nos.	Name of the Member	Designation	Category	Nos of meeting attended
1	Mrs. Revathy Ashok	Chairperson	Independent	5
2	Mr. Lakshminarayan Muthuswami	Member	Independent	5
3	F R Singhvi	Member	Executive	5

REPORT ON CORPORATE GOVERNANCE (Contd.)

Terms of reference:

The terms of reference given by the Board of Directors pursuant to Section 177 of the Act and the Listing Regulations, including amendments, if any are briefly described below:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory, internal and cost auditors for any other services rendered by statutory, internal and cost auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (ii) changes, if any, in accounting policies and practices and reasons for the same;

    (iii) major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) significant adjustments made in the financial statements arising out of audit findings;

    (v) compliance with listing and other legal requirements relating to financial statements;

    (vi) disclosure of any related party transactions; and

    (vii) qualifications and modified opinions in the draft audit report;

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of the Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of the Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

   Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Evaluating undertakings or assets of the Company, wherever necessary;

m) Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances;

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p) Discussion with internal auditors on any significant findings and follow up thereon;

q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r) Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

w) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

x) Reviewing the utilisation of loan and/or advances from investment by the holding Company in the subsidiary exceeding ₹ 100 Cr. or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

y) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders."

The powers of the Audit Committee shall include the following:

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

The Audit Committee shall mandatorily review the following information:

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

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor;

f) Statement of deviations:

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

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

Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee as per the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and the Rules made thereunder. Majority of the members of the Committee are Independent Directors. The Company Secretary acts as secretary to the Nomination and Remuneration Committee.

During the Financial Year 2021-22, three (3) meetings of the Committee were held on April 19, 2021, August 22, 2021 and February 07, 2022.

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

Terms of Reference:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

b) Formulation of criteria for evaluation of performance of independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining the Company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;

g) Recommending to the Board, all remuneration, in whatever form, payable to senior management;

h) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:

   (i) administering the employees' stock option plan (the "Plan");

   (ii) determining the eligibility of employees to participate under the Plan;

   (iii) granting options to eligible employees and determining the date of grant;

   (iv) determining the number of options to be granted to an employee;

   (v) determining the exercise price under of the Plan;

   (vi) deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc. and

   (vii) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

k) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

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

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

l) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors; and

m) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Remuneration Policy

The Remuneration Policy of the Company is based on the following criteria:

i) Performance of the Company.

ii) Track record, potential and individual performance.

iii) External competitive environment.

iv) Balance between the fixed and incentive pay.

Remuneration of Directors:

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of Remuneration paid for the year 2021-22:

Executive Directors:

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

Non- Executive Independent Director

S. Nos.	Name	Sitting Fee (₹ in mn)	Commission (₹ in mn)
1	Mrs. Revathy Ashok	0.33	1.20
2	Mr. Lakshminarayan Muthuswami	0.30	1.20
3	Mr. Sylvain Bilaine	0.19	1.20

The commission to all Independent Directors for the year 2021-22 and sitting fee to Mrs. Revathy Ashok for attending Risk Management Committee meeting held on March 31, 2022 was paid during the current financial year 2022-23.

Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee of the Company has been constituted on March 18, 2021 in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Companies Act, 2013. The Committee looks into shareholders' and investors' grievances.

During the financial year, two (2) meeting of the Committee was held on November 10, 2021 and February 07, 2022 respectively.

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

Composition of SRC:

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

Terms of reference:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, general meetings, etc. and assisting with quarterly reporting of such complaints;

b) Review of measures taken for effective exercise of voting rights by shareholders.

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

d) Giving effect to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

e) Dematerialisation of shares and re-materialisation of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal;

f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agents; and

g) Oversee the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services;

h) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Details of Shareholders'/Investors' Complaints:

The status of the shareholders' complaints received during the Financial Year 2021 -22 are as follows:

Particulars/ Nature of complaints	Pending as on April 01, 2021	Received during the year	Disposed of during the year	Pending as of March 31, 2022
Non-receipt of IPO refunds	0	419	419	0

The Company has obtained authentication on SEBI SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Risk Management Committee (RMC)

The Company has a duly constituted RMC on November 10, 2021 at its first board meeting held after listing of equity shares through IPO process on September 24, 2021 pursuant to the provisions of Regulation 21 of Listing Regulations.

During the year two (2) RMC meetings were held on February 07, 2022 and March 31, 2022.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Composition and Attendance of RMC:

Sl . Nos	Name of Member	Designation	Category	Nos of meeting Attended
1	Mrs. Revathy Ashok	Chairperson	Independent	2
2	Mr. Raunak Gupta	Member	Non-Executive Nominee	2
3	Mr. F R Singhvi	Member	Executive	2

Part-D of Schedule II of SEBI (LODR) – roles and responsibilities of RMC:

1) Formulate a detailed Risk Management policy, which would include:
   - ❖ Measures for risk mitigation, including systems/ processes for internal control of identified risks
   - ❖ A Business Continuity Plan
   - ❖ A framework for identification of internal and external risks faced by listed entities, including financial, operational, sectoral, sustainability (particularly Environment Sustainability and Governance - ESG -related risks), information, cybersecurity risks and any other risk determined by the RMC.
2) Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the Company.
3) Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.
4) Periodically review the policy, at least once in two years, considering the changing industry dynamics and evolving complexity.
5) Keep the board of Directors informed about the nature and content of RMC discussions and recommendations, as well as the actions to be taken.
6) Review the process of appointment, removal and terms of remuneration of Chief Risk Officer (CRO), if any.

Terms of reference:

(1) To formulate a detailed risk management policy which shall include:
    (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks and impact), information and cyber security risks
    (b) Measures for risk mitigation
    (c) Systems for internal controls and
    (d) Business contingency plan

(2) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems;

(3) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(4) To review the risk management policy on annual basis, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the risk management committee, jointly with the nomination and remuneration committee

The Risk Management Committee shall coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.

Corporate Social Responsibility Committee (CSR)

The Company has a duly constituted Corporate Social Responsibility (CSR) Committee in line with section 135 of the Companies Act, 2013 and the Rules made thereunder. During the year one (1) CSR meeting was held on February 07, 2022.

Composition and Attendance of CSR:

S. Nos	Name of Member	Designation	Category	Number of meeting Attended
1	Mr. S Sekhar Vasan	Chairperson	Executive	1
2	Mr. Sylvain Bilaine	Member	Independent	1
3	Mr. F R Singhvi	Member	Executive	1

Terms of reference:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility policy of the Company, from time to time and programmes thereunder, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

IPO Committee (IPOC)

The Company has a duly constituted IPOC on July 31, 2018. During the year, three (3) IPOC meeting were held on September 07, 2021, September 13, 2021 and September 21, 2021 respectively.

Composition and Attendance of IPOC:

S. Nos	Name of Member	Designation	Category	Nos of meeting Attended
1	Mr. S Sekhar Vasan	Chairperson	Executive	3
2	Mr. Raunak Gupta	Member	Non-Executive Nominee	3
3	Mr. Lakshminarayan Muthuswami	Independent	Independent	3

The IPO Committee was primarily authorised to approve and decide upon all activities in connection with the Offer, including, but not limited to, approving the Draft Red Herring Prospectus, Red Herring Prospectus and this Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

III SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian Subsidiary as defined under Regulation 16(1) (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The minutes of the unlisted Indian subsidiary Company, Fitwel Tools and Forgings Private Limited, wherever applicable, along with any significant transaction or arrangement entered into by any of its unlisted subsidiary companies, are placed before the Board on quarterly basis for its noting. The Audit Committee reviews the financial statements including investments made by the unlisted subsidiary companies of the Company.

The Board of Directors of the Company at their meeting held on March 18, 2021 approved a policy for determining "material subsidiaries". The said Policy is available on the website of the Company https://sansera.in/wp-content/uploads/2021/09/Policy-on-Determining-Material-Subsidiaries.pdf.

IV DISCLOSURES

A. Basis of related party transactions

Transactions with the Related Parties, as per the requirements of Indian Accounting Standard (Ind AS), are disclosed in the notes to accounts to the Financial Statements. The related party transactions were placed before the Audit Committee meetings for its approval and review. The policy on related party transactions is available on the website of the Company.

B. Disclosure of accounting treatment

he Company has not followed any differential treatment from that prescribed under Accounting Standards, for preparation of Financial Statements during the year.

C. Board disclosures – Risk management

The Company has laid down systems to inform Audit Committee and the Board about the risk assessment and minimisation procedures. The risks and Company's mitigation strategies are discussed and reviewed by Board of Directors and Risk Management Committee on a regular basis, whenever required, to ensure effective controls.

D. Code of Conduct

The Board of Directors has approved policy relating to Code of Conduct for its Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the same is available on the Company's website.

E. Proceeds from public issues, rights issues, preferential issues etc.

No funds were raised by the Company through public issue/right issue/preferential issues etc. during the financial year 2021-22. However, the promoters along with investors through initial public offering (IPO) sold aggregate 1,72,44,328 equity shares of face value ₹ 2/- each for cash

REPORT ON CORPORATE GOVERNANCE (Contd.)

at a price of ₹ 744/- per equity shares (excluding discount of ₹ 36/- per equity share offered on 1,27,118 shares under the employee reservation portion) through an offer for sale of said number of equity shares aggregating to ₹ 12,825.20 million. Subsequent to IPO, the Company's equity shares were listed on Indian recognised stock exchanges i.e., BSE and NSE on September 24, 2021.

F. Management

A detailed report on Management Discussion and Analysis is attached as Annexure 1 in the Annual Report as per Listing Regulations. During the year, there have been no material financial and commercial transactions made by the management, where they have personal interest that may have a potential conflict with the interest of the Company.

G. Sexual Harassment of Women at Workplace

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

The Company did not received any complaint during the year under review.

H. Shareholders:

i. Means of Communication

Financial Results & Company's Website

The Company's quarterly and annual financial results and any presentation made to the analysts are posted on the Company's website. In accordance with the Listing Regulations, the quarterly financial results are generally published in the Business Standard (English) and Vishwavani (Kannada) editions. Financial Results and all material information are also regularly provided to the Stock Exchanges after these are taken on record by the Board.

Investors Calls

Earnings conference calls are conducted after the announcement of quarterly/ annual financial results wherein the management updates the investors on the progress made by the Company and also answers their queries. The call transcripts are uploaded on the website of the Company for public information.

Disclosure regarding appointment or re-appointment of Directors

Disclosure regarding Directors seeking appointment/ re-appointment in the 40th Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 are provided in the notes appended to the Notice of 40th Annual General Meeting.

The details of Stakeholders Relationship Committee are given in this report.

The details of Share Transfer Systems are given in this report.

I. Details of Non-Compliance

No penalty, strictures was imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the Year 2021-22.

J. Details of Compliance with Mandatory/Non-Mandatory requirements of the Listing Regulations

The Company has complied with the applicable provisions of the Listing Regulations post listing of its equity shares with stock exchanges on September 24, 2021 and the disclosure relating to adoption of Non-mandatory / Discretionary requirements are detailed as under:

Disclosure relating to adoption of Discretionary Requirements:

(a) The Board: The Company has an Executive Chairman.

(b) Shareholders' Right: The Company does not mail the Unaudited Half-yearly Financial Results individually to its Shareholders. However, these are published in Business Standard (English) and Vishwavani (Kannada) editions and are also posted on the website of Company.

(c) Modified Opinion(s) in Audit Report: NIL

(d) Reporting of Internal Auditor: The Internal Auditors report to the Audit Committee on a quarterly basis.

K. Vigil Mechanism/ Whistle-blower Policy

The Company has adopted Whistle – blower Policy and has established necessary Vigil mechanism in line with Regulation 22 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The said policy is available on the Company's website https://sansera.in/wp-content/uploads/2021/09/Vigil-Mechanism-Whistle-Blower-Policy.pdf

REPORT ON CORPORATE GOVERNANCE (Contd.)

L. CEO/CFO Certification

As required under the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, a certificate from CEO /CFO to the Company's Board was placed at the Board meeting held on May 23, 2022.

M. There was no such instance during 2021-22 when the Board had not accepted any recommendation of any Committee of the Board.

N. Dividend Distribution Policy

The Board of Directors at its first meeting held after listing of equity shares at recognised stock exchanges adopted Dividend Distribution Policy on November 10, 2021 as per Regulation 43A of the Listing Regulations and the said policy is available on the Company's website https://sansera.in/wp-content/uploads/2021/11/Dividend-Distribution-Policy.pdf for investors and Public at large.

O. Details of Compliance with non-mandatory requirements of the Listing Regulations and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and certain discretionary disclosures requirements were undertaken.

P. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statements. The policy on dealing with related party transactions has been disclosed on the Company's website, link for which is: : https://sansera.in/wp-content/uploads/2021/09/Policy-on-Related-Party-Transactions.pdf

Q. Commodity price risk or foreign exchange risk and hedging activities

The Company has managed the foreign exchange risk and the transactions have been hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in the Financial Statements.

R. List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit program or any scheme or proposal of the Company involving mobilisation of funds, whether in India or Abroad

ICRA Limited ("ICRA") on December 13, 2021, has reaffirmed the long-term rating as [ICRA]AA- (stable) and the short-term rating as [ICRA]A1+. +. As per the ICRA report, the Company will continue to benefit from its established customer relationships in both domestic and export markets, strong market position in the automotive industry, diversified geographical and segmental presence, and the expected improvement in its financial profile with improving credit metrics and margins and adequate liquidity position.

S. Details of utilisation of funds of Preferential Allotment/ QIP.

The Company has not raised funds through Preferential Allotment/QIP during the year under review.

T. Certificate from Practicing Company Secretary

The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations and is enclosed at the end of this Report.

U. Fees paid to Statutory Auditors

For details regarding fees paid by the Company and its subsidiaries, to the statutory auditors for the financial year 2021-22 are stated in the financial statements attached with this Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

V. GENERAL BODY MEETINGS

Details in respect of the last three (3) General Meetings of the Company are as mentioned below:

Financial Year	Date of AGM/EGM	Venue	Time	Special Resolutions items
2018-19	27.09.2018	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	11.30 am	-
	19.06.2018	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	10.30 am	- Conversion of company from private to public
	28.07.2018	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	5.00 pm	- Appointment of Independent Directors - Increase in investment limits to foreign portfolio upto 49% - Increase of investment limits of non-resident individual to 24%. - Sub-division of equity shares of the Company to ₹ 2/- - Alteration of Capital Clause of MoA - Capitalisation of reserves and issue of bonus shares
	03.08.2018	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	5.00 pm	- Offer of equity shares through OFS in the IPO. - Amendment in ESOP 2015 scheme
	08.08.2018	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	6.00 pm	- Adoption of ESOP 2018 scheme - Amendment of AoA of the Company - Amendment to main object clause of the Company.
2019-20	27.09.2019	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	11.30 am	-
	17.01.2020	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	11.30 am	-Creation of charge/mortgage/ security on the assets of the company upto ₹ 750 Crs.
2020-21	24.12.2020	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	11.00 am	-
	31-08-2020	Registered office at Plant 7, No. 143/ A, Jigani Link Road, Bengaluru 560105	11.00 am	-Creation of charge/mortgage/ security on the assets of the company upto ₹ 1,000/- Crs.

Special Resolution through Postal Ballot

No Special Resolution was passed through postal ballot in 2021-22.

REPORT ON CORPORATE GOVERNANCE (Contd.)

VI. GENERAL SHAREHOLDER INFORMATION

1	Date of Incorporation	:	December 15, 1981	
2	Registration No./CIN No.	:	L34103KA1981PLC004542	
3	Registered Office/Address for Correspondence	:	Plant 7, No. 143/A, Bommasandra Industrial Area, Jigani Link Road, Bengaluru 560105. Tel No.: +91 80 27839081/82/83 Fax No.: +91 80 27839309 Email id: rajesh.modi@sansera.in Website: www.sansera.in	
4	Date, Time and Venue of 40th AGM	:	August 18, 2022 at 11.00 am (IST) via Video Conferencing/ Other Audio Visual Mean	
5	Book Closure Dates	:	August 12, 2022 to August 18, 2022 (both days inclusive)	
6	Dividend Payment Date	:	On or before September 09, 2022	
7	Financial Year	:	April 01, 2021 to March 31, 2022	
8	Financial Calendar for 2022-23 (Tentative and subject to change)	:	Financial reporting for the first quarter ending June 30, 2022	2nd week of August 2022
			Financial reporting for the second quarter ending September 30, 2022	2nd week of November 2022
			Financial reporting for the third quarter ending December 31, 2022	2nd week of February 2023
			Financial reporting for the year ending March 31, 2023	3rd week of May 2023
			Annual General Meeting for the Financial Year ending March 31, 2023	September 2023
9	Listing on Stock Exchanges (Listed on September 24, 2021)	:	BSE Limited, Mumbai (BSE) Scrip Code: 543358	National Stock Exchange of India Limited (NSE) - Scrip Symbol: SANSERA
10	ISIN of the Company	:	INE953O01021	
11	Payment of Listing fee	:	Listing fee for the financial year 2022-23 has been paid to BSE and NSE.	
12	Registrar & Transfer Agent	:	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083 Tel No. +91 22 4918 6000; Fax +91 22 4918 6060 email: rnt.helpdesk@linkintime.co.in Contact Person Name: Mr. Mahesh Masurkar	
13	Dematerialisation of Equity Share of the Company as on March 31, 2022	:	5,19,38,315 equity shares (i.e., 99.58%) of total equity is in demat form.	
14	Unclaimed Equity Dividend	:	There is no unclaimed dividend as on March 31, 2022.	

REPORT ON CORPORATE GOVERNANCE (Contd.)

Shareholding Pattern of the Company as of March 31, 2022.

S Nos	Category	Number of Equity Shares	%
1	Promoters and Promoters Group	1,87,86,178	36.02
2	Foreign Venture Capital Investors	1,49,06,544	28.58
3	Mutual Funds	38,49,892	7.38
4	Foreign Portfolio Investors (Corporate)	72,83,038	13.96
5	Insurance Companies	26,58,545	5.10
6	Alternate Investment Funds - III	40,542	0.08
7	Clearing Members*	1,58,027	0.30
8	Other Bodies Corporate	1,38,045	0.26
9	Foreign Company	2,17,500	0.42
10	Hindu Undivided Family	77,486	0.15
11	Non-Resident Indians	1,67,700	0.33
12	Trusts	1,062	0.00
13	Body Corporate - LLP	17,940	0.03
14	Public	38,53,316	7.39
	Total	**5,21,55,815**	**100.00**

* These shares are lying in pool account of NSDL and CDSL.

Distribution Schedule as on March 31, 2022

No. of Shares		No. of Shareholders	% of total	No. of Shares Held	% total
1	500	90,051	99.33	27,94,679	5.36
501	1000	316	0.35	2,15,870	0.42
1001	2000	128	0.14	1,87,626	0.36
2001	3000	39	0.04	98,695	0.19
3001	4000	20	0.02	70,310	0.13
4001	5000	12	0.01	54,359	0.10
5001	10000	26	0.03	1,79,713	0.34
10001	....	74	0.08	4,85,54,563	93.10
TOTAL		**90,666**	**100.00**	**5,21,55,815**	**100.00**

Details of shares held in Suspense Account:

Sl No	Nos of shareholders	Outstanding shares held in demat or unclaimed suspense account	Voting rights which are frozen	remarks
1	1	20	20	These are related to IPO of the Company.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

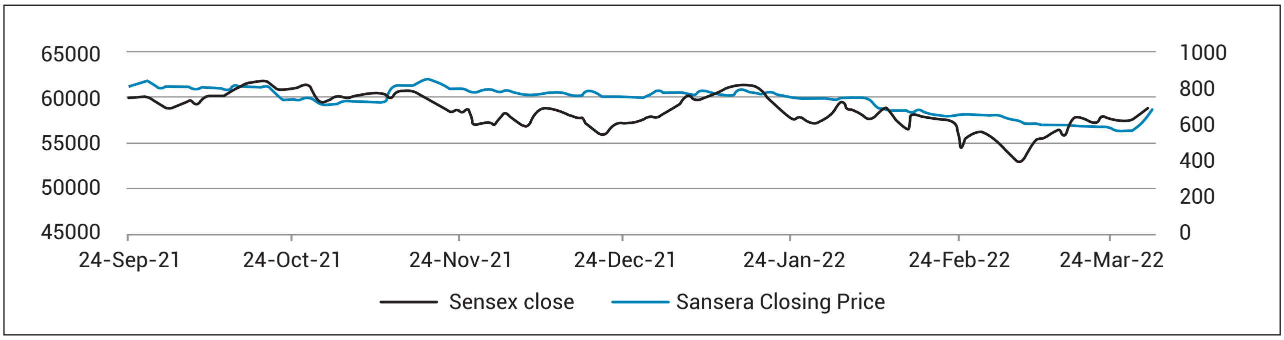
Market Price Data:

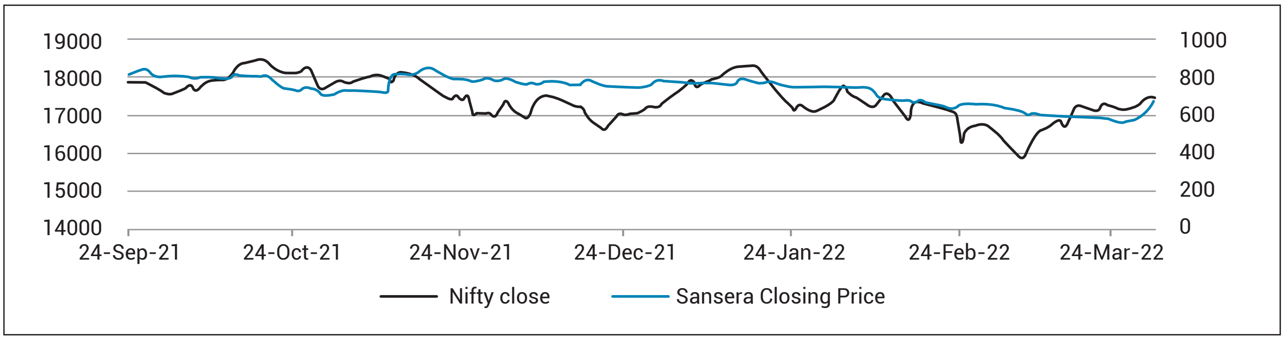
The Company's equity listed with BSE and NSE on September 24, 2021. The monthly high and low quotations of the Company's equity shares traded on BSE and NSE during each month of the financial year ended March 31, 2022 from the listing month are as follows:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
September 2021	860.00	795.10	859.80	795.00
October 2021	832.90	682.00	832.00	687.00
November 2021	889.00	694.65	889.80	696.10
December 2021	814.10	738.50	807.00	735.00
January 2022	809.00	726.30	831.00	725.75
February 2022	765.00	615.00	763.00	606.25
March 2022	699.90	548.55	699.70	548.30

REPORT ON CORPORATE GOVERNANCE (Contd.)

Share performance chart of the Company in comparison to broad based indices





Plant Locations:

The Company and its subsidiaries have 17 manufacturing facilities at various locations across India including one outside India (i.e., Sweden)

In India, the plants are located at Bengaluru, Tumkur, Manesar, Mehsana, Pune and Pantnagar. For more details on address of plants, please visit our website www.sansera.in

Address of Correspondence:

Sansera Engineering Limited
Mr. Rajesh Kumar Modi
Plant-7, No.143/A, Jigani Link Road,
Bommasandra Industrial Area,
Anekal Taluk, Bengaluru-560105.
E-mail id: rajesh.modi@sansera.in;
Phone: No.+91 80 27839081/ 82/ 83

For transfer/dematerialisation of shares, change of address of members and other queries:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400083
email: rnt.helpdesk@linkintime.co.in
Tel No. +91 22 4918 6000; Fax +91 22 4918 6060
Contact Person Name: Mr. Mahesh Masurka

VII. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

VIII. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) AND (T) OF SUBREGULATION (2) OF REGULATION 46.

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 to the extent applicable and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable, as the Company has been listed on September 24, 2021.

Place: Bengaluru
Date: May 23, 2022

REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per item 10(i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To

The Members of
Sansera Engineering Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sansera Engineering Limited having CIN L34103KA1981PLC004542 and having registered office at Plant-7, No.143/A, Jigani Link Road Bommasandra Industrial Area, Anekal Taluk, Bengaluru-560105, Karnataka, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Designation
1.	Mr. S Sekhar Vasan	00361245	Executive Director, Chairman & Managing Director
2.	Mr. F R Singhvi	00233146	Executive Director, Joint Managing Director)
3.	Mr. Raunak Gupta	06624489	Non-Executive - Nominee Director
4.	Mrs. Revathy Ashok	00057539	Non-Executive - Independent Director
5.	Mr. Lakshminarayan Muthuswami	00064750	Non-Executive - Independent Director
6.	Mr. Sylvain Bilaine	00128817	Non-Executive - Independent Director

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co., LLP

Sd/-
Pramod S M
Partner
FCS 7834 COP13784
UDIN: F007834D000366489
Peer Review Certificate No : 736/2020

Place: Bengaluru
Date: May 23, 2022

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Sansera Engineering Limited

We have examined the compliance of conditions of Corporate Governance of Sansera Engineering Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2021 up to March 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015, as applicable.

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

For BMP & Co., LLP

Sd/-
Pramod S M
Partner
FCS 7834 COP13784
UDIN: F007834D000366445
Peer Review Certificate No : 736/2020

Place: Bengaluru
Date: May 23, 2022

DECLARATION REGARDING COMPLIANCE ON THE COMPANY'S CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

I, S Sekhar Vasan, Chairman & Managing Director of Sansera Engineering Limited hereby confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel and the Code is available on the Company's website www.sansera.in.

I, further confirm that the Company has in respect of the financial year ended on March 31, 2022, received from its Board Members as well as senior management personnel a declaration of compliance with the Code of Conduct pursuant to Regulation 26(3) of the Listing Regulations.

Sd/-
S Sekhar Vasan
Chairman & Managing Director

Place: Bengaluru
Date: May 23, 2022

CEO/ CFO CERTIFICATION

Certificate by the Chief Executive Officer and Chief Financial Officer as per Regulation 17(8) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015

The Board of Directors
Sansera Engineering Limited

We, B R Preetham, Group Chief Executive Officer and Vikas Goel, Chief Financial Officer of the Company, hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of their knowledge and belief:

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

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

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

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee.

    1. significant changes, if any, in internal control over financial reporting during the year;

    2. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

    3. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: Bengaluru	**B R Preetham**	**Vikas Goel**
Date: May 23, 2022	Group CEO	CFO

INDEPENDENT AUDITOR'S REPORT

To

The Members of **Sansera Engineering Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Sansera Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Director's Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and any other information which is expected to form part of the annual report, which is expected to be made available to us after that date.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITOR'S REPORT (Contd.)

c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 54(c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 54(d) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in note 55 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)
Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AJKHAN2492)

Place: Bengaluru
Date: 23 May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sansera Engineering Limited** ("the Company") as of 31 March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AJKHAN2492)

Place: Bengaluru
Date: 23 May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, (including capital work in-Progress and right-of-use assets) so to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
	Gross carrying value (Rs. million)	Carrying value in the financial statements (Rs. million)				
Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099	0.62	0.62	Gearock Forge Private Limited	No	From 01 April, 2017, effective date as per the approved scheme	The title deeds are in the name of an erstwhile subsidiary Company that was merged with the Company during the year 2017-18 under section 233 of the Companies Act, 2013 as per the Order received from the Ministry of Corporate Affairs. Not transferred in the name of the Company due to an ongoing dispute.
Plot No. 143-B-8-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	0.66	0.66	Gearock Forge Private Limited	No	From 01 April, 2017, effective date as per the approved scheme	
Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	0.24	0.24	Gearock Forge Private Limited	No	From 01 April, 2017, effective date as per the approved scheme	
Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	3.08	3.08	Gearock Forge Private Limited	No	From 01 April, 2017, effective date as per the approved scheme	
Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	3.57	3.57	Gearock Forge Private Limited	No	From 01 April, 2017, effective date as per the approved scheme	

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from security trustees. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant and equipment, including Right of Use assets, and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have either been received subsequent to the year end or confirmations have been obtained from the transporters. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (comprising of stock statements, ageing analysis of debtors and creditors, current borrowings outstanding and sales) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

(vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. million)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2017-18	5.08*
The Finance Act 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru	April 2007 to June 2017	23.27**
			January 2018	4.33
		Commissioner of Central Excise and Service Tax Appeal, Bengaluru	January 2007 to March 2011	1.28
			January 2017 to June 2017	0.82
Section 5(4) of the Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	Karnataka Appellate Tribunal	April 2009 to March 2010	2.26

* Net of Rs. 1.28 million paid under protest

** Net of Rs. 1.18 million paid under protest

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised moneys raised by way of initial public offer during the year and hence reporting under clause (x)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 December, 2021 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 01, 2022 to 31 March, 2022 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(b), (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AJKHAN2492)

Place: Bengaluru
Date: 23 May, 2022

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	**3.a**	10,265.53	9,352.23
(b) Capital work-in-progress	**3.b**	1,080.64	544.70
(c) Intangible assets	**3.c**	10.57	3.04
(d) Right-of-use assets	**3.d**	327.09	185.31
(e) Financial assets			
(i) Investments	**4**	980.04	994.73
(ii) Loans	**5**	12.67	9.14
(iii) Other financial assets	**6**	137.51	135.69
(f) Current tax assets (Net)	**7.a**	10.19	9.91
(g) Other non-current assets	**8**	167.30	191.56
Total non-current assets		**12,991.54**	**11,426.31**
(2) Current assets			
(a) Inventories	**9**	2,346.31	2,022.71
(b) Financial assets			
(i) Investments	**10**	5.97	5.58
(ii) Trade receivables	**11**	3,871.69	2,913.52
(iii) Cash and cash equivalents	**12**	273.32	116.73
(iv) Bank balances other than cash and cash equivalents	**13**	112.47	281.30
(v) Loans	**14**	23.78	26.81
(vi) Other financial assets	**15**	180.81	178.07
(c) Other current assets	**16**	318.45	327.01
Total current assets		**7,132.80**	**5,871.73**
Total Assets		**20,124.34**	**17,298.04**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	**17.a**	104.31	93.87
(b) Instruments entirely equity in nature	**17.b**	-	105.00
(c) Other equity	**18**	**10,232.36**	**8,675.51**
Total Equity		**10,336.67**	**8,874.38**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilites			
(i) Borrowings	**19**	2,267.00	1,787.38
(ia) Lease liabilities	**3.d**	291.80	136.24
(b) Provisions	**20**	55.01	126.96
(c) Deferred tax liabilities (Net)	**21**	615.00	585.32
(d) Other non-current liabilities	**22**	**509.82**	**467.16**
Total non-current liabilities		**3,738.63**	**3,103.06**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**23**	3,427.24	3,056.66
(ia) Lease liabilities	**3.d**	40.37	50.03
(ii) Trade payables	**24**		
- Total outstanding dues of micro enterprises and small enterprises		81.84	79.12
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,091.30	1,716.14
(iii) Others financial liabilities	**25**	119.94	177.49
(b) Other current liabilities	**26**	173.73	145.38
(c) Provisions	**27**	106.42	95.24
(d) Current tax liabilities (Net)	**7.b**	**8.20**	**0.54**
Total current liabilities		**6,049.04**	**5,320.60**
Total Equity and Liabilities		**20,124.34**	**17,298.04**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS
(INCLUDING OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	**Note**	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Revenue from Operations	**28**	17,450.04	13,513.40
Other income	**29**	170.87	168.49
Total income		**17,620.91**	**13,681.89**
EXPENSES			
Cost of materials consumed	**30**	7,765.42	5,877.12
Changes in inventory of finished goods and work-in-progress	**31**	(206.11)	(53.86)
Conversion charges		610.17	486.54
Consumption of stores and spares		1,508.66	1,156.25
Power and fuel		777.62	560.04
Employee benefits expense	**32**	2,256.28	1,692.44
Finance costs	**33**	440.39	411.94
Depreciation and amortisation expenses	**34**	1,034.61	883.45
Other expenses	**35**	**1,718.78**	**1,342.88**
Total expenses		**15,905.82**	**12,356.80**
Profit before tax		**1,715.09**	**1,325.09**
Tax expense:	**39**		
Current tax		409.92	289.44
Deferred tax		23.60	56.85
Total tax expense		**433.52**	**346.29**
Profit for the year		**1,281.57**	**978.80**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the net defined benefit liability		25.78	(23.49)
Income tax relating to items that will not be reclassified to profit or loss		(6.49)	5.91
Other comprehensive income/(loss) for the year, net of income tax		**19.29**	**(17.58)**
Total Comprehensive Income for the year		**1,300.86**	**961.22**
Earnings per equity share (face value of ₹ 2 each)			
Income tax expense			
Basic (in ₹)	**36**	24.82	19.05
Diluted (in ₹)	**36**	23.93	18.63

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flows from operating activities			
Profit before tax		1,715.09	1,325.09
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	34	1,034.61	883.45
Income from government grants	29	(51.59)	(45.11)
Adjustment for rental concession and derecognition of lease		(4.12)	-
Interest Income	29	(13.41)	(21.58)
Fair value gain on financial instruments at fair value profit or loss	29	(0.39)	(2.05)
Gain on disposal of property, plant and equipment, net and Capital work-in-progress	29	(5.20)	(4.68)
Unrealised foreign exchange gain, net		(15.05)	(52.16)
Employee stock compensation expense	32	76.60	-
Finance costs	33	440.39	411.94
Insurance claim receivable written off	35	-	11.26
Share of profit from investment in Limited Liability Partnership (LLP)	29	(4.17)	-
Operating cash flows before working capital changes		**3,172.76**	**2,506.16**
Working capital adjustments:			
Changes in trade receivables		(936.94)	(368.50)
Changes in other financial assets and other assets		(8.50)	68.98
Changes in inventories		(323.60)	(46.94)
Changes in trade payables and financial liabilities		373.49	354.46
Changes in other liabilities and provisions		(13.30)	5.36
Cash generated from operations		**2,263.91**	**2,519.52**
Income taxes paid, net		(402.95)	(316.00)
Net cash generated from operating activities (A)		**1,860.96**	**2,203.52**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,423.10)	(1,260.52)
Purchase of intangible assets	3.c	(5.79)	-
Proceeds from disposal of property, plant and equipment		2.91	11.44
Proceeds from disposal of Capital work-in-progress		34.25	-
Receipt of government grant		-	92.67
Investment in Limited Liability Partnership (LLP)	4.b	(68.00)	-
Proceeds on redemption of investments in subsidiaries		101.60	162.42
Interest received	29	13.41	21.58
Share of profit from investment in Limited Liability Partnership (LLP)	29	4.17	-
Movement in fixed deposits, net	13	168.83	(175.83)
Net cash used in investing activities (B)		**(2,171.72)**	**(1,148.24)**
Cash flows from financing activities			
Proceeds/(repayments) of non-current borrowings:			
Proceeds		1,576.01	1,048.42
Repayments		(1,056.66)	(952.17)

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	**Note**	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Proceeds/(repayments) of current borrowings, net		329.37	(1,207.25)
Interest paid		(446.62)	(397.01)
Payment of principal portion of lease liabilities	3.d	(29.48)	(23.35)
Proceed from issue of equity share capital		81.54	-
Net cash (used in)/generated from financing activities (C)		**454.16**	**(1,531.36)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**143.40**	**(476.08)**
Cash and cash equivalents at the beginning of the year	12	116.73	588.08
Effects of exchange gain on restatement of foreign currency cash and cash equivalents		13.19	4.73
Cash and cash equivalents at the end of the year (refer below)	12	**273.32**	**116.73**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:			
Cash on hand		0.81	0.71
Balance with banks - on current accounts		272.51	116.02
Cash and cash equivalents at the end of the year		**273.32**	**116.73**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

for **Sansera Engineering Limited**
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Chief Financial Officer

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Company Secretary

Place: Bengaluru
Date: 23 May, 2022

Place: Bengaluru
Date: 23 May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity share capital

(Amount in ₹ mn)

Equity shares	**No. of shares**	**Amount**
Balance as at 1 April, 2020	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 1 April, 2020	**4,69,36,500**	**93.87**
Changes in Equity Share Capital	-	-
Balance as at 31 March, 2021	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March, 2021	**4,69,36,500**	**93.87**
Add: Shares issued on conversion Compulsorily Convertible Preference shares (CCPS)	44,41,350	8.88
Add: Shares issued on exercise of employee stock options	7,77,965	1.56
Balance as at 31 March, 2022	**5,21,55,815**	**104.31**

B. Instruments entirely equity in nature

(Amount in ₹ mn)

Compulsorily Convertible Preference Share	**No. of shares**	**Amount**
Balance as at 1 April, 2020	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 1 April, 2020	**10,50,000**	**105.00**
Change in Compulsorily Convertible Preference Share	-	-
Balance as at 31 March, 2021	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 31 March, 2021	**10,50,000**	**105.00**
Conversion of Compulsorily Convertible Preference shares (CCPS)	**(10,50,000)**	**(105.00)**
Balance as at 31 March, 2022	**-**	**-**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

C. Other Equity

(Amount in ₹ mn)

Particulars	Reserves and Surplus						Total equity
	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	
Balance as at 1 April, 2020	**8.00**	**1,216.76**	**0.55**	**182.00**	**135.51**	**6,171.47**	**7,714.29**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 April, 2020	**8.00**	**1,216.76**	**0.55**	**182.00**	**135.51**	**6,171.47**	**7,714.29**
Profit for the year	-	-	-	-	-	978.80	978.80
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	(17.58)	(17.58)
Balance as at 31 March, 2021	**8.00**	**1,216.76**	**0.55**	**182.00**	**135.51**	**7,132.69**	**8,675.51**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at 31 March, 2021	**8.00**	**1,216.76**	**0.55**	**182.00**	**135.51**	**7,132.69**	**8,675.51**
Conversion of Series A and B 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	96.12	-	-	-	-	96.12
Compensation cost related to employee share based payment	-	-	-	76.60	-	-	76.60
Cross charge of ESOP expenses to Subsidiary	-	-	-	3.29	-	-	3.29
Transfer to securities premium	-	118.50	-	(38.52)	-	-	79.98
Profit for the year	-	-	-	-	-	1,281.57	1,281.57
Other Comprehensive Income:							
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	19.29	19.29
Balance as at 31 March, 2022	**8.00**	**1,431.38**	**0.55**	**223.37**	**135.51**	**8,433.55**	**10,232.36**

In accordance with Notification G.S.R 404(E), dated 6 April, 2016, as included in amended Schedule III, the Company has recognised remeasurement of defined benefit plans amounting to ₹ 19.29 mn (31 March, 2021: (₹ 17.58) mn) as a part of retained earnings.

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants

Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
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Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

Company Overview

Sansera Engineering Limited ("the Company") was incorporated on 15 December, 1981 under the provisions of the Companies Act, 1956 with its registered office in Bangalore, Karnataka. The Company is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

1. Basis of preparation

a. Statement of compliance

These Standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Functional and presentation currency

Items included in the Standalone Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These Standalone Ind AS 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 millions, unless otherwise indicated.

c. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations
- Current investments at fair value through statement of profit and loss and
- Share based payment transactions at fair value

d. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2022 is included in the following notes:

- Note 2.1, 2.2, 3.a and 3.c - Depreciation and amortisation method and useful lives of items of property, plant and equipment and intangibles assets;
- Note 3.a and 3.c – Impairment of property, plant and equipment;
- Note 4 – Impairment of investment in subsidiaries;
- Note 39 – Recognition of deferred tax assets
- Note 32 & 41– measurement of defined benefit obligations: key actuarial assumptions;
- Note 44 – Impairment of financial assets;
- Note 15 and 44 – Derivative contracts at fair value;

e. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 42 - Share-based payments arrangements; and

- Note 43 - financial instruments;

2. Significant accounting policies

2.1 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone statement of profit or loss.

Borrowing costs directly attributable to the acquisition/ construction of the qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expense in the standalone statement of profit and loss in the period in which these are incurred.

ii. Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	**Estimated useful life (in years)**
Buildings	30
Plant and machinery	5-25
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Electrical installations	10
Computers (including software)	3-6

Freehold land is not depreciated.

2.2 Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (continued)

2.2 Intangible assets (continued)

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life.

Intangible assets are amortised in the statement of profit and loss over their estimated useful lives of 3 years on a straight-line basis.

2.3 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

2.4 Inventories

Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw materials, stores and spares	: on weighted average basis
Work in progress	: includes cost of conversion
Finished goods	: includes cost of conversion

i. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meets the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

ii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iii. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.5 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligation in contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognised when the related services are rendered unless significant future contingencies exist.

Export incentives are recognised in the statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in standalone statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

2.6 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the standalone statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (continued)

2.6 Foreign currency transactions (continued)

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.7 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognised in the standalone statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the standalone statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognised.

Income from export incentives are recognised in the standalone statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognised in the standalone statement of profit and loss when the right to receive credit as per the terms of the entitlement and disclosed as a reduction to the related expenses.

2.8 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (continued)

2.8 Leases (continued)

lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and a charge or credit to the standalone statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

2.9 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes other investments.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This includes all derivative assets and current investments.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense and are recognised in standalone statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in standalone statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

2. Significant accounting policies (continued)

2.9 Financial instruments (continued)

iii. Derecognition (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement profit or loss.

2.10 Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

ii. Impairment of non - financial assets

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Company's non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the standalone statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.11 Employee benefits

i. Defined benefit plan

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (continued)

2.11 Employee benefits (continued)

i. Defined benefit plan (continued)

or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the standalone statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which the Company makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the standalone statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the standalone statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally become entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.12 Income Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.13 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (continued)

2.13 Earnings per share (continued)

at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.14 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone Ind AS financial statements.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on single segment approach and accordingly information has been presented.

2.17 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract.

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109–Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3

3.a Property, Plant and Equipment

(Amount in ₹ mn)

Particulars	Owned Property, plant and equipment								Total
	Land # (1)	Buildings (2)	Plant and machinery* (3)	Furniture and fixtures (4)	Vehicles (5)	Office equipment (6)	Electrical installations (7)	Computers (8)	
Gross carrying amount									
Balance as at 1 April, 2020	**320.20**	**1,134.57**	**8,916.73**	**39.38**	**117.51**	**34.37**	**458.72**	**88.06**	**11,109.54**
Additions	123.14	28.38	1,235.06	0.35	4.34	7.42	32.52	6.45	1,437.66
Disposals	-	-	(18.84)	-	(3.36)	(0.10)	-	(17.60)	(39.90)
Balance as at 31 March, 2021	**443.34**	**1,162.95**	**10,132.95**	**39.73**	**118.49**	**41.69**	**491.24**	**76.91**	**12,507.30**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(28.27)	(28.27)
Additions	30.63	99.36	1,699.49	1.45	44.49	2.82	17.34	18.88	1,914.46
Disposals	-	-	(11.18)	-	(5.37)	-	-	(0.21)	(16.76)
Balance as at 31 March, 2022	**473.97**	**1,262.31**	**11,821.26**	**41.18**	**157.61**	**44.51**	**508.58**	**67.31**	**14,376.73**
Accumulated depreciation									
Balance as at 1 April, 2020	**-**	**120.72**	**1,923.92**	**15.95**	**47.93**	**20.86**	**152.38**	**57.79**	**2,339.55**
Charge for the year	-	42.46	723.02	3.40	16.46	5.48	43.99	13.85	848.66
Disposals	-	-	(12.16)	-	(3.36)	(0.02)	-	(17.60)	(33.14)
Balance as at 31 March, 2021	**-**	**163.18**	**2,634.78**	**19.35**	**61.03**	**26.32**	**196.37**	**54.04**	**3,155.07**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(20.81)	(20.81)
Charge for the year	-	44.25	851.22	3.76	18.28	8.55	46.48	11.49	984.03
Disposals	-	-	(2.33)	-	(4.60)	-	-	(0.16)	(7.09)
Balance as at 31 March, 2022	**-**	**207.43**	**3,483.67**	**23.11**	**74.71**	**34.87**	**242.85**	**44.56**	**4,111.20**
Carrying amounts (net)									
Balance as at 31 March, 2022	**473.97**	**1,054.88**	**8,337.59**	**18.07**	**82.90**	**9.64**	**265.73**	**22.75**	**10,265.53**
Balance as at 31 March, 2021	**443.34**	**999.77**	**7,498.17**	**20.38**	**57.46**	**15.37**	**294.87**	**22.87**	**9,352.23**

Notes:

"# (a) It includes land of 60,786.60 square meter allocated by Karnataka Industrial Area Development (KIADB) at Plot no. 48, 2nd Phase, Sector - 2, Bidadi Industrial Area for a period of 10 years w.e.f. 8 August, 2014 to the Company on a lease cum sale basis.

(b) Karnataka Industrial Area Development Board (KIADB) has allotted land measuring 2,025 square meter at Plot no. 143-B-8 Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 31 December, 1999 and 1,058 square meter at Plot no. 143-B-8-Part Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 29 May, 2001 with specified terms and conditions to be complied with by each party. KIADB has alleged / contended that as per the terms and conditions of Clause 2(r)(ii) of the Lease Cum Sale Agreement dated January 17, 2000, the original allottee should hold minimum 51% shares in the Company till the execution of the sale deed and in view of there being a violation of the said clause by Sansera Engineering Limited (Sansera), they have issued a demand notice No. KIADB / HO / Allot / Secy – 3/ 12680 / 6102 / 19-20 dated 29 July, 2019 calling upon Sansera to remit an additional sum of ₹ 5,383,798. Challenging the said demand, Sansera has filed Writ Petition seeking quashing of the said demand and also directions to execute the sale deed.

Refer note 19 for details of charge over the Company's property, plant and equipment for the borrowings taken by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.a. (i) Title deeds of Immovable Property not held in the name of the Company:

Details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

As at 31 March, 2022

(Amount in ₹ mn)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of Gearock Forge Private Limited, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 1 April, 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

As at 31 March, 2021

(Amount in ₹ mn)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of **Gearock Forge Private Limited**, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 1 April, 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-PART, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

3.a.(ii) There are no proceedings which have been initiated during the year or pending against the Company as at 31 March, 2022 for holding any benami property under Benami Transactions (Prohibition) Act, 1988.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.b Capital work-in progress (CWIP) aging schedule

(Amount in ₹ mn)

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in-progress					
As at 31 March, 2022	1,024.99	40.73	3.78	11.14	**1,080.64**
As at 31 March, 2021	420.87	107.57	9.24	7.02	**544.70**

The Company has a dedicated facility in Bengaluru for machine building and machine design with special purpose machines being manufactured in-house. Special purpose machines are customised machines deployed to automate industrial processes to ensure high productivity. Machinery component required for machine building process are included in capital work-in-progress.

There are no projects which are under suspension. With regard to the ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, considering amendments as may be approved. The Projects in-progress for more than 3 years represent components which would be commonly used across various special purpose machines being manufactured in-house.

3.c Intangible Assets

(Amount in ₹ mn)

Particulars	**Owned intangible assets**	
	Computer software	**Total**
Gross carrying amount		
Balance as at 31 March, 2020	**13.05**	**13.05**
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2021	**13.05**	**13.05**
Reclassified from Computers	28.27	28.27
Additions	5.79	5.79
Disposals	-	-
Balance as at 31 March, 2022	**47.11**	**47.11**
Accumulated amortisation		
Balance as at 31 March, 2020	**7.83**	**7.83**
Amortisation for the year	2.18	2.18
Disposals	-	-
Balance as at 31 March, 2021	**10.01**	**10.01**
Reclassified from Computers	20.81	20.81
Amortisation for the year	5.72	5.72
Disposals	-	-
Balance as at 31 March, 2022	**36.54**	**36.54**
Carrying amounts (net)		
Balance as at 31 March, 2022	**10.57**	**10.57**
Balance as at 31 March, 2021	**3.04**	**3.04**

Note: Software have been reclassified from the opening carry forward balance of computer and included as intangible assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.d Right-of-use assets and lease liabilities

(Amount in ₹ mn)

i) Following are the changes in the carrying value of right-of-use assets for the year ended 31 March, 2022:

Particulars	Leasehold land	Lease buildings	Total
Balance as at 1 April, 2020	**36.21**	**166.40**	**202.61**
Additions	-	15.31	15.31
Deletion	-	-	-
Depreciation	(0.46)	(32.15)	(32.61)
Balance as at 31 March, 2021	**35.75**	**149.56**	**185.31**
Additions	133.24	60.05	193.29
Deletion	-	(6.65)	(6.65)
Depreciation	(6.96)	(37.90)	(44.86)
Balance as at 31 March, 2022	**162.03**	**165.06**	**327.09**

ii) The following is the movement in lease liabilities during the year ended 31 March, 2022:

Particulars	Leasehold land	Lease buildings	Total
Balance as at 1 April, 2020	**1.72**	**195.30**	**197.02**
Additions	-	15.31	15.31
Finance cost accrued during the year	0.14	19.05	19.19
Rental concession *	-	(2.71)	(2.71)
Deletions	-	-	-
Payments	(0.14)	(42.40)	(42.54)
Balance as at 31 March, 2021	**1.72**	**184.55**	**186.27**
Additions	133.24	52.91	186.15
Finance cost accrued during the period	10.39	17.27	27.66
Rental concession *	-	(0.44)	(0.44)
Deletions	-	(10.33)	(10.33)
Payments	(6.00)	(51.14)	(57.14)
Balance as at 31 March, 2022	**139.35**	**192.82**	**332.17**

iii) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current lease liabilities	40.37	50.03
Non-current lease liabilities	291.80	136.24
Total	**332.17**	**186.27**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Less than one year	65.73	50.03
One to five years	202.27	148.93
More than five years	254.75	41.88
Total lease liabilities	**522.75**	**240.84**
Less: Implicit interest	190.58	54.57
Lease liabilities included in the Balance sheet	**332.17**	**186.27**

v) Amount recognised in the statement of profit and loss

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Depreciation on Right-of-use assets	44.86	32.61
Interest on lease liabilities	27.66	19.19
Low value lease (included with rent, classified under other expenses)	4.18	2.31

vi) Amount recognised in the statement of cash flow

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Cash outflows for leases		
Interest portion of lease liabilities	27.66	19.19
Principal portion of lease liabilities	29.48	23.35
Total	**57.14**	**42.54**

*The Company has applied the practical expedient to all eligible rent concessions and subsequently for the year ended 31 March, 2022 an amount of ₹ 0.44 mn (31 March, 2021: ₹ 2.71 mn) has been recognised in the statement of profit and loss.

4 INVESTMENTS (NON-CURRENT)

4.a Investments in subsidiaries

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unquoted		
Investments in subsidiaries (Carried at cost)		
Investment in equity instruments		
Fitwel Tools and Forgings Private Limited	201.65	201.65
(248,872 (31 March, 2021: 248,872) equity shares of ₹10 each fully paid up)		
Sansera Engineering Pvt. Ltd. Mauritius		
(10,000 (31 March, 2021: 10,000) equity shares of Euro 10 each fully paid up)	6.88	6.88
Investment in preference shares		
Sansera Engineering Pvt. Ltd., Mauritius		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
490,000 (31 March, 2021: 490,000) optionally redeemable preference shares of Euro 10 each fully paid up	337.02	337.02
30,000 Series A (31 March, 2021: 140,000) optionally redeemable preference shares of Euro 10 each fully paid up	22.56	105.25
30,000 Series B (31 March, 2021: 30,000) optionally redeemable preference shares of Euro 10 each fully paid up	10.68	10.68
380,000 Series C (31 March, 2021: 380,000) optionally redeemable preference shares of Euro 10 each fully paid up	**296.32**	**296.32**
Total (a)	**875.11**	**957.80**

Note: The Optionally Redeemable Preference Shares held by the Company can be converted into equity shares in Sansera Engineering Pvt. Ltd., Mauritius at a fixed ratio of 1:1 at the option of Sansera Engineering Pvt. Ltd., Mauritius.

4.b Other Investment-Unquoted (Measured at fair value through other comprehensive income)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Partner contribution		
Clean Max Vega Power LLP*	104.93	36.93
26% (31 March, 2021: 26%)		
Total (b)	**104.93**	**36.93**

Name of the Partners	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Monetary Value of Contribution	**Contribution Ratio**	**Monetary Value of Contribution**	**Contribution Ratio**
Clean Max Enviro Energy Solutions Private Limited	265.98	65.90%	72.45	51.00%
CleanMax Renewable Trust	32.67	8.10%	32.67	23.00%
Sansera Engineering Limited	104.93	26.00%	36.93	26.00%
Kuldeep Jain #	-	0.00%	-	0.00%
Total Capital	**403.58**	**100.00%**	**142.05**	**100.00%**
Total (a+b)			**980.04**	**994.73**

* On 3 May, 2019, the Company had entered into Group Captive Power Project agreement with Clean Max Vega Power LLP ("LLP") and Clean Max Enviro Energy Solutions Private Limited towards generation and supply of renewable energy for private consumers of electricity. The agreement is for a period of 25 years wherein the Company has committed to purchase atleast 51% of the total power produced by the power producer. Further, on 3 March, 2022, the Company entered into a supplementary agreement for expanding the project and installing an additional capacity of wind power and solar power capacity and accordingly, there was an additional investment of ₹ 68 mn made by the Company during the year ended 31 March, 2022.

₹ 10 (31 March, 2021: ₹ 10) not presented above due to rounding off to nearest ₹ in mn.

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	980.04	994.73
Aggregate amount of impairment in investments	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

5 LOANS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Loans to employees	12.67	9.14
Total	**12.67**	**9.14**

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Management Personnel and the Related Parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, other than as disclosed in Note 14.

Loans to employees, previously disclosed under Other financial assets (Refer note 6) have been classified under Loans, consequent to the amendment to Schedule III of the Companies Act, 2013.

6 OTHER FINANCIAL ASSETS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits		
Unsecured, considered good	134.24	134.94
Doubtful	-	-
Bank deposits with more than 12 months maturity *	3.27	0.75
Total	**137.51**	**135.69**

*Represents deposits pledged against bank guarantees and letter of credits provided by the bank.

Security deposits, previously disclosed under Loans (Refer note 5) have been classified under Other Financial Assets, consequent to the amendment to Schedule III of the Companies Act, 2013.

7

a. Current tax assets (Net)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax including tax deducted at source, net of provision for tax	10.19	9.91
Total	**10.19**	**9.91**

b. Current tax liabilities (Net)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for tax, net of advance tax including tax deducted at source	8.20	0.54
Total	**8.20**	**0.54**

8 OTHER NON-CURRENT ASSETS

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	164.16	187.93
Prepayments	-	0.49
Duty paid under protest	3.14	3.14
Total	**167.30**	**191.56**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

9 INVENTORIES *(valued at lower of cost and net realisable value)*

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Raw materials *	734.10	584.55
Work-in-progress	948.40	837.93
Finished goods **	442.97	347.33
Stores and spares	220.84	252.90
Total	**2,346.31**	**2,022.71**

* Includes stock of assembled components.

** Includes stock in transit of ₹ 159.20 mn (31 March, 2021 : ₹ 80.49 mn).

The mode of valuation of inventories has been stated in note 2.4

10 CURRENT INVESTMENTS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Quoted equity shares		
Equity shares at fair value through statement of profit and loss		
800 (31 March, 2021: 800) equity shares of 10 each fully paid up of Maruti Suzuki India Limited	5.97	5.58
Total	**5.97**	**5.58**

Aggregate amount of quoted investments	5.97	5.58
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in investments	-	-

11 TRADE RECEIVABLES

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Considered good - Secured.	-	-
Considered good - Unsecured *	3,898.89	2,931.70
That have an increase in Credit Risk that is significant	-	-
Credit Impaired	-	-
Total	**3,898.89**	**2,931.70**
Less: Allowance for credit losses	(27.20)	(18.18)
Trade receivables	**3,871.69**	**2,913.52**

* Includes receivables from related parties refer note 40.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix, The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Ageing	Expected Credit loss (%)
within the credit period	0.00%
1-90 days past due	0.05% to 0.84%
91-180 days past due	1.88% to 2.00%
181-270 days past due	9.81% to 25.93%
271-360 days past due	32.45% to 42.66%
More than 360 days past due	100.00%

Trade receivables ageing schedule

(Amount in ₹ mn)

Particulars	**Outstanding for following periods from due date of payment**						
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March, 2022							
(i) Undisputed Trade receivables - considered good	2,665.85	1,136.52	82.68	9.34	2.00	2.00	3,898.39
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,665.85**	**1,136.52**	**82.68**	**9.34**	**2.00**	**2.00**	**3,898.39**

As at 31 March, 2021							
(i) Undisputed Trade receivables - considered good	2,180.97	735.82	10.41	2.42	0.78	1.30	2,931.70
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,180.97**	**735.82**	**10.41**	**2.42**	**0.78**	**1.30**	**2,931.70**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

12 CASH AND CASH EQUIVALENTS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Balance with banks		
in current accounts	272.51	116.02
Cash on hand	0.81	0.71
Total	**273.32**	**116.73**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Bank deposits within 12 months maturity *	112.47	281.30
Total	**112.47**	**281.30**

*Includes certain deposits amounting to ₹ 37.84 mn as at 31 March, 2022 (31 March, 2021: ₹ 14.80 mn) pledged against bank guarantees and letter of credits provided by the bank.

14 LOANS (CURRENT)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unsecured, considered good		
Loans to Key Managerial Personnel (Refer note 40)	3.88	3.88
Loans to employees	19.90	22.93
Total	**23.78**	**26.81**

Type of Borrower	**Amount of loan or advance in the nature of loan outstanding**	**Percentage to the total Loans and Advances in the nature of loans**
Key Managerial Personnel	3.88	10.64%

15 OTHER FINANCIAL ASSETS (CURRENT)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unsecured, considered good		
Amounts recoverable from shareholders (IPO related) (Refer note 40)	3.47	94.21
Unbilled revenue*	148.54	34.83
Derivative contracts at fair value	6.13	38.54
Others	22.67	10.49
Total	**180.81**	**178.07**

* Unbilled revenue represents revenue recognised in excess of invoicing towards price increases, where there is an unconditional right to receive cash, and only act of invoicing is pending.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

16 OTHER CURRENT ASSETS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Duty drawback receivables	45.99	71.61
Advance to suppliers	87.60	67.43
Balances with government authorities	127.23	151.76
Prepayments	57.63	36.21
Total	**318.45**	**327.01**

17 a EQUITY SHARE CAPITAL

(Amount in ₹ mn except no. of shares)

(i) Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Authorised share capital		
Equity shares		
62,500,000 (31 March, 2021: 62,500,000) equity shares of ₹ 2 each (31 March, 2021: ₹ 2 each)	125.00	125.00
Total	**125.00**	**125.00**
Issued, subscribed and paid up share capital		
Equity shares		
52,155,815 (31 March, 2021: 46,936,500) equity shares of ₹ 2 each (31 March, 2021: ₹ 2 each)	104.31	93.87
Total	**104.31**	**93.87**

(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares				
Number of shares outstanding at the beginning of the year	4,69,36,500	93.87	4,69,36,500	93.87
Add: Shares issued on conversion of Compulsorily Convertible Preference Shares (CCPS)	44,41,350	8.88	-	-
Add: Shares issued on exercise of employee stock options	7,77,965	1.56	-	-
Number of shares outstanding at the end of the year	**5,21,55,815**	**104.31**	**4,69,36,500**	**93.87**

(iii) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the Shareholders' meeting. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders or in line with the terms of the shareholders agreement as the case may be.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

(Amount in ₹ mn)

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Client Ebene Limited	95,54,842	19.11	1,53,43,900	30.69
CVCIGPII Employee Ebene Limited	53,51,702	10.70	85,93,425	17.19
Total	**1,49,06,544**	**29.81**	**2,39,37,325**	**47.88**

(v) List of persons holding more than 5 % shares in equity shares of the Company

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Client Ebene Limited	95,54,842	18.32%	1,53,43,900	32.69%
CVCIGPII Employee Ebene Limited	53,51,702	10.26%	85,93,425	18.31%
S Sekhar Vasan	1,02,49,531	19.65%	1,23,07,600	26.22%
Unni Rajagopal K	28,45,549	5.46%	34,16,925	7.28%
F R Singhvi *	27,95,549	5.36%	34,16,925	7.28%
D Devaraj	21,76,374	4.17%	27,47,750	5.85%

*Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated 15 May, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

(vi) As at 31 March, 2022, the Company has reserved 2,541,037 shares (31 March, 2021: 2,362,050 shares) for issuance towards outstanding employee stock option available for exercise. Refer note 42.

(vii) (a) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March, 2022, except with effect from 27 July, 2018, on approval of shareholders, one equity share of ₹ 100 each was sub-divided into 50 equity shares of ₹ 2 each resulting into 3,237,000 number of shares. Subsequently, the Company had issued 43,699,500 bonus shares in the proportion of 27:2.

(b) There are no shares bought back during 5 years immediately preceding 31 March, 2022.

(viii) Shareholding of Promoters in equity shares of the Company

Promoter name	Shares held by promoters at the end of the year		% Change during the year
	No. of Shares	% of total shares	
S Sekhar Vasan	1,02,49,531	19.65%	(16.72%)
Unni Rajagopal K	28,45,549	5.46%	(16.72%)
D Devaraj	21,76,374	4.17%	(20.79%)
F R Singhvi *	27,95,549	5.36%	(18.19%)
D. Devaraj - HUF	6,69,175	1.28%	0.00%
P Singhvi charitable trust	50,000	0.10%	100.00%
Total	**1,87,86,178**	**36.02%**	

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated 15 May, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

The promoters of the Company are S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj. Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment on 21 September, 2021 and the shareholding of the Promoters in excess of 20% of the fully diluted post Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment on 21 September, 2021. Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 schemes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

17.b. Instruments entirely equity in nature

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorised		
Preference shares		
Series A 300,000 (31 March, 2021: 300,000), 0.0001% Compulsorily Convertible Preference Shares of 100 each	30.00	30.00
Series B 750,000 (31 March, 2021: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	75.00	75.00
Total	**105.00**	**105.00**
Issued, subscribed and paid up		
Preference shares		
Series A nil (31 March, 2021: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	30.00
Series B nil (31 March, 2021: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	75.00
Total	**-**	**105.00**

17.b Instruments entirely equity in nature (Continued)

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	3,00,000	30.00	3,00,000	30.00
Add: Issued/(Converted) during the year	(3,00,000)	(30.00)	-	-
Number of shares outstanding at the end of the year	-	-	**3,00,000**	**30.00**
Series B Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	7,50,000	75.00	7,50,000	75.00
Add: Issued/(Converted) during the year	(7,50,000)	(75.00)	-	-
Number of shares outstanding at the end of the year	-	-	**7,50,000**	**75.00**

ii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Client Ebene Limited	-	-	1,92,300	19.23
CVCIGPII Employee Ebene Limited	-	-	1,07,700	10.77
Total	**-**	**-**	**3,00,000**	**30.00**
Series B Compulsorily Convertible Preference shares (CCPS)				
Client Ebene Limited	-	-	4,80,750	48.08
CVCIGPII Employee Ebene Limited	-	-	2,69,250	26.92
Total	**-**	**-**	**7,50,000**	**75.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

iii. Rights, preferences and restrictions attached to preference shares (upto the date of conversion):

Compulsorily Convertible Preference Shares (CCPS) - [Series A and Series B]

Dividend rights

In accordance with the share subscription agreement dividend shall be equal to 0.0001 % per annum of the face value of the CCPS [Series A and Series B]. In any given financial year, the Company may not declare any dividend or other distribution to its holders of equity shares unless it has first declared the preferential dividend for such financial year to the holders of the CCPS [Series A and Series B]. The dividends are non-cumulative.

Conversion of preference shares

CCPS [Series A and Series B] is convertible, on the expiry of 20 (twenty) years from the completion date respectively (7 July, 2033) and into a fixed share entitlement ratio as defined in the share subscription agreement (SSA) or earlier of events as defined in SSA. The equity shares issued to the holders of the CCPS [Series A and Series B] pursuant to conversion shall be free of all encumbrances and shall (i) be fully-paid up, (ii) be transferable to any person in accordance with the terms of the agreement, (iii) carry full voting rights, and (iv) rank pari-passu in every respect with other ordinary fully paid up equity shares. The Company in its meeting of the Board of Directors held on 3 September, 2021, converted 300,000 Series A Compulsorily Convertible Preference Shares and 750,000 Series B Compulsorily Convertible Preference Shares into 4,439,900 and 1,450 equity shares respectively for ₹ 2 per equity share.

18 OTHER EQUITY

Summary of other equity balances*

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reserves and surplus		
Capital redemption reserve	0.55	0.55
Capital reserve	8.00	8.00
Securities premium	1,431.38	1,216.76
General reserve	135.51	135.51
Retained earnings	8,433.55	7,132.69
Share options outstanding account	223.37	182.00
Total	**10,232.36**	**8,675.51**

* Refer statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of other equity:

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Capital reserve

Capital reserve of ₹ 2.39 mn refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce in the year 1999. This subsidy was received as the Company was a small scale industry in that particular year. It further includes ₹ 5.61 mn as share of pre-acquisition profit of a subsidiary at the time of acquisition by the Company accounted as capital reserve.

Securities premium

Securities premium account comprises premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in the statement of profit and loss with corresponding credit to share options outstanding account.

19 BORROWINGS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Secured at amortised cost		
Term loans from banks	2,028.01	1,345.66
Term loans from other financial institutions	238.99	441.72
Total	**2,267.00**	**1,787.38**

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

Repayment and interest terms

Term loans from banks:

(Amount in ₹ mn)

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 20 equal quarterly instalments of ₹20.00 mn per quarter starting from August 2017 and to be settled by August 2022. The loan carries interest rate of 2% p.a.	Citi Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e., inventories and trade receivables, both present and future.	47.56	137.64
Repayable in 20 equal quarterly instalments of ₹ 11.11 mn per quarter starting from April 2017 and to be settled by July 2022. Loan carries interest rate of 7.85% p.a. - 7.9% p.a.	HSBC Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain properties (land and buildings) and secured by second pari-passu charge on current assets, both present and future.	19.44	63.90
Repayable in 18 equal quarterly instalments of ₹13.89 mn per quarter starting from September 2017 and to be settled by November 2022. Loan carries interest rate of 7.65% p.a. - 7.9% p.a.	HSBC Bank		36.11	91.68
Repayable in 18 equal quarterly instalments of ₹13.89 mn per quarter starting from January 2019 and to be settled by July 2023. Loan carries interest rate of 7.65% p.a. - 7.9% p.a.	HSBC Bank		75.00	130.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 20 equal quarterly instalments of ₹12.26 mn per quarter starting from April 2016 and to be settled by May 2021. The loan carries interest rate of 8.15% p.a.	HDFC Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets (land and buildings) and secured by second pari-passu charge on current assets, viz. inventories and receivables, both present and future.	-	12.26
Repayable in 20 equal quarterly instalments of ₹12.50 mn per quarter starting from June 2017 and to be settled by March 2022. The loan carries interest rate of 7.3% p.a.	HDFC Bank		-	50.00
Repayable in 20 equal quarterly instalments of ₹21 mn per quarter starting from March 2019 and to be settled by August 2023. The loan carries interest rate of 7.25% p.a.	HDFC Bank		126.00	210.00
Repayable in 20 equal quarterly instalments of ₹20 mn per quarter starting from September 2019 and to be settled by June 2024. The loan carries a interest rate of 7.45% p.a.	HDFC Bank		180.00	260.00
Repayable in 20 equal quarterly instalments of ₹25 mn per quarter starting from January 2021 and to be settled by October 2025. The loan carries a interest rate of 7.6% p.a.	HDFC Bank		375.00	475.00
Repayable in 20 equal quarterly instalments of ₹25 mn per quarter starting from Jun 2023 and to be settled by Dec 2027. The loan carries a interest rate of 6.5% p.a.	HDFC Bank		500.00	-
Repayable in a bullet payment of ₹122.92 mn in October 2021 and in a bullet repayment of ₹14.48 mn in March 2022 . The loan carries interest rate of 1.72% p.a.	DBS Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets and secured by second pari-passu charge on current assets, including inventories and receivables, both present and future.	-	137.39
Repayable in a bullet payment of ₹15.01 mn in March 2022. The loan carries interest rate of 1.50% p.a.	DBS Bank		-	15.01
Repayable in 16 equal monthly instalments of ₹49.87 mn starting from October 2021 and to be settled by July 2025. The loan carries a interest rate of 7.35% p.a.	Axis Bank	Secured by first pari-passu charge on entire movable fixed assets, both present and future, certain immovable properties and secured by second pari-passu charge on entire current assets, both present and future.	874.16	-
Repayable in 54 equal monthly instalments of ₹18.5 mn starting from July 2022 and to be settled by May 2025. The loan carries a interest rate of 6.7% p.a.	SBI	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on entire current assets, including inventories and receivables, both present and future.	633.91	557.91
Total			**2,867.18**	**2,141.38**
Less: Current maturities (Refer note 23)			(839.17)	(795.72)
Non-current			**2,028.01**	**1,345.66**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Term loans from other financial institutions:

Repayment and interest terms	**Name of the Lender**	**Security**	**As at 31 March, 2022**	**As at 31 March, 2021**
Repayable in 20 equal quarterly instalments of ₹20.00 mn per quarter starting from July 2018 and to be settled by April 2024. The loan carries interest rate of 9% p.a.	Citicorp Finance (India) Limited	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e. inventories and trade receivables, both present and future.	180.00	260.00
Repayable in 50 equal monthly instalments of ₹3.78 mn starting from September 2017 and to be settled by August 2021. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on current assets, both present and future.	-	19.16
Repayable in 54 equal monthly instalments of ₹6.72 mn starting from April 2019 and to be settled by September 2023. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited		113.63	182.17
Repayable in 48 equal monthly instalments of ₹4.88 mn starting from February 2021 and to be settled by January 2025. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited		148.09	192.86
Total			**441.72**	**654.19**
Less: Current maturities (Refer note 23)			(02.73)	(212.47)
Non-current			**238.99**	**441.72**

20 PROVISIONS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Provision for employee benefits		
Provision for gratuity (Refer note 41)	55.01	126.96
Total	**55.01**	**126.96**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

21 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ mn)

Particulars		As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets			
Provision for employee benefits		40.63	55.93
Security deposit		3.73	1.06
Allowance for credit losses		6.85	4.58
Right-of-use assets, net of lease liabilities (Ind AS 116)		9.84	8.81
Others		2.63	2.63
Total	**(a)**	63.68	73.01
Deferred tax liabilities			
Property, plant and equipment		665.52	647.19
On fair valuation of quoted investments		1.50	1.40
Derivative contracts at fair value		11.62	9.70
Others		0.04	0.04
Total	**(b)**	**678.68**	**658.33**
Deferred tax liabilities (Net)	**(c) = (b)-(a)**	**615.00**	**585.32**

22 OTHER NON-CURRENT LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred government grant	509.82	467.16
Total	**509.82**	**467.16**

Movement in deferred government grant (Current and Non-current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	514.60	467.04
Add: Grants received during the year	100.91	92.67
Less: Income recognised in the statement of profit and loss	(51.59)	(45.11)
Closing balance	**563.92**	**514.60**
Less: Amounts expected to be recognised in the next 12 months (Refer note 26) - current	(54.10)	(47.44)
Net Closing balance, non-current	**509.82**	**467.16**

The Government grant related to property, plant and equipment is recognised as income over the useful life, in proportion to the depreciation of the related asset under note 29 -Other income.

23 BORROWINGS (CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans from banks - Secured - at amortised cost		
Cash credit	-	40.95
Working capital loan	890.98	1,014.73
Packing credit	1,494.36	992.79
Current maturities of long-term debt *	1,041.90	1,008.19
Total	**3,427.24**	**3,056.66**

Cash credit, working capital loan, packing credit loan from banks and others amounting to ₹ 2,385.34 mn as at 31 March, 2022 (31 March, 2021: ₹ 2,048.47 mn) are secured by hypothecation of current assets, movable fixed assets and certain immovable properties of the Company.

Working capital loan carries interest rate ranging from 5.65% p.a. to 7.10% p.a., Cash credit carries interest rate ranging from 7.1% p.a. to 7.90% p.a. and Packing credit carries interest rate ranging from 4.00 % p.a. to 4.40% p.a.

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

* Current maturities of long-term debt, previously disclosed under Other financial liabilities (Refer Note 25) have been classified under Borrowings (Current), consequent to the amendment to Schedule III of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

24 TRADE PAYABLES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 47)*	81.84	79.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,625.56	1,398.75
Trade payable towards		
Accrued expenses	465.74	317.39
Total	**2,173.14**	**1,795.26**

* includes amount payable to related parties.

The Company's exposure to currency and liquidity risk related to trade payables are disclosed in note 44.

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Accrued	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
Micro, small and medium enterprises	-	80.73	1.11	-	-	-	81.84
Others	465.74	1,540.17	75.92	7.28	0.39	1.80	2,091.30
Total	**465.74**	**1,620.90**	**77.03**	**7.28**	**0.39**	**1.80**	**2,173.14**
As at 31 March, 2021							
Micro, small and medium enterprises	-	79.12	-	-	-	-	79.12
Others	317.39	1,260.70	99.28	24.55	12.94	1.28	1,716.14
Total	**317.39**	**1,339.82**	**99.28**	**24.55**	**12.94**	**1.28**	**1,795.26**

25 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued	8.70	14.93
Capital creditors *	111.24	162.56
Total	**119.94**	**177.49**

* Capital creditors include dues to micro and small enterprises of ₹ 28.03 mn (March 2021: ₹ 25.00 mn) (Refer note 47).

26 OTHER CURRENT LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance from customers	56.83	25.37
Statutory liabilities	62.80	72.57
Deferred government grant	54.10	47.44
Total	**173.73**	**145.38**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

27 PROVISIONS (CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 41)	25.90	23.36
Provision for compensated absences	80.52	71.88
Total	**106.42**	**95.24**

28 REVENUE FROM OPERATIONS

(Amount in ₹ mn except no. of shares)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A. Revenue streams		
Sale of products	16,232.60	12,668.84
Sale of services	38.82	0.23
Sub-total	**16,271.42**	**12,669.07**
Other operating revenues:		
Scrap sales	842.78	484.97
Tooling income	254.30	255.84
Export incentive benefit	81.54	103.52
Total	**17,450.04**	**13,513.40**

B. Disaggregation of revenue from contracts with customers

(Amount in ₹ mn except no. of shares)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products		
India	11,009.36	8,948.63
Europe	2,776.42	2,330.94
USA	1,724.91	997.48
Other foreign countries	721.91	391.79
Sub-total	**16,232.60**	**12,668.84**
Sale of services		
India	**38.82**	**0.23**
Tooling income		
India	149.32	45.28
Europe	55.75	105.90
USA	49.23	90.07
Other foreign countries	-	14.59
Sub-total	**254.30**	**255.84**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Total revenue from contracts with customers:		
India	11,197.50	8,994.14
Europe	2,832.17	2,436.84
USA	1,774.14	1,087.55
Other foreign countries	721.91	406.38
Total revenue from contract with customers	**16,525.72**	**12,924.91**

C. Reconciling the amount of revenue recognised with contract and total revenue:

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Total revenue from contract with customers	16,525.72	12,924.91
Adjustments:		
Other operating revenues:		
Export incentive benefit	81.54	103.52
Scrap sales	842.78	484.97
Total	**17,450.04**	**13,513.40**

D. Timing of revenue recognition

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Good transferred at a point in time	16,271.42	12,669.07
Service transferred over time	254.30	255.84
Total revenue from contract with customers	**16,525.72**	**12,924.91**

E. Contract balances

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Trade receivables	3,871.69	2,913.52
Contract assets (Unbilled revenue)	148.54	34.83
Contract liabilities (Advance from customers)	56.83	25.37

F. The Company's revenue from its major products are as follows:

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Connecting rods	6,287.37	4,398.20
Crank shaft assembly	2,995.98	2,509.90
Rocker arms	3,383.71	2,835.99
Others*	3,565.54	1,966.18
Total revenue from sale of products	**16,232.60**	**11,710.27**

*** Individual items of these are less than 10% of sale of products.**

Revenue from sale of products from top three customers of the Company, who individually exceed 10% of total sales, is 44.18% (as at 31 March, 2021 - three customers is 51.68%).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

G. Contract liabilities

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Balance at the beginning of the year	25.37	17.33
Revenue recognised during the year	(25.37)	(17.33)
Contract liabilities recognised during the year	56.83	25.37
Balance at the end of the year	**56.83**	**25.37**

Contract liabilities include advances received from customer towards supplies

29 OTHER INCOME

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Interest income	13.41	21.58
Fair value gain on financial instruments at fair value profit or loss	0.39	2.05
Gain/(loss) on disposal of property, plant and equipments, net and Capital work in progess	5.20	4.68
Net Foreign exchange gain, net	59.87	77.29
Income from government grants	51.59	45.11
Other non-operating income	36.24	17.78
Share of profit from investment in Limited Liability Partnership (LLP)	4.17	-
Total	**170.87**	**168.49**

30 COST OF MATERIALS CONSUMED

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Raw materials at the beginning of the year	584.55	522.04
Add: Purchases	7,914.97	5,939.63
Less: Raw materials at the end of the year	734.10	584.55
Total	**7,765.42**	**5,877.12**

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Opening balance		
Finished goods	347.33	323.92
Work-in-progress	837.93	807.48
Total	**1,185.26**	**1,131.40**
Closing balance		
Finished goods	442.97	347.33
Work-in-progress	948.40	837.93
Total	**1,391.37**	**1,185.26**
Changes in inventories of finished goods and work-in-progress	**(206.11)**	**(53.86)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

32 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Salaries and wages	1,782.03	1,380.51
Contribution to provident and other funds (Refer note 41 A)	88.05	66.40
Gratuity expenses (Refer note 41 B)	36.38	35.25
Employee stock compensation expense (Refer note 42)	76.60	-
Staff welfare expenses	273.22	210.28
Total	**2,256.28**	**1,692.44**

33 FINANCE COSTS

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Interest Cost		
Banks and Financial institutions	368.93	307.04
Others	37.07	81.65
Exchange differences regarded as an adjustment to borrowing costs	6.73	4.06
Interest on obligations under lease	27.66	19.19
Total	**440.39**	**411.94**

34 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Depreciation of property, plant and equipment	984.03	848.66
Depreciation of Right-of-use assets	44.86	32.61
Amortisation of intangible assets	5.72	2.18
Total	**1,034.61**	**883.45**

35 OTHER EXPENSES

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Contract labour charges	884.50	720.02
Freight outward	220.38	161.55
Legal and professional (Refer note 38 and note 40)	73.68	49.27
Rates and taxes	83.10	44.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Repairs and maintenance		
Buildings	131.29	102.05
Computers	54.78	47.65
Vehicles	31.89	23.54
Rent	4.18	2.31
Traveling and conveyance	31.17	19.27
Insurance	53.60	40.23
Printing and stationery	6.81	5.40
Communication expenses	5.59	4.92
Security charges	45.72	39.77
Selling and advertisement	5.31	1.34
Corporate social responsibility (Refer note 48)	33.98	28.74
Bank charges	19.42	21.27
Allowance for credit losses	9.02	-
Insurance claim receivable written off	-	11.26
Miscellaneous	24.36	19.78
Total	**1,718.78**	**1,342.88**

36 EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. The details are as follows:

(Amount in ₹ mn except no. of shares)

Particulars		**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Profit available to shareholders for calculation of basic and diluted earnings per share	**A**	1,281.57	978.80
Nominal value of equity shares (₹ per share)		2.00	2.00
Weighted average number of equity shares for calculation of basic earnings per share	**B**	5,16,27,573	5,13,77,850
Basic earnings per share (in ₹)	**A/B**	**24.82**	**19.05**
Weighted average number of equity shares for calculation of diluted earnings per share	**C**	5,35,45,027	5,25,51,625
Diluted earnings per share (in ₹)	**A/C**	**23.93**	**18.63**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Computation of weighted average number of shares

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Weighted average number of equity shares	5,13,77,850	4,69,36,500
Weighted average number of Series A Compulsorily Convertible Preference Shares (CCPS)	-	44,39,900
Weighted average number of Series B Compulsorily Convertible Preference Shares (CCPS)	-	1,450
Weighted average number of Shares issued under Employee Stock Option	2,49,723	-
Weighted average number of equity shares for calculation of basic earnings per share	**5,16,27,573**	**5,13,77,850**
Add: Impact of potentially dilutive equity shares:		
Weighted average number of Shares issued under Employee Stock Option	19,17,454	11,73,775
Weighted average number of equity shares for calculation of diluted earnings per share	**5,35,45,027**	**5,25,51,625**

37 CONTINGENT LIABILITIES AND COMMITMENTS *(to the extent not provided for)*

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contingent liabilities #		
Claims against the Company not acknowledged as debts:		
Excise duty, entry tax and service tax matters (Refer note A(i))	49.07	79.04
Income tax matters (Refer note A(ii))	6.36	6.39
Corporate guarantee for credit facility (Refer note B)	227.13	204.18
Commitments ##		
Estimated amount of contracts remaining to be executed on capital account and not provided for	740.90	357.71

Note A: Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for wherever required and disclosed as contingent liabilities where applicable, in these standalone financial statements. The Company does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

(i) Relating to demand for service tax on labour charges, refund granted on service tax paid under reverse charge mechanism (RCM), disallowance of Excise duty rebate etc.,

(ii) Relating to disallowance of certain expenses, additional depreciation and non-consideration of MAT (Minimum Alternate Tax) credit.

Note B: The Company has provided corporate guarantee/standby letter of credit for the Credit facilities of EURO 5 mn equivalent to maximum amount approx. ₹ 400 mn granted to Sansera Sweden AB, subsidiary by Citibank.

The Honourable Supreme Court of India, in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision of ₹ 0.58 mn for provident fund contribution pursuant to the judgement in the year 2018-2019 from the date of Order of the Honourable Supreme Court of India. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

As disclosed in note 4.b, the Company has invested in Clean Max Vega Power LLP (i.e., power producer) and entered into an energy supply agreement for a period of 25 years with lock in period of 5 years. Pursuant to such energy supply agreement, the Company has committed to purchase atleast 51% of the total power produced by the power producer.

The Company does not have any other material commitments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

38 AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL, NET OF TAXES) *

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Statutory audit fees	4.00	2.80
Statutory audit fees - Erstwhile auditor	-	0.59
Limited review fees	1.45	-
Tax audit fees	0.30	0.20
Tax audit fees - Erstwhile auditor	-	0.04
Certifications	0.15	-
Total	**5.90**	**3.63**

* Excluding ₹ 11.85 mn (31.03.2021: Nil) towards attest services in connection with Initial Public Offering.

39 TAX EXPENSE

A. Amounts recognised in standalone statement of profit and loss (Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current tax (a)		
Current year	409.92	289.44
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	23.60	56.85
Income tax expense reported in the standalone statement of profit and loss (a+b)	**433.52**	**346.29**
Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	**6.49**	**(5.91)**
Income tax reported in other comprehensive income	**6.49**	**(5.91)**

B. Bifurcation of the income tax recognised in other comprehensive income into

Items that will not be reclassified to profit or loss	6.49	(5.91)
Items that will be reclassified to profit or loss	-	-
	6.49	**(5.91)**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

Profit before tax	1,715.09	1,325.09
Effective tax rate	25.17%	25.17%
Computed expected tax expense	431.69	333.53
Effect of:		
Non-deductible expenses	8.57	7.23
Tax exempt income	(4.76)	-
Others	(1.98)	5.53
Income tax expense	**433.52**	**346.29**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

D. Movement in temporary differences

(Amount in ₹ mn)

Particulars	Balance as at 1 April, 2021 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March, 2022 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(647.19)	(18.33)	-	(665.52)
Provision for employee benefits	55.93	(9.22)	(6.49)	40.63
Security deposit	1.06	2.67	-	3.73
Allowance for credit losses	4.58	2.27	-	6.85
Right-of-use assets, net of lease liabilities (Ind AS 116)	8.81	1.03	-	9.84
On fair valuation of quoted investments	(1.40)	(0.10)	-	(1.50)
Derivative contracts at fair value	(9.70)	(1.92)	-	(11.62)
Others	2.59	-	-	2.59
Total	**(585.32)**	**(23.60)**	**(6.49)**	**(615.00)**

Particulars	Balance as at 1 April, 2020 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March, 2021 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(607.30)	(39.89)	-	(647.19)
Provision for employee benefits	47.71	2.31	5.91	55.93
Security deposit	2.12	(1.06)	-	1.06
Allowance for credit losses	4.58	-	-	4.58
Right-of-use assets, net of lease liabilities (Ind AS 116)	7.31	1.50	-	8.81
On fair valuation of quoted investments	(0.89)	(0.51)	-	(1.40)
Derivative contracts at fair value	5.01	(14.71)	-	(9.70)
Others	7.08	(4.49)	-	2.59
Total	**(534.38)**	**(56.85)**	**5.91**	**(585.32)**

E. Amendment to Ind AS 12 Income Taxes: Appendix C - Uncertainty over Income Tax Treatments

This Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. Based on the evaluation carried out on the outstanding litigations (Refer Note 37), the Company has determined that there will not be any significant impact on the financial statements on account of this Appendix.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

40 RELATED PARTIES DISCLOSURES

A. Significant Shareholders

Client Ebene Limited

CVCIGPII Employee Ebene Limited

B. Subsidiary companies

Fitwel Tools and Forgings Private Limited

Sansera Engineering Pvt. Ltd., Mauritius

Sansera Sweden AB

C. Trust in which the Director is a trustee

Sansera Foundation

D. Key managerial personnel

S Sekhar Vasan - Chairman and Managing Director

F R Singhvi - Joint Managing Director

B R Preetham - Chief Executive Officer

Vikas Goel - Chief Financial Officer

Rajesh Kumar Modi - Company Secretary and Compliance officer

Muthuswamy Lakshminarayan - Independent Director

Revathy Ashok - Independent Director

Bilaine Sylvain - Independent Director

E. Close members of key managerial personnel's family

Lalitha Singhvi

Praveen Singhvi

Lata Singhvi

Jayaraj Singhvi

Tara Singhvi

Indira Singhvi

F. The following is the summary of related party transactions:

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Expenditure towards Corporate Social Responsibility (CSR)		
Sansera Foundation	33.98	20.32
Purchase of raw material		
Fitwel Tools and Forgings Private Limited	3.81	2.05
Sale of raw materials		
Fitwel Tools and Forgings Private Limited	-	3.66
Sansera Sweden AB	-	4.50
Purchase of products		
Fitwel Tools and Forgings Private Limited	528.15	485.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of Capital work-in-progess		
Sansera Sweden AB	34.25	6.72
Sale of tools		
Sansera Sweden AB	3.29	10.05
Reimbursement of expenses (received)		
Sansera Sweden AB	4.47	2.46
Employee stock option Cost		
Fitwel Tools and Forgings Private Limited	3.29	-

G. The following is the summary of related party transactions (continued):

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
IPO expenses incurred (to be reimbursed by the shareholders) #		
S. Sekhar Vasan	59.52	-
F R Singhvi	5.79	-
Lalitha Singhvi	1.77	-
Praveen Singhvi	1.79	-
Lata Singhvi	1.79	-
Jayaraj Singhvi	1.79	-
Tara Singhvi	1.79	-
Indira Singhvi	1.79	-
Unni Rajagopal K	16.52	-
Devappa Devaraj	16.52	-
Client Ebene Limited	95.45	-
CVCIGP II Employee Ebene Limited	53.46	-
Managerial Remuneration*		
S Sekhar Vasan	14.89	7.45
F R Singhvi	14.89	7.45
B R Preetham	16.39	11.47
Vikas Goel	16.31	11.80
Rajesh Kumar Modi	4.30	3.46
Legal and Professional Charges- Fixed Commission		
Muthuswamy Lakshminarayan	1.20	0.60
Revathy Ashok	1.20	0.60
Bilaine Sylvain	1.20	0.53
Legal and Professional Charges- Sitting fees		
Muthuswamy Lakshminarayan	0.30	0.11
Revathy Ashok	0.33	0.16
Bilaine Sylvain	0.19	0.15
Conversion of Compulsorily Convertible Preference Shares (CCPS)		
Client Ebene Limited	5.69	-
CVCIGPII Employee Ebene Limited	3.19	-
Redemption of Preference shares		
Sansera Engineering Pvt. Ltd., Mauritius	82.69	162.42

*Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

H. The balances receivable from and payable to related parties are:

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payables		
Fitwel Tools and Forgings Private Limited	1.74	13.62
Other Recoverables		
Fitwel Tools and Forgings Private Limited	3.29	-
Trade receivables		
Sansera Sweden AB	2.70	2.67
Corporate guarantee for credit facility		
Sansera Sweden AB	227.13	204.18
IPO expenses recoverable from shareholders #		
S. Sekhar Vasan	0.42	11.24
F R Singhvi	0.05	-
Lalitha Singhvi	0.01	0.33
Praveen Singhvi	0.01	0.56
Lata Singhvi	0.01	0.56
Jayaraj Singhvi	0.01	0.56
Tara Singhvi	0.01	0.56
Indira Singhvi	0.01	0.56
Unni Rajagopal K	0.12	3.12
Devappa Devaraj	0.11	2.51
Devappa Devaraj on behalf of D. Devaraj HUF	-	0.61
Client Ebene Limited	1.74	47.18
CVCIGP II Employee Ebene Limited	0.97	26.42
Loans to key managerial personnel		
B. R Preetham	3.88	3.88
Payable to Directors		
S. Sekhar Vasan	12.86	12.87
F R Singhvi	-	1.94
Receivable from Director		
F R Singhvi	0.36	-

The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on 24 September, 2021, by completing the Initial Public Offering (IPO) of 17,244,328 equity Shares of face value of ₹ 2 each at an issue price of ₹ 744 per equity share, consisting of an offer for sale of 17,244,328 equity shares by the selling shareholders. For the purpose of IPO, during the current financial year, the Company has incurred a cost of ₹ 257.98 mn (31 March, 2021: Nil). As per the arrangement with the related selling shareholders, the aforesaid expenditure is required to be borne by the respective selling shareholders. Outstanding cost recoverable as at 31 March, 2022 is ₹ 3.47 mn (31 March, 2021: ₹ 94.21 mn).

Terms and conditions:

All transactions with related parties are unsecured.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

41 EMPLOYEE BENEFIT PLANS

A Defined contribution plan

The Company has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Employer contribution to Provident fund, including admin charges	74.68	56.78
Employer contribution to Employee state insurance scheme	13.18	9.44
Employer contribution to Labour Welfare fund	0.19	0.18

B Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Fund.

The following table sets out the status of the gratuity plan as required under Ind AS 19 “Employee benefits”:

a) Reconciliation of present value of defined benefit obligations

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Defined benefit obligations at the beginning of the year	322.11	262.55
Current service cost	26.24	27.38
Interest Expense	21.73	17.71
Benefits paid	(10.46)	(6.28)
Actuarial (gains) / losses recognised in Other Comprehensive Income:		
Changes in financial assumptions	(14.67)	-
Experience adjustments	(4.35)	20.75
Defined benefit obligations at the end of the year	**340.60**	**322.11**

b) Reconciliation of present value of plan assets

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Plan assets at the beginning of the year	171.79	145.94
Interest income	11.59	9.84
Contributions paid into the plan	80.01	25.03
Return on plan assets recognised in other comprehensive income	6.76	(2.74)
Benefits paid	(10.46)	(6.28)
Plan assets at the end of the year	**259.69**	**171.79**

Actual return on plan assets

Return on plan assets: The long term estimate of the expected rate of return on plan assets has been arrived at based on prevailing yields on those assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Net defined benefit liability (a-b)	**80.91**	**150.32**
Non-current	55.01	126.96
Current	25.90	23.36
Total	**80.91**	**150.32**

c) Expenses recognised in the standalone statement of profit and loss

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Current service cost	26.24	27.38
Interest expense	21.73	17.71
Interest income	(11.59)	(9.84)
Total	**36.38**	**35.25**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Actuarial (gain)/loss on account of experience adjustments	(4.35)	20.75
Actuarial (gain)/loss arising from change in financial assumptions	(14.67)	-
Return on plan assets recognised in other comprehensive income	(6.76)	2.74
Total	**(25.78)**	**23.49**
Total cost recognised in the statement of profit and loss, including other comprehensive income (c+d)	**10.60**	**58.74**

e) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March, 2022 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Discount rate	7.20%	6.75%
Salary increase**	5.00%	5.00%*
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	58 years	58 years
Withdrawal rate	4.00%	4.00%

* Salary increment for the financial year ended 31 March, 2021 was considered as 0% due to COVID-19 effect.

** The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	**For the year ended 31 March, 2022**		**For the year ended 31 March, 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	311.02	(374.66)	292.87	(355.97)
Future salary growth (1% movement)	375.07	(310.17)	356.23	(292.15)
Withdrawal rate (1% movement)	345.44	(335.21)	325.95	(317.83)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:

Expected cash flows over the next (valued on undiscounted basis):	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
1 year	25.90	23.36
2 to 5 years	97.16	80.94
6 to 10 years	151.86	137.86
More than 10 years	476.41	435.43

g) Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

h) The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

42 EMPLOYEE STOCK OPTIONS

The Company has share option schemes for the permanent employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders, permanent employees may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry as per ESOP Schemes.

(a) Sansera Employee Stock Option Plan 2015

On 12 March, 2015, the Board of Directors of the Company approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to the employees of the Company and its subsidiaries which was further ratified by the shareholders on 13 April, 2015 Further, the ESOP 2015 has been amended pursuant to resolutions passed by the Shareholders on 3 August, 2018, 2 June, 2021 and 31 August, 2021, respectively. The vested options can be exercised by the option holder and the shares can be allotted by the Board/Committee as specified in the Plan. The plans are as follows:

Program 1: Key management group

Options under this program are granted to certain employees at an exercise price of ₹ 0.14 per option. The entire stock options are completely vested.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	11,73,775	0.14	11,73,775	0.14
Granted during the year	-	-	-	-
Exercised during the year	1,75,000	0.14	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**9,98,775**	**0.14**	**11,73,775**	**0.14**
Vested at the end of the year	**9,98,775**	**0.14**	**11,73,775**	**0.14**
Exercisable at the end of the year	**9,98,775**	**0.14**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Program 2: Certain identified employees

Options under this program are granted to certain employees at an exercise price of ₹135.20 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 % vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Number of Options	**Weighted average exercise price in ₹**	**Number of Options**	**Weighted average exercise price in ₹**
Outstanding at the beginning of the year	11,88,275	135.20	13,36,900	135.20
Granted during the year*	1,48,625	135.20	-	-
Exercised during the year	6,02,965	135.20	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Surrendered during the year	-	-	1,48,625	135.20
Outstanding at the end of the year	**7,33,935**	**135.20**	**11,88,275**	**135.20**
Vested at the end of the year	**7,33,935**	**135.20**	**11,88,275**	**135.20**
Exercisable at the end of the year	**7,33,935**	**135.20**	**-**	**-**

* The options granted during the year have been vested over the period of one year from the date of grant.

During the year ended 31 March, 2022, shares were exercised on 29 October, 2021 and March 25, 2022. The share price on the date of exercise was ₹ 707.40 and ₹ 563.15 respectively.

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	**Share option plans**		
	Program 1: Key Management Group	**Program 2: Certain Identified Employees**	**Program 2: Certain Identified Employees**
Grant date	29 April, 2015	29 April, 2015	01 April, 2021
Fair value at grant date	103.39	55.25	273.21
Share price at grant date	103.48	103.48	396.60
Exercise price	0.14	135.20	135.20
Expected volatility (weighted average volatility)	49.20%	49.20%	31.30%
Method used to determine expected volatility	Expected volatility has been calculated based on volatility of the comparable company stock prices.		
Expected term (in years)	6.50	6.50	2.00
Risk free interest rate	7.90%	7.90%	4.52%

(b) Sansera Employee Stock Option Plan 2018

The Company, pursuant to resolution passed by its shareholders dated 8 August, 2018 has adopted "Sansera Employee Stock Option Plan 2018" ("the Plan"). Further, the ESOP 2018 has been amended pursuant to resolutions passed by the Board of Directors on 19 April, 2021 and 22 August, 2021 and Shareholders on 2 June, 2021 and 31 August, 2021. The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in the Company on a fully diluted basis as on the date of this plan. The plans are as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Options under this program are granted to certain employees at an exercise price of ₹ 744 per option. Stock options issued carry different vesting periods. It ranges from 25 to 100 % vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Number of Options	**Weighted average exercise price in ₹**	**Number of Options**	**Weighted average exercise price in ₹**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	8,08,327	744.00	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**8,08,327**	**744.00**	**-**	**-**
Vested at the end of the year	**-**	**-**	**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	**Share option plan**
Grant date	22-Sep-21
Fair value at grant date (Average)	200.72
Share price at grant date	744.00
Exercise price	744.00
Expected volatility (weighted average volatility) (Average)	26.68%
Expected term (in years) (Average)	**3.50**
Method used to determine expected volatility	**The expected volatility has been calculated based on historic volatility Auto Index**
Risk free interest rate (Average)	**5.02%**

** The employees of the Subsidiary are eligible for shares under Employee Stock Option Plans of Sansera Engineering Limited. The Company has cross-charged an amount of ₹ 3.29 mn for year ended 31 March, 2022 (31 March, 2021: Nil) as cost of such stock options.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

43 FINANCIAL INSTRUMENTS

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(Amount in ₹ mn)

Particulars	Carrying amount	Fair value		
	31 March, 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity	110.90	5.97	-	104.93
Derivative contracts at fair value	6.13	-	6.13	-
Total	**117.03**	**5.97**	**6.13**	**104.93**
Financial assets measured at amortised cost				
Loans	36.45	-	-	-
Other non-current financial assets	137.51	-	-	-
Trade receivables	3,871.69	-	-	-
Cash and cash equivalents	273.32	-	-	-
Bank balances other than cash and cash equivalents above	112.47	-	-	-
Other current financial assets	174.68	-	-	-
Total	**4,606.12**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	2,267.00	-	-	-
Current borrowings	3,427.24	-	-	-
Lease liabilities	332.17	-	-	-
Trade payables	2,173.14	-	-	-
Other financial liabilities	119.94	-	-	-
Total	**8,319.49**	**-**	**-**	**-**

(Amount in ₹ mn)

Particulars	Carrying amount	Fair value		
	31 March, 2021	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity	42.51	5.58	-	36.93
Derivative contracts at fair value	38.54	-	38.54	-
Total	**81.05**	**5.58**	**38.54**	**36.93**
Financial assets measured at amortised cost				
Loans	35.95	-	-	-
Other non-current financial assets	135.69	-	-	-
Trade receivables	2,913.52	-	-	-
Cash and cash equivalents	116.73	-	-	-
Bank balances other than cash and cash equivalents above	281.30	-	-	-
Other current financial assets	139.53	-	-	-
Total	**3,622.72**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Particulars	**Carrying amount**	**Fair value**		
	31 March, 2021	**Level 1**	**Level 2**	**Level 3**
Financial liabilities measured at amortised cost				
Non-current borrowings	1,787.38	-	-	-
Current borrowings	3,056.66	-	-	-
Lease liabilities	186.27	-	-	-
Trade payables	1,795.26	-	-	-
Other financial liabilities	177.49	-	-	-
Total	**7,003.06**	**-**	**-**	**-**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non-current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Investments in subsidiaries are not appearing as financial asset in the table above, being accounted under Ind AS 27, Separate Financial Statements.

The majority of costs and incomes are denominated in local currencies, which is not impacted by currency exchange fluctuations. Some of the contracts with key export customers may not allow for price adjustments in the event of unfavourable currency exchange rate developments. Global footprint exposes the Company to certain currency exchange risks, arising primarily from foreign currency receivables, import of raw materials and capital goods for operations, export of goods and non-Indian rupee denominated borrowings. The Company hedges significant portion of the net foreign exchange exposure through forward contracts and non-Indian rupee denominated loans.

44 FINANCIAL RISK MANAGEMENT

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and others, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognises credit risk on the basis of lifetime expected losses. (Refer note 11).

The top 5 customers generated revenues of 57.12% during the year (31 March, 2021 : 62.5%), wherein 3 customers (31 March, 2021: 3 customers) individually represented more than 10% of the revenue for the year. Further, 3 customers accounted for more than 31% of the receivables as at 31 March, 2022.

Security deposits, Other financial assets and Loans:

Expected credit loss for Security deposits, Other financial assets and Loans is as follows:

Particulars	Year ended	Assets of the Company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	31 March, 2022	Security deposits	134.24	0%	-	134.24
		Other financial assets	180.81	0%	-	180.81
		Loans	36.45	0%	-	36.45

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalents is limited as the Company generally transacts with banks and others with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

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

The working capital position of the Company is given below :

As at 31 March, 2022, the Company had a working capital of ₹ 1,083.76 mn including cash and cash equivalents and bank balances of ₹ 385.79 mn and current investments of ₹ 5.97 mn. As at 31 March, 2021, the Company had a working capital of ₹ 551.13 mn including cash and cash equivalents and bank balances of ₹ 398.03 mn and current investments of ₹ 5.58 mn.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

Particulars	As at 31 March, 2022				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,308.90	3,308.91	1,041.90	985.36	1,281.65
Current borrowings	2,385.34	2,385.34	2,385.34	-	-
Trade payables	2,173.14	2,173.14	2,173.14	-	-
Other financial liabilities	119.94	119.94	119.94	-	-
Lease liabilities	332.17	332.17	40.37	45.46	246.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Particulars	As at 31 March, 2021				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	2,795.57	2,795.57	1,008.19	763.19	1,024.19
Current borrowings	2,048.47	2,048.47	2,048.47	-	-
Trade payables	1,795.26	1,795.26	1,795.26	-	-
Other financial liabilities	177.49	177.49	177.49	-	-
Lease liabilities	186.27	186.27	50.03	49.28	86.96

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings and payables. The Company's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fixed rate instruments:		
Financial liabilities	227.56	414.63
Variable rate instruments:		
Financial liabilities	5,466.68	4,429.41
Total	**5,694.24**	**4,844.04**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the year was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax	
		31 March, 2022	31 March, 2021
Increase of 100 basis points	₹	54.67	44.29
Decrease in 100 basis points	₹	(54.67)	(44.29)

(vi) Foreign currency risk

The Company is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Foreign currency (FC) risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows.

(Amount in ₹ mn)

Particulars	Currency Hedged	As at 31 March, 2022		As at 31 March, 2021	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward contract (to hedge net receivables)	USD	10.93	828.05	12.36	903.27
No. of Contracts		21		20	
Forward contract (to hedge net receivables)	EUR	4.65	391.20	8.75	750.31
No. of Contracts		10		11	
Forward contract (to hedge net receivables)	EURUSD	-	-	1.80	154.35
No. of Contracts		-		3	
Forward contract (to hedge borrowing)	USD	-	-	7.69	561.99
No. of Contracts		-		6	
Forward contract (to hedge borrowing)	EURUSD	-	-	1.00	85.75
No. of Contracts		-		2	

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

(vi) Foreign currency risk (continued)

The following table presents foreign currency risk from financial instruments as of:

Particulars	Currency	As at 31 March, 2022		As at 31 March, 2021	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade receivables	USD	19.28	1,461.28	11.63	850.51
	EUR	10.56	889.36	9.54	817.96
Cash and cash equivalents	USD	0.76	57.60	0.22	15.91
	EUR	0.26	21.90	0.42	35.89
Trade payables	USD	0.36	27.29	0.38	27.97
	EUR	0.67	56.43	1.95	167.22
	JPY	-	-	39.31	25.99
	GBP	*	0.32	0.16	16.42
	CHF	0.01	0.82	-	-
Borrowings	USD	9.29	704.11	3.76	275.03
	EUR	-	-	0.18	15.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Sensitivity analysis

Particulars	Percentage movement	Effect on profit before tax		Effect on equity	
		Strengthening	Weakening	Strengthening	Weakening
31 March, 2022					
USD	4%	31.50	(31.50)	23.57	23.57
EUR	2%	17.10	(17.10)	12.80	(12.80)
CHF	6%	0.05	(0.05)	-	-
31 March, 2021					
USD	3%	16.90	(16.90)	12.65	(12.65)
EURO	3%	20.15	(20.15)	15.08	(15.08)
JPY	5%	(1.30)	1.30	(0.97)	0.97
GBP	7%	(1.15)	1.15	(0.86)	0.86

* GBP 3,226 not presented above due to rounding off to nearest mn.

45 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the standalone Ind AS financial statements.

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Gross debt*	6,035.11	5,045.24
Less : Cash and cash equivalents and other bank balances	385.79	398.03
Net debt (A)	**5,649.32**	**4,647.21**
Total equity (B)**	**10,336.67**	**8,874.38**
Debt ratio (A / B)	**0.55**	**0.52**

* Gross debt includes non-current borrowings, current borrowings, current maturities of long term debts, lease liabilities and accrued interest .

** Total equity incudes Equity share capital, instruments entirely equity in nature and other equity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

46 RATIOS

Particulars		Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% Variance	Reason for Variance
(a)	Current Ratio	Current assets	Current liabilities	1.18	1.10	6.85%	Not Applicable
(b)	Debt-Equity ratio	Total debt	Shareholders' equity	0.58	0.57	2.70%	Not Applicable
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	1.75	1.52	15.14%	Not Applicable
(d)	Return on Equity Ratio	Net profits after taxes – Preference dividend	Average shareholders equity	13.34%	11.66%	1.68%	Not Applicable
(e)	Inventory turnover ratio	Cost of goods sold	Average inventory	5.19	4.37	18.66%	Not Applicable
(f)	Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	5.14	5.04	2.06%	Not Applicable
(g)	Trade payables turnover ratio	Net credit purchases	Average trade payables	6.77	6.27	7.95%	Not Applicable
(h)	Net capital turnover ratio	Revenue from operations	Working capital	16.10%	24.52%	(8.42%)	Not Applicable
(i)	Net profit ratio	Net profit after tax	Revenue from operations	7.34%	7.24%	0.10%	Not Applicable
(j)	Return on Capital employed	EBIT	Capital employed	12.70%	11.99%	0.71%	Not Applicable
(k)	Return on investment	Income generated from investments	Average investments	6.52%	9.25%	(2.74%)	Not Applicable

Notes:

Total Debt includes non-current borrowings, current borrowings, current maturities of non-current borrowings, lease liabilities and accrued interest

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest - other adjustments like gain on sale of fixed assets, income from government grant and dividend income/share of profit from investment

Debt service = Interest and Lease Payments + Principal Repayments

Cost of Goods Sold = Cost of materials consumed + Changes in inventories of finished goods and work-in-progress + Conversion charges + Power and fuel + Contract labour charges

Net credit purchases consist of gross credit purchases minus purchase return (includes purchase of raw material, conversion charges, power and fuel, stores and spares)

Working capital = Current assets - Current liabilities

EBIT - Earnings before interest and taxes.

Capital Employed = Tangible net worth + Borrowings + Deferred tax liabilities

Income generated from investment consist of dividend/share of profit from investment and interest income generated from various investments.

Average investments includes average of investment in fixed deposit and investment in Other Investment (Unquoted).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

47 DUES TO MICRO, SMALL AND ENTERPRISES

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: *		
– Principal	106.07	102.81
– Interest	3.80	1.31
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	2.49	0.51
The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.80	1.31
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

* Includes amount payable to capital creditors amounting to ₹ 28.03 mn (31 March, 2021: ₹ 25.00 mn)

48 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
(i) Amount required to be spent by the Company during the year	27.12	28.74
(ii) Amount of expenditure incurred	33.98	20.32
a) Construction/acquisition of any asset	11.67	0.31
b) On purpose other than (a) above	22.31	20.01
(iii) Shortfall at the end of the year *	-	8.42
(iv) Total of previous years' shortfall	-	8.42

(v) Reason for shortfall : For the year ended 31 March, 2022 the Company has spent required amount under CSR.

(vi) Nature of CSR activities: Promotion of education of underprivileged children, construction of sanitation facilities in rural schools, project related to environmental sustainability etc.

(vii) Details of related party transactions: Trust in which the Director is a trustee. Refer note 40

* The unspent amount was transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

49 CASH FLOW DISCLOSURES

Reconciliation between opening and closing balances in the standalone balance sheet for liabilities arising from financing activities:

Particulars	**Opening balance**	**Cash flows**		**Non-cash movements**	**Closing balance**
	1 April, 2021	**Proceeds**	**Repayments**	**Fair value changes**	**31 March, 2022**
Non-current borrowings	2,795.57	1,576.01	(1,056.66)	(6.02)	3,308.90
Current borrowings *	2,048.47	329.37	-	7.50	2,385.34
Total liabilities from financing activities	**4,844.04**	**1,905.38**	**(1,056.66)**	**1.48**	**5,694.24**

Particulars	**Opening balance**	**Cash flows**		**Non-cash movements**	**Closing balance**
	1 April, 2020	**Proceeds**	**Repayments**	**Fair value changes**	**31 March, 2021**
Non-current borrowings	2,702.74	1,048.42	(952.17)	(3.42)	2,795.57
Current borrowings *	3,265.26	-	(1,207.25)	(9.54)	2,048.47
Total liabilities from financing activities	**5,968.00**	**1,048.42**	**(2,159.42)**	**(12.96)**	**4,844.04**

* Current borrowings are disclosed net of repayments/ proceeds.

50 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile/aerospace components, which in the context of Ind AS 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the standalone statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA:

(a) Revenue from operations

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
India	12,121.82	9,582.63
Europe	2,832.17	2,436.84
USA	1,774.14	1,087.55
Other foreign countries	721.91	406.38
Total revenue from operations as per the standalone statement of profit and loss	17,450.04	13,513.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(b) Non-current assets

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
India	11,851.13	10,276.84
Total	**11,851.13**	**10,276.84**
Reconciling items:		
Non-current financial assets	1,130.22	1,139.56
Income tax assets	10.19	9.91
Total non-current assets	**12,991.54**	**11,426.31**

51 DETAILS OF NON-CURRENT INVESTMENTS PURCHASED AND SOLD UNDER SECTION 186(4) OF THE COMPANIES ACT 2013.

Investments in equity and preference instruments

Subsidiaries	**Face value per share**	**As at 1 April, 2021**	**Purchased during the year**	**Redemption during the year**	**As at 31 March, 2022**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹ 10	201.65	-	-	201.65
		(248,872)*			(248,872)*
Sansera Engineering Pvt. Ltd., Mauritius (Equity Shares)	Euro 10	6.88	-	-	6.88
		(10,000)*			(10,000)*
Sansera Engineering Pvt. Ltd., Mauritius (Preference Shares)	Euro 10	749.27	-	82.69	666.58
		(1,040,000)*		(110,000)*	(930,000)*

Subsidiaries	**Face value per share**	**As at 1 April, 2020**	**Purchased during the year**	**Redemption during the year**	**As at 31 March, 2021**
Fitwel Tools and Forgings Private Limited (Equity Shares)	₹10	201.65	-	-	201.65
		(248,872)*			(248,872)*
Sansera Engineering Pvt. Ltd., Mauritius (Equity Shares)	Euro 10	6.88	-	-	6.88
		(10,000)*			(10,000)*
Sansera Engineering Pvt. Ltd., Mauritius (Preference Shares)	Euro 10	911.69	-	162.42	749.27
		(1,230,000)*		(190,000)*	(1,040,000)*

* The figures in parenthesis represents number of shares.

52

The Company has considered various internal and external sources consisting of feedback from the customers and the market trends, up to the date of approval of the Standalone financial statements in determining the impact, if any, arising from the pandemic on various elements of its Standalone financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on its current estimates, the Company expects to recover the carrying value of its financial and non-financial assets, including tangible assets and meet its financial obligations in the normal course of business. The eventual outcome of the possible impact of the pandemic may be different from that estimated as on the date of approval of these Standalone financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its Standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

53

The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Company will complete its evaluation and will give appropriate impact in its standalone financial statements in the period in which the Code becomes effective and the related rules are published.

54 ADDITIONAL REGULATORY INFORMATION:

a) There are no transactions or balances with Companies which have been removed from the Register of Companies (Struck off Companies), during the year ended/as at 31 March, 2022.

b) The Company has not traded/invested in Cryptocurrency/Virtual currency.

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

55

The Board of Directors have recommended final dividend of ₹ 2 per equity share having face value of ₹ 2 each for the year ended 31 March, 2022, subject to approval of shareholders.

56

The Board of Directors of the Company have approved these Standalone Financial Statements of the Company in their meeting held on 23 May, 2022.

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

INDEPENDENT AUDITOR'S REPORT

To

The Members of **Sansera Engineering Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Sansera Engineering Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing prescribed under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Director's Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and any other information which is expected to form part of the annual report, which is expected to be made available to us after that date.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries, is traced from their financial statements audited by the other auditors
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

INDEPENDENT AUDITOR'S REPORT (Contd.)

the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of 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 which we are the independent auditors. For the entities in the consolidated financial statements,

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

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

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of two subsidiaries included in the consolidated financial statements whose financial statements / financial information reflect total assets of Rs. 2,391.55 million as at 31 March, 2022, total revenues of Rs. 1,666.79 million and net cash outflows amounting to Rs. 105.41 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the Parent is disqualified as on 31 March, 2022 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and the subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of

INDEPENDENT AUDITOR'S REPORT (Contd.)

section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

  i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

  ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

  iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

  iv) (a) The respective Managements of the Parent and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 52(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

  (b) The respective Managements of the Parent and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 52(d) to the consolidated financial statements, no funds have been received by the Parent or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

  (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

  v) As stated in note 53 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Act, as applicable.

i) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent and its subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AJKHCQ6189)

Place: Bengaluru
Date: 23 May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls over financial reporting of **Sansera Engineering Limited** (hereinafter referred to as "the Parent") and its subsidiary company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which is a company incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and Subsidiary company, which is a company incorporated in India

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AJKHCQ6189)

Place: Bengaluru
Date: 23 May, 2022

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3.a	11,040.79	10,000.05
Capital work-in-progress	3.b	1,224.25	604.24
Goodwill	3.e	352.25	358.37
Other Intangible assets	3.c	23.96	19.17
Right-of-use assets	3.d	977.27	892.35
Financial assets			
(i) Investments	4	104.93	36.93
(ii) Loans	5	15.72	9.15
(iii) Other financial assets	6	287.95	289.48
Current tax assets (Net)	7.a	28.30	27.14
Other non-current assets	8	209.33	224.70
Total non-current assets		**14,264.75**	**12,461.58**
Current assets			
Inventories	9	2,776.03	2,485.69
Financial assets			
(i) Investments	10	5.97	5.58
(ii) Trade receivables	11	4,085.64	3,129.83
(iii) Cash and cash equivalents	12	383.44	365.00
(iv) Bank balances other than cash and cash equivalents	13	119.84	286.42
(v) Loans	14	25.15	29.26
(vi) Other financial assets	15	201.69	193.55
Other current assets	16	347.18	331.92
Total current assets		**7,944.94**	**6,827.25**
Total Assets		**22,209.69**	**19,288.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17.a	104.31	93.87
Instruments entirely equity in nature	17.b	-	105.00
Other equity	18	10,129.51	8,583.55
Total equity attributable to owners of the Company		10,233.82	8,782.42
Non-controlling interests		119.34	104.99
Total Equity		**10,353.16**	**8,887.41**
LIABILITIES			
Non-current liabilities			
Financial liabilites			
(i) Borrowings	19	2,335.04	1,876.52
(ia) Lease liabilities	3.d	910.63	810.28
Provisions	20	82.23	151.83
Deferred tax liabilities (Net)	21	641.93	617.98
Other non-current liabilities	22	509.82	467.16
Total non-current liabilities		**4,479.65**	**3,923.77**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	4,116.40	3,606.04
(ia) Lease liabilities	3.d	102.51	110.88
(ii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		77.54	86.39
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,575.43	2,184.07
(iii) Others financial liabilities	25	121.83	182.95
Other current liabilities	26	263.54	207.63
Provisions	27	111.14	99.10
Current tax liabilities (Net)	7.b	8.48	0.59
Total current liabilities		**7,376.87**	**6,477.65**
Total Equity and Liabilities		**22,209.69**	**19,288.83**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants

Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(INCLUDING OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue from Operations	28	19,890.32	15,492.71
Other income	29	154.93	230.93
Total income		**20,045.25**	**15,723.64**
EXPENSES			
Cost of materials consumed	30	8,871.08	6,678.31
Changes in inventory of finished goods and work-in-progress	31	(230.08)	(43.71)
Conversion charges		650.14	526.15
Consumption of stores and spares		1,691.54	1,335.80
Power and fuel		913.17	670.65
Employee benefits expense	32	2,773.58	2,137.50
Finance costs	33	510.13	473.93
Depreciation and amortisation expenses	34	1,197.03	1,016.76
Other expenses	35	1,884.98	1,466.80
Total expenses		**18,261.57**	**14,262.19**
Profit before tax		**1,783.68**	**1,461.45**
Tax expense:	39		
Current tax		427.85	303.87
Current tax relating to prior year		7.65	-
Deferred tax		29.29	58.98
Total tax expense		**464.79**	**362.85**
Profit for the year		**1,318.89**	**1,098.60**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the net defined benefit liability		25.64	(25.94)
Income tax relating to items that will not be reclassified to profit or loss		(6.45)	6.59
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		**19.19**	**(19.35)**
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(45.14)**	**52.92**
Income tax relating to items that will be reclassified to profit or loss		**11.36**	**(13.32)**
Net other comprehensive income/(loss) to be reclassified subsequently to profit or loss		**(33.78)**	**39.60**
Other comprehensive income/(loss) for the year, net of income tax		**(14.59)**	**20.25**
Total Comprehensive Income for the year		**1,304.30**	**1,118.85**
Profit attributable to :			
Owners of the Company		1,304.52	1,079.86
Non-controlling interests		14.37	18.74
Total profit for the year		**1,318.89**	**1,098.60**
Other comprehensive income/(loss) attributable to:			
Owners of the Company		(14.56)	20.78
Non-controlling interests		(0.03)	(0.53)
Total other comprehensive income/(loss)		**(14.59)**	**20.25**
Total comprehensive income attributable to:			
Owners of the Company		1,289.96	1,100.64
Non-controlling interests		14.34	18.21
Total Comprehensive Income for the year		**1,304.30**	**1,118.85**
Earnings per equity share (face value of ₹ 2 each)			
Basic (in ₹)	36	25.27	21.02
Diluted (in ₹)	36	24.36	20.55

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants

Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(Amount in ₹ mn)

Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flows from operating activities			
Profit before tax		1,783.68	1,461.45
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	34	1,197.03	1,016.76
Income from government grants	29	(52.01)	(45.11)
Adjustment for rental concession and derecognition of lease		(4.12)	(2.71)
Interest income	29	(14.42)	(22.42)
Fair value gain on financial instruments at fair value through profit or loss	29	(0.39)	(2.05)
Gain on disposal of property, plant and equipment, net	29	(1.88)	(4.77)
Unrealised foreign exchange (gain)/loss, net		3.86	(49.45)
Employee stock compensation expense	32	79.89	-
Insurance claim receivable written off	35	-	11.26
Finance costs	33	510.13	473.93
Share of profit from investment in Limited Liability Partnership (LLP)	29	(4.17)	-
Operating cash flows before working capital changes		**3,497.60**	**2,836.89**
Working capital adjustments			
Changes in trade receivables		(934.58)	(442.92)
Changes in other financial assets and other assets		(52.46)	41.02
Changes in inventories		(290.34)	(96.51)
Changes in trade payables and financial liabilities		322.30	527.14
Other liabilities and provisions		17.33	25.37
Cash generated from operations		**2,559.85**	**2,890.99**
Income taxes paid, net		(429.20)	(330.64)
Net cash generated from operating activities (A)		**2,130.65**	**2,560.35**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,668.28)	(1,351.21)
Purchase of intangible assets	3.c	(6.81)	-
Proceeds from disposal of property, plant and equipment		4.79	11.52
Receipt of government grant		-	92.67
Investment in Limited Liability Partnership (LLP)	4	(68.00)	-
Interest received	29	14.42	22.42
Share of profit from investment in Limited Liability Partnership (LLP)	29	4.17	-
Movement in fixed deposits, net	13	166.58	(170.06)
Net cash used in investing activities (B)		**(2,553.13)**	**(1,394.66)**
Cash flows from financing activities			
Proceeds/(repayments) of non-current borrowings:			
Proceeds		1,606.01	1,099.93
Repayments		**(1,099.93)**	**(979.92)**
Proceeds/(repayments) of current borrowings, net		464.91	(992.26)
Interest paid		(515.43)	(459.00)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	**Note**	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Payment of principal portion of lease liabilities		(71.62)	(60.75)
Proceed from issue of equity share capital		81.52	-
Net cash (used in)/generated from financing activities (C)		**465.46**	**(1,392.00)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**42.98**	**(226.31)**
Cash and cash equivalents at the beginning of the year	12	365.00	600.08
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(24.54)	(8.77)
Cash and cash equivalents at the end of the year (refer below)	12	**383.44**	**365.00**
For the purpose of statement of cash flows, cash and cash equivalents comprise the following:			
Cash on hand		0.84	0.72
Balances with banks - on current accounts		382.60	364.28
Cash and cash equivalents at the end of the year		**383.44**	**365.00**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

F R Singhvi
Joint Managing Director
DIN : 00233146

B R Preetham
Chief Excutive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH, 2022

A. Equity share capital

(Amount in ₹ mn)

Equity shares	No. of shares	Amount
Balance as at 1 April, 2020	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 1 April, 2020	**4,69,36,500**	**93.87**
Change in Equity Share Capital	-	-
Balance as at 31 March, 2021	**4,69,36,500**	**93.87**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 31 March, 2021	**4,69,36,500**	**93.87**
Add: Shares issued on conversion Compulsorily Convertible Preference shares (CCPS)	44,41,350	8.88
Add: Shares issued on exercise of employee stock options	7,77,965	1.56
Balance as at 31 March, 2022	**5,21,55,815**	**104.31**

B. Instruments entirely equity in nature

(Amount in ₹ mn)

Compulsorily Convertible Preference Shares	No. of shares	Amount
Balance as at 1 April, 2020	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 1 April, 2020	**10,50,000**	**105.00**
Change in Compulsorily Convertible Preference Share	-	-
Balance as at 31 March, 2021	**10,50,000**	**105.00**
Changes in Compulsorily Convertible Preference Share due to prior period errors	-	-
Restated balance as at 31 March, 2021	**10,50,000**	**105.00**
Conversion of Compulsorily Convertible Preference shares (CCPS)	(10,50,000)	(105.00)
Balance as at 31 March, 2022	**-**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

C. Other Equity

(Amount in ₹ mn)

Particulars	Reserves and Surplus						Other Comprehensive Income(OCI)		Attributable to owners of the Company	Non-Controlling Interests	Total equity
	Capital reserve	Securities premium	Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit liability			
Balance as at 1 April, 2020	**8.17**	**1,216.76**	**0.55**	**182.00**	**135.48**	**5,926.31**	**13.64**	**-**	**7,482.91**	**86.78**	**7,569.69**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April, 2020	**8.17**	**1,216.76**	**0.55**	**182.00**	**135.48**	**5,926.31**	**13.64**	**-**	**7,482.91**	**86.78**	**7,569.69**
Profit for the year	-	-	-	-	-	1,079.86	-	-	1,079.86	18.74	1,098.60
Other Comprehensive Income:											
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	-	-	(18.82)	(18.82)	-	(18.82)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	39.60	-	39.60	-	39.60
Transfer to retained earnings	-	-	-	-	-	(18.82)	-	18.82	-	(0.53)	(0.53)
Balance as at 31 March, 2021	**8.17**	**1,216.76**	**0.55**	**182.00**	**135.48**	**6,987.35**	**53.24**	**-**	**8,583.55**	**104.99**	**8,688.54**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31 March, 2021	**8.17**	**1,216.76**	**0.55**	**182.00**	**135.48**	**6,987.35**	**53.24**	**-**	**8,583.55**	**104.99**	**8,688.54**
Conversion of Series A and B 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	96.12	-	-	-	-	-	-	96.12	-	96.12
Compensation cost related to employee share based payment	-	-	-	79.89	-	-	-	-	79.89	-	79.89
Transfer to securities premium	-	118.51	-	(38.52)	-	-	-	-	79.99	-	79.99
Profit for the year	-	-	-	-	-	1,304.52	-	-	1,304.52	14.38	1,318.90
Other Comprehensive Income:											
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	-	-	-	-	19.22	19.22	-	19.22
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(33.78)	-	(33.78)	-	(33.78)
Transfer to retained earnings	-	-	-	-	-	19.22	-	(19.22)	-	(0.03)	(0.03)
Balance as at 31 March, 2022	**8.17**	**1,431.39**	**0.55**	**223.37**	**135.48**	**8,311.09**	**19.46**	**-**	**10,129.51**	**119.34**	**10,248.85**

In accordance with Notification G.S.R 404(E), dated 6 April, 2016, as included in amended Schedule III, the Company has recognised remeasurement of defined benefit plans amounting to ₹ 19.22 mn (31 March, 2021: (₹ 18.82) mn) as a part of retained earnings.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants

Firm's Registration No.: 008072S

Monisha Parikh
Partner
Membership No. 47840

Place: Bengaluru
Date: 23 May, 2022

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN : 00361245

B R Preetham
Chief Excutive Officer

Place: Bengaluru
Date: 23 May, 2022

F R Singhvi
Joint Managing Director
DIN : 00233146

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

Group Overview

Sansera Engineering Limited (erstwhile Sansera Engineering Private Limited) ("the Company") along with its subsidiaries Fitwel Tools and Forgings Private Limited, Sansera Sweden AB and Sansera Engineering Pvt. Ltd., Mauritius (together referred to as "Group") was incorporated on 15 December, 1981 under the provisions of the Companies Act, 1956 with its registered office in Bengaluru, Karnataka. The Group is involved in the business of manufacture of auto components such as rocker arms, connecting rods, gear shifters, crank shafts, and aerospace components. It is also involved in providing services such as forging and other related services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in Sweden. The consolidated financial statements were authorised for issuance by the Company's Board of Directors on 23 May, 2022.

1. BASIS OF PREPARATION

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Principles of consolidation

The consolidated financial statements include the results of the following subsidiaries:

S. No.	Name of the Entity	Country of incorporation	Effective group shareholding %
1	Fitwel Tools and Forgings Private Limited	India	70
2	Sansera Sweden AB	Sweden	100
3	Sansera Engineering Pvt. Ltd., Mauritius	Mauritius	100

c. Basis of consolidation

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

In accordance with Appendix C to Ind AS 103 on Business combinations of entities under common control, the Group accounts for these business combinations using the pooling of interest method as per the guidance provided under Appendix C to Ind AS 103. The consolidated financial statements in respect of prior periods are restated as if the combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. All the assets and liabilities including have been recorded at their existing carrying amounts.

Subsidiary companies

Subsidiary companies are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gain / loss on transactions between group companies are eliminated. The financial statements are prepared by applying uniform policies in use at the Group.

Non- controlling interests (NCI)

NCI in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. The parent portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as on the date of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

1. Basis of preparation (Continued)

d. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupees INR which is also the functional currency of the Company, and the presentation currency considered for the Group. The functional currency of the subsidiaries operations in Mauritius is Euro and that of its operations in Sweden is Swedish Krona (SEK).

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

e. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Derivative instruments at fair value;
- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations;
- Current investments at fair value through consolidated statement of profit and loss and
- Share based payment transactions at fair value

f. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending ended 31 March, 2022 is included in the following notes:

- Note 2(a), 2(b), 3(a) and 3(c) - Depreciation and amortisation method and useful lives of items of property, plant and equipment and intangibles assets;
- Note 3(a) and 3(c) – Impairment of property, plant and equipment;
- Note 39 – recognition of deferred tax assets;
- Note 32 and 41– measurement of defined benefit obligations: key actuarial assumptions;
- Note 44 – Impairment of financial assets; and
- Note 48 – Impairment of goodwill
- Note 15 and 44 – Derivative contracts at fair value;

g. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 42 – Share-based payments arrangements; and
- Note 43 – financial instruments;

2. SIGNIFICANT ACCOUNTING POLICIES

a. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss.

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expense in the consolidated statement of profit and loss in the period in which they are incurred.

ii. Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Straight-Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Buildings	30
Plant and machinery	5-25
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Electrical installations	10
Computers (including software)	3-6

Freehold land is not depreciated.

b. Business combination, Goodwill and Intangible assets

Business combinations, other than through common control transactions, are accounted for using the purchase (acquisition) method in accordance with Ind AS 103, Business Combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations through common control transactions are accounted on a pooling of interests method. Transaction costs incurred in connection with a business combination are expensed as incurred.

(i) Goodwill:

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Any goodwill that arises is tested annually for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (Continued)

(ii) Customer relationships:

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life for customer relationship is expected to be 7 years. The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

(iii) Other Intangibles:

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised in the statement of profit and loss over their estimated useful life of 3 years on a straight-line basis.

c. Inventories

i. Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw materials, stores and spares	: on weighted average basis
Work in progress	: includes cost of conversion
Finished goods	: includes cost of conversion

ii. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meet the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods

iii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV

iv. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary

d. Revenue recognition

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligation in contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognised when the related services are rendered unless significant future contingencies exist.

Export incentives are recognised in the statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in consolidated statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

e. Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains/ (losses).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

f. Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognised in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the consolidated statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognised.

Income from export incentives are recognised in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognised in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement and disclosed as a reduction to the related expenses.

g. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured

2. Significant accounting policies (Continued)

by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and a charge or credit to the consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

h. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This include all derivative assets and current investments.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense and are recognised in consolidated statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derivative Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are recorded at fair value on every reporting date with changes being accounted in consolidated statement of profit and loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (Continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement profit and loss.

i. Impairment

i. Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months ECL.

ii. Impairment of non - financial assets

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's non-financial assets, other than inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

j. Employee benefits

i. Defined benefit plan

Gratuity

The Group's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

2. Significant accounting policies (Continued)

that increases this entitlement. The Group measures the expected cost of compensated absence as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Group's obligation is performed annually by an independent actuary using the projected unit credit method as at the balance sheet date.

Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the consolidated statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which t makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the consolidated statement of profit and loss during the period in which the related services are rendered by the employees.

iii. Share-based payment transactions

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the consolidated statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally become entitled to the award. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

k. Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

l. Earnings per share

The basic earnings per share is calculated by dividing the net profit for the year attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year for the year attributable to the owners of the Group by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

m. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

n. Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated fin ancial statements.

o. Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Directors of the Group has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources based on single segment approach and accordingly, information has been presented.

p. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract.

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.a Property, Plant and Equipment

(Amount in ₹ mn)

Particulars	Owned Property, plant and equipment										
	Land # (1)	Buildings (2)	Plant and machinery * (3)	Furniture and fixtures (4)	Vehicles (5)	Office equipment (6)	Electrical installations* (7)	Computers (8)	Leasehold improvements (9)	Leasehold land ##	Total
Gross Carrying Amount											
Balance as at 1 April, 2020	**342.65**	**1,212.42**	**9,406.28**	**50.57**	**125.43**	**43.99**	**494.10**	**111.62**	**203.32**	**2.01**	**11,992.39**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	0.70	-	-	0.70
Additions	123.61	30.93	1,269.00	0.80	4.63	8.03	33.04	9.44	4.81	-	1,484.29
Disposals	-	-	(18.81)	-	(3.36)	(0.10)	-	(17.60)	-	-	(39.87)
Effect of foreign exchange differences	-	-	28.35	0.17	-	1.02	-	1.87	19.30	-	50.71
Balance as at 31 March, 2021	**466.26**	**1,243.35**	**10,684.82**	**51.54**	**126.70**	**52.94**	**527.14**	**106.03**	**227.43**	**2.01**	**13,488.22**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(33.05)	-	-	(33.05)
Additions	30.63	101.90	1,921.44	1.64	44.49	3.69	26.67	26.44	-	-	2,156.90
Disposals	-	-	(11.18)	-	(5.71)	-	(0.56)	(0.21)	-	-	(17.66)
Effect of foreign exchange differences	-	0.01	(17.35)	(1.59)	2.83	(0.44)	-	(0.39)	(6.51)	-	(23.44)
Balance as at 31 March, 2022	**496.89**	**1,345.26**	**12,577.73**	**51.59**	**168.31**	**56.19**	**553.25**	**98.82**	**220.92**	**2.01**	**15,570.97**
Accumulated Depreciation											
Balance as at 1 April, 2020	**-**	**131.57**	**2,096.72**	**25.14**	**49.46**	**22.92**	**165.47**	**63.50**	**16.30**	**-**	**2,571.08**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(1.20)	-	-	(1.20)
Charge for the year	-	45.79	768.04	6.09	17.74	5.57	47.11	15.55	24.47	-	930.36
Disposals	-	-	(12.14)	-	(3.36)	(0.02)	-	(17.60)	-	-	(33.12)
Effect of foreign exchange differences	-	-	18.60	0.22	-	0.26	-	0.09	1.88	-	21.05
Balance as at 31 March, 2021	**-**	**177.36**	**2,871.22**	**31.45**	**63.84**	**28.73**	**212.58**	**60.34**	**42.65**	**-**	**3,488.17**
Reclassified to Intangible Assets	-	-	-	-	-	-	-	(22.84)	-	-	(22.84)
Charge for the year	-	47.70	910.61	4.48	19.53	9.33	53.85	32.38	13.40	-	1,091.28
Disposals	-	-	(2.33)	-	(4.60)	-	(0.32)	(0.16)	-	-	(7.41)
Effect of foreign exchange differences	-	-	(13.84)	(5.98)	2.78	0.30	(0.01)	(0.60)	(1.67)	-	(19.02)
Balance as at 31 March, 2022	**-**	**225.06**	**3,765.66**	**29.95**	**81.55**	**38.36**	**266.10**	**69.12**	**54.38**	**-**	**4,530.18**
Carrying Amount (Net)											
Balance as at 31 March, 2022	**496.89**	**1,120.20**	**8,812.07**	**21.64**	**86.76**	**17.83**	**287.15**	**29.70**	**166.54**	**2.01**	**11,040.79**
Balance as at 31 March, 2021	**466.26**	**1,065.99**	**7,813.60**	**20.09**	**62.86**	**24.21**	**314.56**	**45.69**	**184.78**	**2.01**	**10,000.05**

Notes:

\# (a) It includes land of 60,786.60 square meter allocated by Karnataka Industrial Area Development (KIADB) at Plot no. 48, 2nd Phase, Sector - 2, Bidadi Industrial Area for a period of 10 years w.e.f. 8 August, 2014 and 870.75 square meter allocated by Karnataka Small State Industrial Development Corporation (KSSIDC) at Industrial Estate, Antharasanahalli, Tumkur for a period of 6 years w.e.f. 29 September, 2012, to the Group on a lease cum sale basis

(b) Karnataka Industrial Area Development Board (KIADB) has allotted land measuring 2,025 square meter at Plot no. 143-B-8 Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 31 December, 1999 and 1,058 square meter at Plot no. 143-B-8-Part Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099, Karnataka on a lease cum sale basis for a period of 11 years w.e.f. 29 May, 2001 with specified terms and conditions to be complied with by each party. KIADB has alleged / contended that as per the terms and conditions of Clause 2(r)(ii) of the Lease Cum Sale Agreement dated 17 January, 2000, the original allottee should hold minimum 51% shares in the Company till the execution of the sale deed and in view of there being a violation of the said clause by Sansera Engineering Limited (Sansera), they have issued a demand notice No. KIADB / HO / Allot / Secy – 3/ 12680 / 6102 / 19-20 dated 29 July, 2019 calling upon Sansera to remit an additional sum of ₹5,383,798. Challenging the said demand, Sansera has filed Writ Petition seeking quashing of the said demand and also directions to execute the sale deed.

\# # Karnataka Small State Industrial Development Corporation (KSSIDC) has allotted land of 4,257 square meter at Unit No. 5, KHT Complex, Antarasanahalli, Tumkur, Karnataka on a lease cum sale basis for a period of 4 years w.e.f. 8 January, 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence the Group retained possession of the land. Pursuant to the communications with the KSSIDC, the Group has paid an amount of ₹ 2.01 mn as consideration for the land, which has been capitalised. As at the balance sheet date, negotiations are in progress and the Group awaits the final approval of KSSIDC with respect to the registration of the land in the name of the Group.

Refer note 19 for details of charge over the Groups's property, plant and equipment for the borrowings taken by the Group.

3.a.(i) Title deeds of Immovable Property not held in the name of the Company:

Details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

As at 31 March, 2022

(Amount in ₹ mn)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of Gearock Forge Private Limited, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 1 April, 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-PART, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

As at 31 March, 2021

(Amount in ₹ mn)

Relevant line item in the Balance sheet	Description of item of property	Parties to the Agreement	Gross carrying value	Title deeds held in the name of	If held jointly (Name and Company's Share)	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company (to also indicate if in dispute)
Property, plant and equipment	Plot No. 143-B-8, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.62	The title deeds are in the name of Gearock Forge Private Limited, an erstwhile subsidiary company that was merged with the Company during the year 2017-18 under Section 233 of the Companies Act, 2013 as per the order received from Ministry of Corporate Affairs.	Not Applicable	Not Applicable	From 1 April, 2017, effective date as per the approved scheme.	Not transferred in the name of the Company due to the matter as mentioned in note 3.a above.
	Plot No. 143-B-8-PART, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	Karnataka Industrial Area Development Board	0.66		Not Applicable	Not Applicable		
	Site No. A1, Khata No. 344, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	H. Muniyappa	0.24		Not Applicable	Not Applicable		The Company is unable to transfer these lands because of ongoing dispute as mentioned in the above note.
	Plot No. 143-C-2, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.08		Not Applicable	Not Applicable		
	Plot No. 143-C-2-Part, Bommasandra Industrial Area, Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bengaluru 560099.	BVR Industries	3.57		Not Applicable	Not Applicable		

3.a.(ii) There are no proceedings which have been initiated during the year or pending against the Group as at 31 March, 2022 for holding any benami property under Benami Transactions (Prohibition) Act, 1988.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.b Capital-work-in progress (CWIP) aging schedule

(Amount in ₹ mn)

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in-progress					
As at 31 March, 2022	1,119.28	90.05	3.78	11.14	1,224.25
As at 31 March, 2021	478.82	108.86	9.54	7.02	604.24

The Company has a dedicated facility in Bengaluru for machine building and machine design with special purpose machines being manufactured in-house. Special purpose machines are customised machines deployed to automate industrial processes to ensure high productivity. Machinery component required for machine building process are included in capital work-in-progress.

There are no projects which are under suspension. With regard to the ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, considering amendments as may be approved. The Projects in-progress for more than 3 years represent components which would be commonly used across various special purpose machines being manufactured in-house.

3.c Intangible Assets

(Amount in ₹ mn)

Particulars	**Owned intangible assets**		**Total**
	Customer relationship	**Computer Software**	
Gross Carrying Amount			
Balance as at 1 April, 2020	**32.49**	**15.38**	**47.87**
Reclassified from Computers	-	(0.70)	(0.70)
Additions	-	-	-
Disposals	-	-	-
Effect of foreign exchange differences	5.13	-	5.13
Balance as at 31 March, 2021	**37.62**	**14.68**	**52.30**
Reclassified from Computers	-	33.05	33.05
Additions	-	6.81	6.81
Disposals	-	-	-
Effect of foreign exchange differences	(1.09)	-	(1.09)
Balance as at 31 March, 2022	**36.53**	**54.54**	**91.07**
Accumulated Amortisation			
Balance as at 1 April, 2020	**13.92**	**8.23**	**22.15**
Reclassified from Computers	-	1.20	1.20
Amortisation for the year	4.64	2.20	6.84
Disposals	-	-	-
Effect of foreign exchange differences	2.94	-	2.94
Balance as at 31 March, 2021	**21.50**	**11.63**	**33.13**
Reclassified from Computers	-	22.79	22.79
Amortisation for the year	4.64	6.59	11.23
Disposals	-	-	-
Effect of foreign exchange differences	(0.04)	-	(0.04)
Balance as at 31 March, 2022	**26.10**	**41.01**	**67.11**
Carrying Amount (Net)			
Balance as at 31 March, 2022	**10.43**	**13.53**	**23.96**
Balance as at 31 March, 2021	**16.12**	**3.05**	**19.17**

Note: Software have been reclassified from the opening carry forward balance of computer and included as intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

3.d Right-of-use assets and lease liabilities

(Amount in ₹ mn)

i) Following are the changes in the carrying value of right-of-use assets for the year ended 31 March, 2022:

Particulars	Leasehold land	Lease buildings	Total
Balance as at 1 April, 2020	**36.22**	**836.75**	**872.97**
Additions	-	15.31	15.31
Deletion	-	-	-
Depreciation	(0.46)	(79.10)	(79.56)
Effect of foreign exchange differences	-	83.63	83.63
Balance as at 31 March, 2021	**35.76**	**856.59**	**892.35**
Additions	133.24	72.15	205.39
Deletion	-	(6.65)	(6.65)
Depreciation	(6.96)	(87.56)	(94.52)
Effect of foreign exchange differences	-	(19.30)	(19.30)
Balance as at 31 March, 2022	**162.04**	**815.23**	**977.27**

ii) The following is the movement in lease liabilities during the year ended 31 March, 2022:

Particulars	Leasehold land	Lease buildings	Total
Balance as at 1 April, 2020	**1.72**	**883.81**	**885.53**
Additions	-	15.31	15.31
Finance cost accrued during the year	0.14	41.66	41.80
Rental concession*	-	(2.71)	(2.71)
Deletions	-	-	-
Payments	(0.14)	(102.41)	(102.55)
Effect of foreign exchange differences	-	83.78	83.78
Balance as at 31 March, 2021	**1.72**	**919.44**	**921.16**
Additions	133.24	61.05	194.29
Finance cost accrued during the year	10.39	39.21	49.60
Rental concession*	-	(0.44)	(0.44)
Deletions	-	(10.33)	(10.33)
Payments	(6.00)	(115.22)	(121.22)
Effect of foreign exchange differences	-	(19.92)	(19.92)
Balance as at 31 March, 2022	**139.35**	**873.79**	**1,013.14**

iii) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current lease liabilities	102.51	110.88
Non-current lease liabilities	910.63	810.28
Total	**1,013.14**	**921.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Less than one year	125.06	110.88
One to five years	414.57	369.25
More than five years	835.26	701.54
Total lease liabilities	**1,374.89**	**1,181.67**
Less: Implicit interest	361.75	260.51
Lease liabilities included in the Balance sheet	**1,013.14**	**921.16**

v) Amount recognised in the statement of profit and loss:

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Depreciation on Right-of-use assets	94.52	79.56
Interest on lease liabilities	49.60	41.80
Low value lease rentals (included with rent, classified under other expenses)	10.41	3.08

vi) Amount recognised in the statement of cash flows:

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Cash outflows for leases		
Interest portion of lease liabilities	49.60	41.80
Principal portion of lease liabilities	71.62	60.75
Total	**121.22**	**102.55**

*The Group has applied the practical expedient to all eligible rent concessions and subsequently for the year ended 31 March, 2022 an amount of ₹ 0.44 mn (31 March, 2021: ₹ 2.71 mn) has been recognised in the statement of profit and loss.

3.e Goodwill

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Carrying amount at the beginning of the year	358.37	323.64
Effect of foreign exchange differences	(6.12)	34.73
Total	**352.25**	**358.37**

Note: For details of impairment tests for goodwill refer note 48.

4 INVESTMENTS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unquoted (Measured at fair value through other comprehensive income)		
Partner contribution		
Clean Max Vega Power LLP *	104.93	36.93
26% (31 March, 2021: 26%)		
Total	**104.93**	**36.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Name of the Partners	As at 31 March, 2022		As at 31 March, 2021	
	Monetary Value of Contribution	Contribution Ratio	Monetary Value of Contribution	Contribution Ratio
Clean Max Enviro Energy Solutions Private Limited	265.98	65.90%	72.45	51.00%
CleanMax Renewable Trust	32.67	8.10%	32.67	23.00%
Sansera Engineering Limited	104.93	26.00%	36.93	26.00%
Kuldeep Jain #	-	0.00%	-	0.00%
Total Capital	**403.58**	**100.00%**	**142.05**	**100.00%**

* On 3 May, 2019, the Company had entered into Group Captive Power Project agreement with Clean Max Vega Power LLP ("LLP") and Clean Max Enviro Energy Solutions Private Limited towards generation and supply of renewable energy for private consumers of electricity. The agreement is for a period of 25 years wherein the Company has committed to purchase atleast 51% of the total power produced by the power producer. Further, on 3 March, 2022, the Company entered into a supplementary agreement for expanding the project and installing an additional capacity of wind power and solar power capacity and accordingly, there was an additional investment of ₹ 68 mn made by the Company during the year ended 31 March, 2022.

₹ 10 (31 March, 2021: ₹ 10) not presented above due to rounding off to nearest ₹ in mn.

Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	104.93	36.93
Aggregate amount of impairment in investments	-	-

5 LOANS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Loans to Director of subsidiary Company	2.70	9.15
Loans to employees	13.02	-
Total	**15.72**	**9.15**

Loans to employees, previously disclosed under Other financial assets (Refer note 6) have been classified under Loans, consequent to the amendment to Schedule III of the Companies Act, 2013.

6 OTHER FINANCIAL ASSETS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits		
Unsecured, considered good	282.27	284.54
Doubtful	-	-
Bank deposits with more than 12 months maturity *	5.68	4.94
Total	**287.95**	**289.48**

*Includes certain deposits pledged against bank guarantees and letter of credits provided by the bank.

Security deposits, previously disclosed under Loans (Refer note 5) have been classified under Other Financial Assets, consequent to the amendment to Schedule III of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

7

7a. Current tax assets (Net)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax including tax deducted at source, net of provision for tax	28.30	27.14
Total	**28.30**	**27.14**

7b. Current tax liabilities (Net)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for tax, net of advance tax including tax deducted at source	8.48	0.59
Total	**8.48**	**0.59**

8 OTHER NON-CURRENT ASSETS

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	205.50	220.38
Prepayments	-	0.49
Duty paid under protest	3.83	3.83
Total	**209.33**	**224.70**

9 INVENTORIES *(valued at lower of cost and net realisable value)*

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw materials*	993.68	838.03
Work-in-progress	1,055.89	897.45
Finished goods **	466.79	395.15
Stores and spares	259.67	355.06
Total	**2,776.03**	**2,485.69**

* Includes stock of assembled components.

** Includes stock in transit of ₹ 162.80 mn (31 March, 2021: ₹ 83.87 mn).

The mode of valuation of inventories has been stated in note 2.c

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

10 CURRENT INVESTMENTS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Quoted equity shares		
Equity shares at fair value through statement of profit and loss		
800 (31 March, 2021: 800) equity shares of ₹ 10 each fully paid up of Maruti Suzuki India Limited	5.97	5.58
Total	**5.97**	**5.58**

Aggregate amount of quoted investments	5.97	5.58
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in investments	-	-

11 TRADE RECEIVABLES

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Considered good - Secured	-	-
Considered good - Unsecured	4,118.27	3,153.44
That have an increase in Credit Risk that is significant	-	-
Credit Impaired	-	-
Total	**4,118.27**	**3,153.44**
Less: Allowance for credit losses	(32.63)	(23.61)
Trade receivables	**4,085.64**	**3,129.83**

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 44.
The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix, The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rebates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:.

Ageing	Expected Credit loss (%)
within the credit period	0.00%
1-90 days past due	0.01% to 0.84%
91-180 days past due	1.31% to 2.00%
181-270 days past due	9.81% to 25.93%
271-360 days past due	32.45% to 42.66%
More than 360 days past due	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
(i) Undisputed Trade receivables - considered good	2,773.56	1,241.09	83.46	12.42	5.74	2.00	4,118.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,773.56**	**1,241.09**	**83.46**	**12.42**	**5.74**	**2.00**	**4,118.27**

As at 31 March, 2021							
(i) Undisputed Trade receivables - considered good	2,329.32	799.22	14.86	2.80	5.94	1.30	3,153.44
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,329.32**	**799.22**	**14.86**	**2.80**	**5.94**	**1.30**	**3,153.44**

12 CASH AND CASH EQUIVALENTS

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance with banks		
in current accounts	382.60	364.28
Cash on hand	0.84	0.72
Total	**383.44**	**365.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Bank deposits within 12 months maturity *	119.84	286.42
Total	**119.84**	**286.42**

*Includes certain deposits amounting to ₹ 45.21 mn as at 31 March, 2022 (31 March, 2021: ₹ 19.92 mn) pledged against bank guarantees and letter of credits provided by the bank.

14 LOANS (CURRENT)

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unsecured, considered good		
Loans to Key Managerial Personnel (Refer note 40)	3.88	3.88
Loans to employees	21.27	25.38
Total	**25.15**	**29.26**

Type of Borrower	**Amount of loan or advance in the nature of loan outstanding**	**Percentage to the total Loans and Advances in the nature of loans**
Key Managerial Personnel	3.88	9.49%

15 OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Unsecured, considered good		
Amounts recoverable from shareholders (IPO related) (Refer note 40)	3.47	94.21
Unbilled revenue*	172.70	50.31
Derivative contracts at fair value	6.13	38.54
Others	19.39	10.49
Total	**201.69**	**193.55**

* Unbilled revenue represents revenue recognised in excess of invoicing towards price increases, where there is an unconditional right to receive cash, and only act of invoicing is pending.

16 OTHER CURRENT ASSETS

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Duty drawback receivables	45.99	71.61
Advance to suppliers	89.72	68.79
Balances with government authorities	145.03	172.63
Prepayments	66.44	18.89
Total	**347.18**	**331.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

17A

(i) Equity share capital

(Amount in ₹ mn except no. of shares)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorised share capital		
Equity shares		
62,500,000 (31 March, 2021: 6,25,00,000) equity shares of ₹ 2 each (31 March, 2021: ₹ 2 each)	**125.00**	**125.00**
Total	**125.00**	**125.00**
Issued, subscribed and paid up share capital		
Equity shares		
52,155,815 (31 March, 2021: 4,69,36,500) equity shares of ₹ 2 each (31 March, 2021: ₹ 2 each)	104.31	93.87
Total	**104.31**	**93.87**

(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Number of shares outstanding at the beginning of the year	4,69,36,500	93.87	4,69,36,500	93.87
Add: Shares issued on conversion of Compulsorily Convertible Preference shares (CCPS)	44,41,350	8.88	-	-
Add: Shares issued on exercise of employee stock options	7,77,965	1.56	-	-
Number of shares outstanding at the end of the year	**5,21,55,815**	**104.31**	**4,69,36,500**	**93.87**

(iii) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the Shareholders' meeting. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders or in line with the terms of the shareholders agreement as the case may be.

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Client Ebene Limited	95,54,842	19.11	1,53,43,900	30.69
CVCIGPII Employee Ebene Limited	53,51,702	10.70	85,93,425	17.19
Total	**1,49,06,544**	**29.81**	**2,39,37,325**	**47.88**

(v) List of persons holding more than 5 percent shares in equity shares of the Company

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
Client Ebene Limited	95,54,842	18.32%	1,53,43,900	32.69%
CVCIGPII Employee Ebene Limited	53,51,702	10.26%	85,93,425	18.31%
S Sekhar Vasan	1,02,49,531	19.65%	1,23,07,600	26.22%
Unni Rajagopal K	28,45,549	5.46%	34,16,925	7.28%
F R Singhvi *	27,95,549	5.36%	34,16,925	7.28%
D Devaraj	21,76,374	4.17%	27,47,750	5.85%

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated 15 May, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(vi) As at 31 March, 2022, the Company has reserved 25,41,037 shares (31 March, 2021: 2,362,050 shares) for issuance towards outstanding employee stock option available for exercise. Refer note 42.

(vii) (a) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding 31 March, 2022, except with effect from 27 July, 2018, on approval of shareholders, one equity share of ₹ 100 each was sub-divided into 50 equity shares of ₹ 2 each resulting into 3,237,000 number of shares. Subsequently, the Company had issued 4,36,99,500 bonus shares in the proportion of 27:2.

(b) There are no shares bought back during 5 years immediately preceding 31 March, 2022.

(viii) Shareholding of Promoters in equity shares of the Company

Promoter name	**Shares held by promoters at the end of the year**		**% Change during the year**
	No. of Shares	**% of total shares**	
S Sekhar Vasan	1,02,49,531	19.65%	(16.72%)
Unni Rajagopal K	28,45,549	5.46%	(16.72%)
D Devaraj	21,76,374	4.17%	(20.79%)
F R Singhvi *	27,95,549	5.36%	(18.19%)
D. Devaraj - HUF	6,69,175	1.28%	0.00%
P Singhvi charitable trust	50,000	0.10%	100.00%
Total	**1,87,86,178**	**36.02%**	

* Pursuant to the provisions of a memorandum of understanding executed between F R Singhvi and the Singhvi Family Shareholders, dated 15 May, 2013, F R Singhvi is acting in trust in relation to 1,658,624 Equity Shares held by the Singhvi Family Shareholders.

The promoters of the Company are S Sekhar Vasan, F R Singhvi, Unni Rajagopal K and D Devaraj. Promoters' contribution and lock-in: Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of the 20% of the fully diluted post-Offer Equity Share capital of the Company held by Promoters shall be locked in for a period of three years as minimum Promoters' contribution ("Minimum Promoters' Contribution") from the date of Allotment on 21 September 2021 and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment on 21 September, 2021.

Share capital locked-in for one year: In terms of the Regulation 17 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution, the entire pre-Offer Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares held by Client Ebene Limited and CVCIGP II Employee Ebene Limited who are SEBI registered FVCIs; and Equity Shares held by the employees of the Company (whether currently an employee or not) which have been or will be allotted to them under ESOP 2015 and ESOP 2018 schemes.

17. b Instruments entirely equity in nature

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Authorised		
Preference shares		
Series A 300,000 (31 March, 2021: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	30.00	30.00
Series B 750,000 (31 March, 2021: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	75.00	75.00
Total	**105.00**	**105.00**
Issued, subscribed and paid up		
Preference shares		
Series A nil (31 March, 2021: 300,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	30.00
Series B nil (31 March, 2021: 750,000), 0.0001% Compulsorily Convertible Preference Shares of ₹ 100 each	-	75.00
Total	**-**	**105.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

i. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	3,00,000	30.00	3,00,000	30.00
Add: Issued/(Converted) during the year	(3,00,000)	(30.00)	-	-
Number of shares outstanding at the end of the year	-	-	3,00,000	30.00
Series B Compulsorily Convertible Preference shares (CCPS)				
Number of shares outstanding at the beginning of the year	7,50,000	75.00	7,50,000	75.00
Add: Issued/(Converted) during the year	(7,50,000)	(75.00)	-	-
Number of shares outstanding at the end of the year	**-**	**-**	**7,50,000**	**75.00**

ii. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
Series A Compulsorily Convertible Preference shares (CCPS)				
Client Ebene Limited	-	-	1,92,300	19.23
CVCIGPII Employee Ebene Limited	-	-	1,07,700	10.77
Total	**-**	**-**	**3,00,000**	**30.00**
Series B Compulsorily Convertible Preference shares (CCPS)				
Client Ebene Limited	-	-	4,80,750	48.08
CVCIGPII Employee Ebene Limited	-	-	2,69,250	26.92
Total	**-**	**-**	**7,50,000**	**75.00**

iii. Rights, preferences and restrictions attached to preference shares (upto the date of conversion):

Compulsorily Convertible Preference Shares (CCPS) - [Series A and Series B]

Dividend rights

In accordance with the share subscription agreement dividend shall be equal to 0.0001 % per annum of the face value of the CCPS [Series A and Series B]. In any given financial year, the Group may not declare any dividend or other distribution to its holders of equity shares unless it has first declared the preferential dividend for such financial year to the holders of the CCPS [Series A and Series B]. The dividends are non-cumulative.

Conversion of preference shares

CCPS [Series A and Series B] is convertible, on the expiry of 20 (twenty) years from the completion date respectively (7 July, 2033) and into a fixed share entitlement ratio as defined in the share subscription agreement (SSA) or earlier of events as defined in SSA. The equity shares issued to the holders of the CCPS [Series A and Series B] pursuant to conversion shall be free of all encumbrances and shall (i) be fully-paid up, (ii) be transferable to any person in accordance with the terms of the agreement, (iii) carry full voting rights, and (iv) rank pari-passu in every respect with other ordinary fully paid up equity shares. The Company in its meeting of the Board of Directors held on 3 September, 2021, converted 300,000 Series A Compulsorily Convertible Preference Shares and 750,000 Series B Compulsorily Convertible Preference Shares into 4,439,900 and 1,450 equity shares respectively for ₹ 2 per equity share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

18 OTHER EQUITY

Summary of other equity balances*

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reserves and surplus		
Capital redemption reserve	0.55	0.55
Capital reserve	8.17	8.17
Securities premium	1,431.39	1,216.76
General reserve	135.48	135.48
Retained earnings	8,311.09	6,987.35
Share options outstanding account	223.37	182.00
Exchange differences on translation of foreign operations (Net of tax)	19.46	53.24
Total	**10,129.51**	**8,583.55**

* Refer consolidated statement of changes in equity for detailed movement in above other equity balances.

Nature and purpose of other equity:

Capital redemption reserve

The capital redemption reserve is created out of undistributed profits for purchase of its own shares.

Capital reserve

Capital reserve of ₹ 3.52 mn refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce. This subsidy was received as the Group was a small scale industry in that particular year. Balance pertains to share of pre-acquisition profits of a subsidiary at the time of acquisition by the Group accounted as capital reserve.

Securities premium

Securities premium comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in the statement of profit and loss with corresponding credit to share options outstanding account.

Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

19 BORROWINGS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Secured at amortised cost		
Term loans from banks	2,083.83	1,403.40
Term loans from other financial institutions	251.21	472.81
Car loan from bank	-	0.31
Total	**2,335.04**	**1,876.52**

The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

Repayment and interest terms

Term loans from banks:

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 20 equal quarterly instalments of ₹ 20.00 mn per quarter starting from August 2017 and to be settled by August 2022. The loan carries interest rate of 2% p.a.	Citi Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e., inventories and trade receivables, both present and future, of the Company.	47.56	137.64
Repayable in 20 equal quarterly instalments of ₹ 11.11 mn per quarter starting from April 2017 and to be settled by July 2022. Loan carries interest rate of 7.85%. p.a. - 7.9% p.a.	HSBC Bank	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain properties (land and buildings) and secured by second pari-passu charge on current assets, both present and future, of the Company.	19.44	63.90
Repayable in 18 equal quarterly instalments of ₹ 13.89 mn per quarter starting from September 2017 and to be settled by November 2022. Loan carries interest rate of 7.65% p.a. - 7.9% p.a.	HSBC Bank		36.11	91.68
Repayable in 18 equal quarterly instalments of ₹ 13.89 mn per quarter starting from January 2019 and to be settled by July 2023. Loan carries interest rate of 7.65% p.a. - 7.9% p.a.	HSBC Bank		75.00	130.59
Repayable in 20 equal quarterly instalments of ₹ 12.26 mn per quarter starting from April 2016 and to be settled by May 2021. The loan carries interest rate of 8.15% p.a.	HDFC Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets (land and buildings) and secured by second pari-passu charge on current assets, viz. inventories and receivables, both present and future, of the Company.	-	12.26
Repayable in 20 equal quarterly instalments of ₹ 12.50 mn per quarter starting from June 2017 and to be settled by March 2022. The loan carries interest rate of 7.3% p.a.	HDFC Bank		-	50.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 20 equal quarterly instalments of ₹ 21 mn per quarter starting from March 2019 and to be settled by August 2023. The loan carries interest rate of 7.25% p.a.	HDFC Bank		126.00	210.00
Repayable in 20 equal quarterly instalments of ₹ 20 mn per quarter starting from September 2019 and to be settled by June 2024. The loan carries a interest rate of 7.45% p.a.	HDFC Bank		180.00	260.00
Repayable in 20 equal quarterly instalments of ₹ 25 mn per quarter starting from January 2021 and to be settled by October 2025. The loan carries a interest rate of 7.6% p.a.	HDFC Bank		375.00	475.00
Repayable in 20 equal quarterly instalments of ₹ 25 mn per quarter starting from Jun 2023 and to be settled by December 2027. The loan carries a interest rate of 6.5% p.a.	HDFC Bank		500.00	-
Repayable in a bullet payment of ₹ 122.92 mn in October 2021 and in a bullet repayment of ₹ 14.48 mn in March 22 . The loan carries interest rate of 1.72% p.a.	DBS Bank	Secured by first pari-passu charge on movable fixed assets, certain immovable fixed assets and secured by second pari-passu charge on current assets, including inventories and receivables, both present and future, of the Company.	-	137.39
Repayable in a bullet payment of ₹ 15.01 mn in March 2022. The loan carries interest rate of 1.50% p.a.	DBS Bank		-	15.01
Repayable in 16 equal monthly instalments of ₹ 49.87 mn starting from October 2021 and to be settled by July 2025. The loan carries a interest rate of 7.35% p.a.	Axis Bank	Secured by first pari-passu charge on entire movable fixed assets, both present and future, certain immovable properties and secured by second pari-passu charge on entire current assets, both present and future, of the Company.	874.16	-
Repayable in 54 equal monthly instalments of ₹ 18.5 mn starting from July 2022 and to be settled by May 2025. The loan carries a interest rate of 6.7% p.a.	SBI	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on entire current assets, including inventories and receivables, both present and future, of the Company.	633.91	557.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 57 monthly instalments of ₹ 0.37 mn per month starting from August 2015 and to be settled by February 2022. The loan carries a interest rate of 7.65% p.a.	HDFC Bank	Secured by first pari-passu charge on certain propert/immovable assets and movable assets and secured by second pari-passu charge on current assets i.e., inventories and receivables, both present and future.	-	3.70
Repayable in 57 monthly instalments of ₹ 0.46 mn per month starting from August 2015 and to be settled by February 2022. The loan carries a interest rate of 7.65% p.a.	HDFC Bank		-	4.63
Repayable in 57 monthly instalments of ₹ 0.43 mn per month starting from August 2015 and to be settled by October 2022. The loan carries a interest rate of 7.65% p.a.	HDFC Bank		3.47	8.80
Repayable in 60 monthly instalments of ₹ 0.37 mn per month starting from January 2020 and to be settled by July 2024. The loan carries a interest rate of 8.05% p.a.	HDFC Bank		10.75	14.82
Repayable in 60 monthly instalments of ₹ 0.46 mn per month starting from November 2021 and to be settled by October 2024. The loan carries a interest rate of 8.25% p.a.	HDFC Bank		44.09	51.20
Repayable in 60 monthly instalments of ₹ 0.63 mn per month starting from January 2023 and to be settled by December 2025. The loan carries a interest rate of 7.55% p.a.	Axis Bank	Secured by first pari-passu charge on certain propert/immovable assets and movable fixed assets, both present and future, and secured by second pari-passu charge on current assets including receivables, both present and future.	30.00	-
Total			**2,955.49**	**2,224.53**
Less: Current maturities (Refer note 23)			(871.66)	(821.13)
Non-current			**2,083.83**	**1,403.40**

Term loans from other financial institutions :

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 20 equal quarterly instalments of ₹ 20.00 mn per quarter starting from July 2018 and to be settled by April 2024. The loan carries interest rate of 9% p.a.	Citicorp Finance (India) Limited	Secured by first pari-passu charge on entire plant and machinery, both present and future, certain immovable properties and secured by second pari-passu charge on current assets, i.e. inventories and trade receivables, both present and future, of the Company.	180.00	260.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 50 equal monthly instalments of ₹ 3.78 mn starting from September 2017 and to be settled by August 2021. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited	Secured by first pari-passu charge on entire movable fixed assets, certain immovable properties and secured by second pari-passu charge on current assets, both present and future, of the Company.	-	19.16
Repayable in 54 equal monthly instalments of ₹ 6.72 mn starting from April 2019 and to be settled by September 2023. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited		113.63	182.17
Repayable in 48 equal monthly instalments of ₹ 4.88 mn starting from February 2021 and to be settled by January 2025. The loan carries interest rate of 8.00% p.a.	Bajaj Finance Limited		148.09	192.86
Repayable in 60 monthly instalments of ₹ 1.1 mn per month starting from May 2018 and to be settled by August 2024.The loan carries a interest rate of 8.75% p.a.	Bajaj Finance Limited	Secured by first pari-passu charge on movable fixed assets, both present and future and certain immovable properties and secured by second pari-passu charge on current assets i.e., inventories and receivables, both present and future.	26.17	41.84
Repayable in 60 monthly instalments of ₹ 0.15 mn per month starting from May 2019 and to be settled by May 2025.The loan carries a interest rate of 8.75% p.a.	Bajaj Finance Limited		6.55	8.20
Total			**474.44**	**704.23**
Less: Current maturities (Refer note 23)			(223.23)	(231.42)
Non-current			**251.21**	**472.81**

Car loans from banks:

Repayment and interest terms	Name of the Lender	Security	As at 31 March, 2022	As at 31 March, 2021
Repayable in 60 monthly instalments of ₹ 0.06 mn per month starting from November 2017 and to be settled by September 2022. The loan carries a interest rate of 8.25% p.a.	HDFC Bank	Secured by certain movable fixed assets.	0.37	1.06
Repayable in 37 monthly instalments of ₹ 0.06 mn per month starting from October 2018 and to be settled by October 2021. The loan carries a interest rate of 9% p.a.	HDFC Bank		-	0.42
Total			**0.37**	**1.48**
Less: Current maturities (Refer note 23)			(0.37)	(1.17)
Non-current			**-**	**0.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

20 PROVISIONS (NON-CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 41)	82.23	151.83
Total	**82.23**	**151.83**

21 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ mn)

Particulars		As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets			
Provision for employee benefits		49.52	60.86
Security deposit		3.81	1.06
Allowance for credit losses		6.85	4.58
Right-of-use assets, net of lease liabilities (Ind AS 116)		9.84	8.81
Others		5.43	2.63
Total	**(a)**	**75.45**	**77.94**
Deferred tax liabilities			
Property, plant and equipment		697.42	671.46
On fair valuation of quoted investments		1.50	1.40
Derivative contracts at fair value		11.62	9.70
On Intangibles		4.84	-
Exchange differences arising from foreign operations		1.96	13.32
Others		0.04	0.04
Total	**(b)**	**717.38**	**695.92**
Deferred tax liabilities (net)	**(c) = (b) - (a)**	**641.93**	**617.98**

22 OTHER NON-CURRENT LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred Government grant	509.82	467.16
Total	**509.82**	**467.16**

Movement in deferred Government grant (Current and Non-current)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	514.60	467.04
Add: Grants during the year	100.91	92.67
Less: Income recognised in the statement of profit and loss	(51.59)	(45.11)
Closing balance	**563.92**	**514.60**
Less: Amounts expected to be recognised in the next 12 months (Refer note 26) - current	(54.10)	(47.44)
Net Closing balance, non-current	**509.82**	**467.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

The Government grant related to property, plant and equipment is recognised as income over the useful life, in proportion to the depreciation of the related asset under note 29 -Other income.

23 BORROWINGS (CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans from banks - Secured - at amortised cost		
Cash credit	-	40.95
Working capital loan	1,526.78	1,518.58
Packing credit	1,494.36	992.79
Current maturities of long-term debt *	1,095.26	1,053.72
Total	**4,116.40**	**3,606.04**

Cash credit, working capital loan, packing credit loan from banks and others amounting to ₹ 3,021.14 mn as at 31 March, 2022 (31 March, 2021: ₹ 2,552.32 mn) are secured by hypothecation of current assets, movable fixed assets and certain immovable properties of the Group.

Working capital loan carries interest rate ranging from 5.65% p.a. to 7.65% p.a., Cash credit carries interest rate ranging from 7.1% p.a. to 7.90% p.a. and Packing credit carries interest rate ranging from 4.00 % p.a. to 4.40% p.a.

The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

* Current maturities of long-term debt, previously disclosed under Other financial liabilities (Refer Note 25) have been classified under Borrowings (Current), consequent to the amendment to Schedule II of the Companies Act, 2013.

24 TRADE PAYABLES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises	77.54	86.39
Total outstanding dues of creditors other than to micro enterprises and small enterprises	1,984.27	1,750.37
Trade payable towards		
Accrued expenses	591.16	433.70
Total	**2,652.97**	**2,270.46**

The Group's exposure to currency and liquidity risk related to trade payables are disclosed in note 4.

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Accrued	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
Micro, small and medium enterprises	-	76.41	1.13	-	-	-	77.54
Others	591.16	1,846.83	128.67	7.28	0.39	1.80	2,576.13
Total	**591.16**	**1,923.24**	**129.80**	**7.28**	**0.39**	**1.80**	**2,653.67**
As at 31 March, 2021							
Micro, small and medium enterprises	-	79.13	5.18	2.08	-	-	86.39
Others	433.70	1,429.66	233.58	72.87	12.98	1.28	2,184.07
Total	**433.70**	**1,508.79**	**238.76**	**74.95**	**12.98**	**1.28**	**2,270.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

25 OTHER CURRENT FINANCIAL LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued	9.63	14.93
Capital creditors *	112.20	168.02
Total	**121.83**	**182.95**

* Capital creditors include dues to micro enterprises and small enterprises amounting to ₹ 28.03 mn (31 March, 2021: ₹ 25.00 mn).

26 OTHER CURRENT LIABILITIES

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance from customers	87.62	26.37
Statutory liabilities	121.82	133.82
Deferred government grant	54.10	47.44
Total	**263.54**	**207.63**

27 PROVISIONS (CURRENT)

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 41)	29.31	26.75
Provision for compensated absences	81.83	72.35
Total	**111.14**	**99.10**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

28 REVENUE FROM OPERATIONS

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products	18,557.85	14,568.90
Sale of services	40.87	2.30
Sub-total	**18,598.72**	**14,571.20**
Other operating revenues:		
Scrap sales	954.31	560.14
Tooling income	255.75	257.85
Export incentive benefits	81.54	103.52
Total	**19,890.32**	**15,492.71**

A. Disaggregation of Revenue from contracts with customers

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products		
India	11,682.89	9,466.78
Europe	4,428.14	3,640.52
USA	1,724.91	1,012.62
Other foreign countries	721.91	448.98
Sub-total	**18,557.85**	**14,568.90**
Sale of services		
India	**40.87**	**2.30**
Tooling income		
India	150.77	47.29
Europe	55.75	105.90
USA	49.23	90.07
Other foreign countries	-	14.59
Sub-total	**255.75**	**257.85**
Total revenue from contracts with customers:		
India	11,874.53	9,516.37
Europe	4,483.89	3,746.42
USA	1,774.14	1,102.69
Other foreign countries	721.91	463.57
Total revenue from contract with customers	**18,854.47**	**14,829.05**

B. Reconciling the amount of revenue recognised with contract and total revenue:

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Total revenue from contract with customers	18,854.47	14,829.05
Adjustments:		
Other operating revenues:		
Export incentive benefit	81.54	103.52
Scrap sales	954.31	560.14
Total	**19,890.32**	**15,492.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

C. Timing of revenue recognition

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Good transferred at a point in time	19,634.57	15,234.86
Service transferred over time	255.75	257.85
Total revenue from contract with customers	**19,890.32**	**15,492.71**

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March, 2022 and 31 March, 2021 is Nil.

D. Contract balances

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Trade receivables	4,085.64	3,129.83
Contract assets (Unbilled revenue)	172.70	50.31
Contract liabilities (Advance from customers)	87.62	26.37

E. The Group's revenue from its major products are as follows:

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Connecting rods	7,939.10	5,778.67
Crank shaft assembly	2,995.98	2,509.90
Rocker arms	3,383.71	2,836.10
Others*	4,239.07	3,444.23
Total revenue from sale of products	**18,557.86**	**14,568.90**

* Individual items of these are less than 10% of sale of products.

Revenue from sale of products from top three customers of the Group, who individually exceed 10% of total sales, is 44.18% (as at 31 March, 2021 - three customers is 51.68%).

29 OTHER INCOME

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income	14.42	22.42
Fair value gain on financial instruments at fair value through profit or loss	0.39	2.05
Gain/(loss) on disposal of property, plant and equipment	1.88	4.77
Gain on foreign currency transactions, net	49.07	101.80
Income from government grants	52.01	81.92
Other non-operating income	32.99	17.97
Share of profit from investment in Limited Liability Partnership (LLP)	4.17	-
Total	**154.93**	**230.93**

30 COST OF MATERIALS CONSUMED

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Raw materials at the beginning of the year	838.03	722.90
Add: Purchases	9,026.73	6,793.44
Less: Raw materials at the end of the year	993.68	838.03
Total	**8,871.08**	**6,678.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance		
Finished goods	395.15	369.27
Work-in-progress	897.45	879.62
Total	**1,292.60**	**1,248.89**
Closing balance		
Finished goods	466.79	395.15
Work-in-progress	1,055.89	897.45
Total	**1,522.68**	**1,292.60**
Changes in inventories of work-in-progress and finished goods	**(230.08)**	**(43.71)**

32 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages	2,273.14	1,804.31
Contribution to provident and other funds (Refer note 41 A)	96.73	75.96
Gratuity expenses (Refer note 41 B)	40.93	39.79
Employee stock compensation expense (Refer note 42)	79.89	-
Staff welfare expenses	282.89	217.44
Total	**2,773.58**	**2,137.50**

33 FINANCE COSTS

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Cost		
Banks and Financial institutions	408.55	335.24
Others	45.25	92.83
Exchange differences regarded as an adjustment to borrowing costs	6.73	4.06
Interest on obligations under lease	49.60	41.80
Total	**510.13**	**473.93**

34 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation of property, plant and equipment	1,091.28	930.36
Depreciation of right-of-use asset	94.52	79.56
Amortisation of intangible assets	11.23	6.84
Total	**1,197.03**	**1,016.76**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

35 OTHER EXPENSES

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Contract labour charges	951.73	771.14
Freight outward	228.55	168.15
Legal and professional (Refer note 38 and note 40)	100.62	71.14
Rates and taxes	83.83	45.77
Repairs and maintenance		
Buildings	132.45	103.51
Computers	60.34	51.93
Vehicles	35.85	25.74
Rent	10.41	3.08
Traveling and conveyance	33.23	20.45
Insurance	67.80	54.65
Printing and Stationery	7.80	5.56
Communication expenses	7.94	8.69
Security charges	52.49	44.97
Selling and advertisement	5.61	1.43
Corporate social responsibility	34.68	29.53
Insurance claim receivable written off	-	11.26
Bank charges	19.56	21.55
Allowance for credit losses	9.02	-
Miscellaneous	43.07	28.25
Total	**1,884.98**	**1,466.80**

36 EARNINGS PER SHARE (EPS)

Basic earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year available to the shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares. The details are as follows:

(Amount in ₹ mn except no. of shares)

Particulars		**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Profit available to shareholders for calculation of basic and diluted earnings per share	**A**	1,304.52	1,079.86
Nominal value of equity shares (₹ per share)		2	2
Weighted average number of equity shares for calculation of basic earnings per share	**B**	5,16,27,573	5,13,77,850
Basic earnings per share (in ₹)	**A/B**	**25.27**	**21.02**
Weighted average number of equity shares for calculation of diluted earnings per share	**C**	5,35,45,027	5,25,51,625
Diluted earnings per share (in ₹)	**A/C**	**24.36**	**20.55**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Computation of weighted average number of shares

(Amount in ₹ mn except no. of shares)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Weighted average number of equity shares	5,13,77,850	4,69,36,500
Weighted average number of Series A Compulsorily Convertible Preference Shares (CCPS)	-	44,39,900
Weighted average number of Series B Compulsorily Convertible Preference Shares (CCPS)	-	1,450
Weighted average number of Shares issued under Employee Stock Option	2,49,723	-
Weighted average number of equity shares for calculation of basic earnings per share	**5,16,27,573**	**5,13,77,850**
Add: Impact of potentially dilutive equity shares:		
Weighted average number of Shares issued under Employee Stock Option	19,17,454	11,73,775
Weighted average number of equity shares for calculation of diluted earnings per share	**5,35,45,027**	**5,25,51,625**

37 CONTINGENT LIABILITIES AND COMMITMENTS *(TO THE EXTENT NOT PROVIDED FOR)*

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Contingent liabilities #		
Claims against the Group not acknowledged as debts:		
Excise duty, entry tax and service tax matters (Refer note A i)	50.38	80.35
Income tax matters (Refer note A ii)	11.95	11.98
Commitments ##		
Estimated amount of contracts remaining to be executed on capital account and not provided for	742.89	398.56

Note A: Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for wherever required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position.

(i) Relating to demand for service tax on labour charges, refund granted on service tax paid under reverse charge mechanism (RCM), disallowance of Excise duty rebate, disallowance of Input Tax Credit (ITC) on Value Added Tax (VAT) etc.,

(ii) Relating to disallowance of certain expenses, additional depreciation, non-consideration of MAT (Minimum Alternate Tax) credit and non consideration of Tax Deducted at Source (TDS).

The Honourable Supreme Court of India, in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision of ₹ 0.58 mn for provident fund contribution pursuant to the judgement in the year 2018-2019 from the date of Order of the Honourable Supreme Court of India. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

As disclosed in note 4, the Company has invested in Clean Max Vega Power LLP (i.e., power producer) and entered into an energy supply agreement for a period of 25 years with lock in period of 5 years. Pursuant to such energy supply agreement, the Company has committed to purchase atleast 51% of the total power produced by the power producer.

The Group does not have any other material commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

38 AUDITORS' REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL, NET OF TAXES) *

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Statutory audit fees	5.25	3.80
Statutory audit fees - Erstwhile auditor	-	0.59
Limited Review	1.45	-
Tax audit fees	0.40	0.30
Tax audit fees - Erstwhile auditor	-	0.04
Certifications	0.15	-
Total	**7.25**	**4.73**

* Excludes ₹ 11.85 mn (31 March, 2021: Nil) towards services rendered in connection with Initial Public Offering.

39 TAX EXPENSE

A. Amounts recognised in consolidated statement of profit and loss

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current tax (a)		
Current year	427.85	303.87
Changes in estimates related to prior years	7.65	-
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	29.29	58.98
Income tax expense reported in the consolidated statement of profit and loss (a+b)	**464.79**	**362.85**
Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	6.45	(6.59)
Exchange differences on translation of foreign operations	(11.36)	13.32
Income tax reported in other comprehensive income	**(4.91)**	**6.73**
B. Bifurcation of the income tax recognised in other comprehensive income into		
Items that will not be reclassified to profit or loss	6.45	(6.59)
Items that will be reclassified to profit or loss	(11.36)	13.32
Total	**(4.91)**	**6.73**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

(Amount in ₹ mn)

Particulars	31 March, 2022	31 March, 2021
Profit before tax	1,783.68	1,461.45
Tax using the Group's domestic tax rate	25.17%	25.17%
Computed expected tax expense	448.95	367.85
Effect of:		
Non-deductible expenses	8.76	7.29
Incremental tax expense on completion of assessment for earlier years	8.63	(4.44)
Difference in tax rates of foreign operations	-	(13.19)
Tax exempt income	(4.76)	-
Others	3.21	5.34
Income tax expense	**464.79**	**362.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

D. Movement in temporary differences

Particulars	Balance as at 1 April, 2021 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March, 2022 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(671.46)	(25.96)	-	(697.42)
Provision for employee benefits	60.86	(5.32)	(6.45)	49.52
Security deposit	1.06	2.75	-	3.81
Allowance for credit losses	4.58	2.27	-	6.85
On fair valuation of quoted investments	(1.40)	(0.10)	-	(1.50)
Others	2.59	2.80	-	5.39
Derivative contracts	(9.70)	(1.92)	-	(11.62)
Right-of-use assets, net of lease liabilities (Ind AS 116)	8.81	1.03	-	9.84
Exchange difference on foreign operations	(13.32)	-	11.36	(1.96)
On Intangibles	-	(4.84)	-	(4.84)
Total	**(617.98)**	**(29.29)**	**4.91**	**(641.93)**

Particulars	Balance as at 1 April, 2020 Net deferred tax asset/ (liabilities)	Recognised in profit and loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March, 2021 Net deferred tax asset/ (liabilities)
Property, plant and equipment	(633.67)	(37.79)	-	(671.46)
Provision for employee benefits	57.69	(3.42)	6.59	60.86
Security deposit	2.12	(1.06)	-	1.06
Allowance for credit losses	4.58	-	-	4.58
On fair valuation of quoted investments	(0.89)	(0.51)	-	(1.40)
Others	9.66	(7.07)	-	2.59
Derivative contracts	5.01	(14.71)	-	(9.70)
Right-of-use assets, net of lease liabilities (Ind AS 116)	7.31	1.50	-	8.81
Exchange difference on foreign operations	-	-	(13.32)	(13.32)
On Intangibles	(4.08)	4.08	-	-
Total	**(552.27)**	**(58.98)**	**(6.73)**	**(617.98)**

E. Amendment to Ind AS 12 Income Taxes: Appendix C - Uncertainty over Income Tax Treatments

This Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. Based on the evaluation carried out on the outstanding litigations (Refer Note 37), the Group has determined that there will not be any significant impact on the financial statements on account of this Appendix.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

40 RELATED PARTIES DISCLOSURES

A. Significant Shareholders

Client Ebene Limited

CVCIGPII Employee Ebene Limited

B. Trust in which the Director is a trustee

Sansera Foundation

C. Key managerial personnel

S Sekhar Vasan - Chairman and Managing Director

F R Singhvi - Joint Managing Director

B R Preetham - Chief Executive Officer

Vikas Goel - Chief Financial Officer

Rajesh Kumar Modi - Company Secretary

Muthuswamy Lakshminarayan - Independent Director

Revathy Ashok - Independent Director

Bilaine Sylvain - Independent Director

D. Close members of key managerial personnel's family

Lalitha Singhvi

Praveen Singhvi

Lata Singhvi

Jayaraj Singhvi

Tara Singhvi

Indira Singhvi

E. The following is the summary of related party transactions

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Expenditure towards Corporate Social Responsibility (CSR)		
Sansera Foundation	33.98	20.32
IPO expenses incurred (to be reimbursed by the shareholders) #		
S. Sekhar Vasan	59.52	-
F R Singhvi	5.79	-
Lalitha Singhvi	1.77	-
Praveen Singhvi	1.79	-
Lata Singhvi	1.79	-
Jayaraj Singhvi	1.79	-
Tara Singhvi	1.79	-
Indira Singhvi	1.79	-
Unni Rajagopal K	16.52	-
Devappa Devaraj	16.52	-
Client Ebene Limited	95.45	-
CVCIGP II Employee Ebene Limited	53.46	-
Managerial Remuneration*		
S Sekhar Vasan	14.89	7.45
F R Singhvi	14.89	7.45
B R Preetham	16.39	11.47
Vikas Goel	16.31	11.80
Rajesh Kumar Modi	4.30	3.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Legal and Professional Charges- Fixed Commission		
Muthuswamy Lakshminarayan	1.20	0.60
Revathy Ashok	1.20	0.60
Bilaine Sylvain	1.20	0.53
Legal and Professional Charges- Sitting fees		
Muthuswamy Lakshminarayan	0.30	0.11
Revathy Ashok	0.33	0.16
Bilaine Sylvain	0.19	0.15
Conversion of Compulsorily Convertible Preference Shares (CCPS)		
Client Ebene Limited	5.69	-
CVCIGPII Employee Ebene Limited	3.19	-

* Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

F. The balances receivable from and payable to related parties are:

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
IPO expenses recoverable from shareholders #		
S Sekhar Vasan	0.42	11.24
F R Singhvi	0.05	-
Lalitha Singhvi	0.01	0.33
Praveen Singhvi	0.01	0.56
Lata Singhvi	0.01	0.56
Jayaraj Singhvi	0.01	0.56
Tara Singhvi	0.01	0.56
Indira Singhvi	0.01	0.56
Unni Rajagopal	0.12	3.12
Devappa Devaraj	0.11	2.51
Devappa Devaraj on behalf of D. Devaraj HUF	-	0.61
Client Ebene Limited	1.74	47.18
CVCIGP II Employee Ebene Limited	0.97	26.42
Loan to key managerial personnel		
B R Preetham	3.88	3.88
Payable to Directors		
S. Sekhar Vasan	12.86	12.87
F R Singhvi	-	1.94
Receivable from Director		
F R Singhvi	0.36	-

The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on 24 September, 2021, by completing the Initial Public Offering (IPO) of 17,244,328 equity Shares of face value of ₹ 2 each at an issue price of ₹ 744 per equity share, consisting of an offer for sale of 17,244,328 equity shares by the selling shareholders. For the purpose of IPO, during the current financial year, the Company has incurred a cost of ₹ 257.98 mn (31 March, 2021: Nil). As per the arrangement with the related selling shareholders, the aforesaid expenditure is required to be borne by the respective selling shareholders. Outstanding cost recoverable as at 31 March, 2022 is ₹ 3.47 mn (31 March, 2021: ₹ 94.21 mn).

Terms and conditions:

All transactions with related parties are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

41 EMPLOYEE BENEFIT PLANS

A Defined contribution plan

The Group has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Employer contribution to Provident fund, including admin charges	82.40	63.51
Employer contribution to Employee state insurance scheme	14.13	10.44
Employer contribution to Labour Welfare Fund	0.20	2.01

B Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the Fund.

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits":

a) Reconciliation of present value of defined benefit obligations

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Defined benefit obligations at the beginning of the year	357.37	293.57
Current service cost	28.92	29.37
Interest Expense	24.07	19.79
Benefits paid	(12.77)	(9.02)
Actuarial (gains) / losses recognised in Other Comprehensive Income:		
Changes in financial assumptions	(16.07)	-
Experience adjustments	(2.87)	23.66
Defined benefit obligations at the end of the year	**378.65**	**357.37**

b) Reconciliation of present value of plan assets

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Plan assets at the beginning of the year	178.79	145.97
Interest income	12.06	9.37
Contributions paid into the plan	80.01	32.47
Return on plan assets recognised in Other Comprehensive Income	6.70	(2.74)
Benefits paid	(10.45)	(6.28)
Plan assets at the end of the year	**267.11**	**178.79**
Net defined benefit liability (a-b)	**111.54**	**178.58**
Non-current	82.23	151.83
Current	29.31	26.75
Total	**111.54**	**178.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

c) Expense recognised in the consolidated statement of profit and loss

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Current service cost	28.92	29.37
Interest expense	24.07	19.79
Interest income	(12.06)	(9.37)
Total	**40.93**	**39.79**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Actuarial (gain)/loss on account of experience adjustments	(2.87)	23.20
Actuarial (gain)/loss arising from change in financial assumptions	(16.07)	-
Return on plan assets recognised in other comprehensive income	(6.70)	2.74
Total	**(25.64)**	**25.94**
Total cost recognised in the statement of profit and loss, including other comprehensive income (c+d)	**15.29**	**65.73**

e) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March, 2022 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

(Amount in ₹ mn)

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Discount rate	7.20%	6.75%
Salary increase**	5.00%	4%-5% *
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	58 years	58 years
Withdrawal Rate	4.00%	4.00%

* Salary increment for the financial year ended 31 March, 2021 was considered as 0% due to COVID-19 effect.

**The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

f) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	346.21	(333.37)	325.42	(394.32)
Future salary growth (1% movement)	416.43	(275.09)	394.64	(324.61)
Withdrawal rate (1% movement)	384.95	(299.05)	362.38	(351.57)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:

(Amount in ₹ mn)

Expected cash flows over the next (valued on undiscounted basis):	For the year ended 31 March, 2022	For the year ended 31 March, 2021
1 year	29.31	26.75
2 to 5 years	112.82	93.28
6 to 10 years	167.56	153.07
More than 10 years	516.85	472.11

g) Asset liability matching strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

h) The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

42 EMPLOYEE STOCK OPTIONS

The Company has a share option scheme for the permanent employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders, permanent employees may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry as per ESOP Schemes.

(a) Sansera Employee Stock Option Plan 2015

On 12 March, 2015, the Board of Directors of the Company approved "Sansera Employee Stock Option Plan 2015" ("the Plan") for grant of stock options to the employees of the Company and its subsidiaries which was further ratified by the shareholders on 13 April, 2015 Further, the ESOP 2015 has been amended pursuant to resolutions passed by the Shareholders on 3 August, 2018, 2 June, 2021 and 31 August, 2021, respectively. The vested options can be exercised by the option holder and the shares can be allotted by the Board/Committee as specified in the Plan. The plans are as follows:

Program 1: Key management group

Options under this program are granted to certain employees at an exercise price of ₹ 0.14 per option. The entire stock options are completely vested.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Number of Options	**Weighted average exercise price in ₹**	**Number of Options**	**Weighted average exercise price in ₹**
Outstanding at the beginning of the year	11,73,775	0.14	11,73,775	0.14
Granted during the year	-	-	-	-
Exercised during the year	1,75,000	0.14	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**9,98,775**	**0.14**	**11,73,775**	**0.14**
Vested at the end of the year	**9,98,775**	**0.14**	**11,73,775**	**0.14**
Exercisable at the end of the year	**9,98,775**	**0.14**	**-**	**-**

Program 2: Certain identified employees

Options under this program are granted to certain employees at an exercise price of ₹ 135.20 per option. Stock options issued carries different vesting periods, it ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

Particulars	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Number of Options	**Weighted average exercise price in ₹**	**Number of Options**	**Weighted average exercise price in ₹**
Outstanding at the beginning of the year	11,88,275	135.20	13,36,900	135.20
Granted during the year*	1,48,625	135.20	-	-
Exercised during the year	6,02,965	135.20	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Surrendered during the year	-	-	1,48,625	135.20
Outstanding at the end of the year	**7,33,935**	**135.20**	**11,88,275**	**135.20**
Vested at the end of the year	**7,33,935**	**135.20**	**11,88,275**	**135.20**
Exercisable at the end of the year	**7,33,935**	**135.20**	**-**	**-**

* The options granted during the year have been vested over the period of one year from the date of grant.

During the year ended 31 March, 2022, shares were exercised on 29 October, 2021 and March 25, 2022. The share price on the date of exercise was ₹ 707.40 and ₹ 563.15 respectively.

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	**Share option plans**		
	Program 1: Key Management Group	**Program 2: Certain Identified Employees**	**Program 2: Certain Identified Employees**
Grant date	29 April, 2015	29 April, 2015	01 April, 2021
Fair value at grant date	103.39	55.25	273.21
Share price at grant date	103.48	103.48	396.60
Exercise price	0.14	135.20	135.20
Expected volatility (weighted average volatility)	49.20%	49.20%	31.30%
Method used to determine expected volatility	Expected volatility has been calculated based on volatility of the comparable company stock prices.		
Expected term (in years)	6.50	6.50	2.00
Risk free interest rate	7.90%	7.90%	4.52%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(b) Sansera Employee Stock Option Plan 2018

The Company, pursuant to resolution passed by its shareholders dated 8 August, 2018 has adopted "Sansera Employee Stock Option Plan 2018" ("the Plan"). Further, the ESOP 2018 has been amended pursuant to resolutions passed by the Board of Directors on 19 April, 2021 and 22 August, 2021 and Shareholders on 2 June, 2021 and 31 August, 2021. The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in the Company on a fully diluted basis as on the date of this plan. The plans are as follows:

Options under this program are granted to certain employees at an exercise price of ₹ 744 per option. Stock options issued carry different vesting periods. It ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

The following reconciles the outstanding share options granted under employee share option plan at beginning and at the end of financial year:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	8,08,327	744.00	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	**8,08,327**	**744.00**	**-**	**-**
Vested at the end of the year	**-**		**-**	**-**
Exercisable at the end of the year	**-**	**-**	**-**	**-**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plan
Grant date	22-Sep-21
Fair value at grant date (Average)	200.72
Share price at grant date	744.00
Exercise price	744.00
Expected volatility (weighted average volatility) (Average)	26.68%
Expected term (in years) (Average)	3.50
Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility of Auto Index
Risk free interest rate (Average)	5.02%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

43 FINANCIAL INSTRUMENTS

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Amount in ₹ mn)

Particulars	Carrying amount	Fair value		
	31 March, 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	110.90	5.97	-	104.93
Derivative contracts at fair value	6.13	-	6.13	-
Total	**117.03**	**5.97**	**6.13**	**104.93**
Financial assets measured at amortised cost				
Loans	40.87	-	-	-
Other non-current financial assets	287.95	-	-	-
Trade receivables	4,085.64	-	-	-
Cash and cash equivalents	383.44	-	-	-
Bank balances other than cash and cash equivalents above	119.84	-	-	-
Other current financial assets	195.56	-	-	-
Total	**5,113.30**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	2,335.04	-	-	-
Current borrowings	4,116.40	-	-	-
Lease liabilities	1,013.14	-	-	-
Trade payables	2,652.97	-	-	-
Other financial liabilities	121.83	-	-	-
Total	**10,239.38**	**-**	**-**	**-**

(Amount in ₹ mn)

Particulars	Carrying amount	Fair value		
	31 March, 2021	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investment in equity shares	42.51	5.58	-	36.93
Derivative contracts at fair value	38.54	-	38.54	-
Total	**81.05**	**5.58**	**38.54**	**36.93**
Financial assets measured at amortised cost				
Loans	38.41			
Other non-current financial assets	289.48	-	-	-
Trade receivables	3,129.83	-	-	-
Cash and cash equivalents	365.00	-	-	-
Bank balances other than cash and cash equivalents above	286.42	-	-	-
Other current financial assets	155.01	-	-	-
Total	**4,264.15**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-current borrowings	1,876.52	-	-	-
Current borrowings	3,606.04	-	-	-
Lease liabilities	921.16	-	-	-
Trade payables	2,270.46	-	-	-
Other financial liabilities	182.95	-	-	-
Total	**8,857.13**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The derivative contracts are valued using market approach, determined using forward exchange rates as at the balance sheet date.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The group has not disclosed the fair value of financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, other non-current financial liabilities, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

The majority of costs and incomes are denominated in local currencies, which is not impacted by currency exchange fluctuations. Some of the contracts with key export customers may not allow for price adjustments in the event of unfavourable currency exchange rate developments. Global footprint exposes the Group to certain currency exchange risks, arising primarily from foreign currency receivables, import of raw materials and capital goods for operations, export of goods and non-Indian rupee denominated borrowings. The Group hedges significant portion of the net foreign exchange exposure through forward contracts and non-Indian rupee denominated loans.

44 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and others, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Group performs credit assessment for customers on an annual basis and recognises credit risk on the basis of lifetime expected losses.

Movement in expected credit loss allowance on trade receivables:

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Balance as at the beginning of the year	23.61	23.61
Movement in the expected credit loss allowance on trade	(9.02)	-
Balance at the end of the year	**14.59**	**23.61**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Security deposits, Other financial assets and Loans:

Expected credit loss for Security deposits, Other financial assets and Loans is as follows:

Particulars	Year ended	Assets of the Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	31 March, 2022	Security deposits	282.27	0%	-	282.27
		Other Financial Assets	201.69	0%	-	201.69
		Loans	40.87	0%	-	40.87

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and others with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

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

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Amount in ₹ mn)

Particulars	As at 31 March, 2022				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	3,430.30	3,430.30	1,095.26	1,031.30	1,303.74
Current borrowings	3,021.14	3,021.14	3,021.14	-	-
Trade payables	2,652.97	2,652.97	2,652.97	-	-
Other financial liabilities	121.83	121.83	121.83	-	-
Lease liabilities	1,013.14	1,013.14	102.51	82.25	828.38

(Amount in ₹ mn)

Particulars	As at 31 March, 2021				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	2,930.24	2,930.24	1,053.72	808.73	1,067.79
Current borrowings	2,552.32	2,552.32	2,552.32	-	-
Trade payables	2,270.46	2,270.46	2,270.46	-	-
Other financial liabilities	182.95	182.95	182.95	-	-
Lease liabilities	921.16	921.16	110.88	107.49	702.79

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans, borrowings, receivables and payables. The Group's activities expose it to a variety of financial risks, including effects of changes in foreign currency exchange rates and interest rate movement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to Group's long term debt obligations with floating interest rates.

Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows :

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fixed rate instruments:		
Financial liabilities	304.93	466.14
Variable rate instruments:		
Financial liabilities	6,146.51	5,016.42
Fixed rate instruments exposed to interest rate risks	**6,451.44**	**5,482.56**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments

There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax	
		31 March, 2022	31 March, 2021
Increase of 100 basis points	INR	61.47	50.16
Decrease in 100 basis points	INR	(61.47)	(50.16)

(vi) Foreign currency risk

The Group is exposed to currency risk on certain transactions that are denominated in a currency other than the entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency (FC) risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on derivative instruments is as follows.

(Amount in ₹ mn)

Particulars	Currency Hedged	As at 31 March, 2022		As at 31 March, 2021	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward contract (to hedge net receivables)	USD	10.93	828.05	12.36	903.27
No. of Contracts		21		20	
Forward contract (to hedge net receivables)	EUR	4.65	391.20	8.75	750.31
No. of Contracts		10		11	
Forward contract (to hedge net receivables)	EURUSD	-	-	1.80	154.35
No. of Contracts		-		3	
Forward contract (to hedge borrowing)	USD	-	-	7.69	561.99
No. of Contracts		-		6	
Forward contract (to hedge borrowing)	EURUSD	-	-	1.00	85.75
No. of Contracts		-		2	

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

The following table presents foreign currency risk from financial instruments as of:

(Amount in ₹ mn)

Particulars	**Currency Hedged**	**As at 31 March, 2022**		**As at 31 March, 2021**	
		Amount in FC	**Amount in ₹**	**Amount in FC**	**Amount in ₹**
Trade receivables	USD	19.28	1,461.28	11.63	850.51
	EUR	11.42	961.79	9.54	817.96
Cash and cash equivalents	USD	0.76	57.60	0.22	15.91
	EUR	0.52	43.79	0.42	35.89
Trade payables	USD	0.36	27.29	0.38	27.97
	EUR	2.66	224.03	1.95	167.22
	JPY	-	-	39.31	25.99
	GBP	*	0.32	0.16	16.42
	CHF	0.01	0.82	-	-
Borrowings	USD	9.29	704.11	3.76	275.03
	EUR	-	-	0.18	15.01

Sensitivity analysis

(Amount in ₹ mn)

Particulars	**Percentage movement**	**Effect on profit before tax**		**Effect on equity**	
		Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March, 2022					
USD	4%	31.50	(31.50)	23.57	(23.57)
EURO	2%	15.63	(15.63)	11.70	(11.70)
CHF	6%	0.05	(0.05)	-	-
31 March, 2021					
USD	2%	16.90	(16.90)	12.65	(12.65)
EURO	2%	20.15	(20.15)	15.08	(15.08)
JPY	4%	(1.30)	1.30	(0.97)	0.97
GBP	2%	(1.15)	1.15	(0.86)	0.86

* GBP 3,226 not presented above due to rounding off to nearest mn.

45 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Gross debt*	7,474.21	6,418.65
Less : Cash and cash equivalent and other bank balances	503.28	651.42
Net debt (A)	**6,970.93**	**5,767.23**
Total equity (B)**	**10,353.16**	**8,887.41**
Debt ratio (A / B)	**0.67**	**0.65**

* Gross debt includes non-current borrowings, current borrowings, current maturities of long term debts, lease liabilities and accrued interest.

** Total equity incudes Equity share capital, instruments entirely equity in nature and other equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

46 CASH FLOW DISCLOSURES

Reconciliation between opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities:

(Amount in ₹ mn)

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April, 2021	Proceeds	Repayments	Fair value changes	31 March, 2022
Non-current borrowings	2,930.24	1,606.01	(1,099.93)	(6.02)	3,430.30
Current borrowings *	2,552.32	464.91	-	3.91	3,021.13
Total liabilities from financing activities	**5,482.56**	**2,070.91**	**(1,099.93)**	**(2.11)**	**6,451.43**

(Amount in ₹ mn)

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April, 2020	Proceeds	Repayments	Fair value changes	31 March, 2020
Non-current borrowings	2,813.65	1,099.93	(979.92)	(3.42)	2,930.24
Current borrowings *	3,554.12	-	(992.26)	(9.54)	2,552.32
Total liabilities from financing activities	**6,367.77**	**1,099.93**	**(1,972.18)**	**(12.96)**	**5,482.56**

* Current borrowings are disclosed net of proceeds/repayments.

47 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Ind AS 108 'Segment Information' represents single reportable business segment. The entire operations are governed by the same set of risk and returns. Accordingly, these operations represent a single segment. The revenues, total expenses and net profit as per the consolidated statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

Geographic segmentation is based on business sourced from specific geographic regions. Other foreign countries comprises all other places except India, Europe and USA.

(a) Revenue from operations

(Amount in ₹ mn)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
India	12,895.32	10,173.04
Europe	4,498.95	3,753.41
USA	1,774.14	1,102.69
Other foreign countries	721.91	463.57
Total	**19,890.32**	**15,492.71**

(b) Non-current assets

(Amount in ₹ mn)

Particulars	As at 31 March, 2022	As at 31 March, 2021
India	12,546.02	10,815.83
Other foreign countries	1,281.83	1,283.04
Total	**13,827.85**	**12,098.87**
Reconciling items:		
Income tax assets	28.30	27.14
Other non-current financial assets	408.60	335.57
Total non-current assets	**14,264.75**	**12,461.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

48 IMPAIRMENT

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at each entity level, which is represented as separated CGU's.

The carrying value of goodwill, entity wise is as follows:

(Amount in ₹ mn)

Entity acquired	**As at 31 March, 2022**	**As at 31 March, 2021**
Fitwel Tools and Forgings Private Limited ('Fitwel')	146.72	146.72
Sansera Sweden AB ('Sansera Sweden')	211.65	176.92
Exchange differences on translation of foreign operations	(6.12)	34.73
	205.53	211.65
Total carrying value	**352.25**	**358.37**

The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment test, fair value of a CGU is determined based on the market capitalisation and the value in use is determined based on specific calculations. The recoverable amount of all CGU's has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and an average of the range of each assumption mentioned below:

(Amount in ₹ mn)

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
Discount rate*	12% - 17%	12%-15%
Terminal growth rate **	2% - 4%	2% - 4%
Operating margins	11%/16% - 15%/17%	4%/9% - 13%/16%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The Group does its impairment evaluation on an annual basis and as of 31 March, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

As of 31 March, 2022, the estimated recoverable amount of each of the CGU's exceeded its carrying amount by ₹ 620.67 mn (Fitwel Tools and Forgings Private Limited) and ₹ 1,057.78 mn (Sansera Sweden AB), hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

49 ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO COMPANIES ACT, 2013 GENERAL INSTRUCTION FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹ mn)

Name of the entity	As at/for the year ended 31 March, 2022							
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sansera Engineering Limited	99.84%	10,336.67	97.17%	1,281.57	(132.21)%	19.29	99.74%	1,300.86
Subsidiary								
Sansera Sweden AB	0.68%	70.15	(1.03)%	(13.56)	0.00%	-	(1.04)%	(13.56)
Sansera Engineering Pvt. Ltd., Mauritius	7.80%	807.12	0.20%	2.70	0.00%	-	0.21%	2.70
Fitwel Tools and Forgings Private Limited	3.85%	398.61	3.63%	47.90	0.69%	(0.10)	3.66%	47.80
Non-controlling interest	1.15%	119.34	1.09%	14.37	0.21%	(0.03)	1.10%	14.34
Elimination on account of Consolidation	(13.32)%	(1,378.73)	(1.07)%	(14.09)	231.32%	(33.75)	(3.67)%	(47.84)
Consolidated net assets/loss after tax	100.00%	10,353.16	100.00%	1,318.89	100.00%	(14.59)	100.00%	1,304.30

(Amount in ₹ mn)

Name of the entity	As at/for the year ended 31 March, 2021							
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Sansera Engineering Limited	99.85%	8,874.37	89.10%	978.80	(86.81)%	(17.58)	85.91%	961.22
Subsidiary								
Sansera Sweden AB	0.95%	84.85	5.12%	56.20	0.00%	-	5.02%	56.20
Sansera Engineering Pvt. Ltd., Mauritius	10.28%	913.42	0.43%	4.75	0.00%	-	0.42%	4.75
Fitwel Tools and Forgings Private Limited	3.95%	350.80	5.69%	62.48	(8.74)%	(1.77)	5.43%	60.71
Non-controlling interest	1.18%	104.99	1.71%	18.74	(2.62)%	(0.53)	1.63%	18.21
Elimination on account of Consolidation	(16.21)%	(1,441.02)	(2.04)%	(22.37)	198.18%	40.13	1.59%	17.76
Consolidated net assets/loss after tax	100.00%	8,887.41	100.00%	1,098.60	100.00%	20.25	100.00%	1,118.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

Interest in other entities

Subsidiary companies:

The consolidated Ind AS financial statements of the Group includes subsidiary companies listed in the table below:

Name of the entity	Country of incorporation	Ownership interest held by the group (%)	Ownership interest held by non-controlling interest (%)	Ownership interest held by the group (%)	Ownership interest held by non-controlling interest (%)
		31 March, 2022		31 March, 2021	
Sansera Sweden AB	Sweden	100%	-	100%	-
Sansera Engineering Pvt. Ltd., Mauritius	Mauritius	100%	-	100%	-
Fitwel Tools and Forgings Private Limited	India	70%	30%	70%	30%

50 The Group has considered various internal and external sources consisting of feedback from the customers and the market trends, up to the date of approval of the consolidated financial statements in determining the impact, if any, arising from the pandemic on various elements of its consolidated financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on its current estimates, the Group expects to recover the carrying value of its financial and non-financial assets, including tangible assets and meet its financial obligations in the normal course of business. The eventual outcome of the possible impact of the pandemic may be different from that estimated as on the date of approval of these consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its consolidated financial statements.

51 The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Group towards Provident Fund and Gratuity has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Group will complete its evaluation and will give appropriate impact in its consolidated financial Statements in the period in which the Code becomes effective and the related rules are published.

52 Additional Regulatory Information:

a) There are no transactions or balances with Companies which have been removed from the Register of Companies (Struck off Companies), during the year ended/as at 31 March, 2022.

b) The Group has not traded/invested in Cryptocurrency/Virtual currency.

c) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)

53 The Board of Directors have recommended final dividend of ₹ 2 per equity share having face value of ₹ 2 each for the year ended 31 March, 2022, subject to approval of shareholders.

54 The Board of Directors of the Company have approved these Consolidated Financial Statements of the Company in their meeting held on 23 May, 2022.

for **Sansera Engineering Limited**
CIN: L34103KA1981PLC004542

S Sekhar Vasan
Managing Director
DIN: 00361245

F R Singhvi
Joint Managing Director
DIN: 00233146

B R Preetham
Chief Executive Officer

Vikas Goel
Chief Financial Officer

Rajesh Kumar Modi
Company Secretary

Place: Bengaluru
Date: 23 May, 2022

SANSERA ENGINEERING LIMITED
(CIN: L34103KA1981PLC004542)
Registered office: Plant-7, No.143/A, Jigani Link Road, Bommasandra Industrial Area, Anekal Taluk Bengaluru-560105, India
Phone No: +91 80-27839081/82/83; Fax No.+91 80 27839309 Email: rajesh.modi@sansera.in; Website: www.sansera.in

NOTICE OF 40TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting of the members of Sansera Engineering Limited will be held on Thursday, August 18, 2022 at 11.00 a.m. (IST) through video conferencing ('VC')/Other Audio-Visual Means ('OAVM') facility to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Auditors' and Board's Report thereon.
2. To declare dividend of ₹ 2.00 per equity share for the year ended March 31, 2022.
3. To appoint a Director in place of Mr. Fatheraj Singhvi (DIN: 00233146) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. TO CONSIDER AND APPROVE CERTAIN ARTICLES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Articles of Association of the Company, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI LODR Regulations"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, and other applicable laws, rules and regulations, guidelines (including any statutory modification(s) thereof for the time being in force), the approval of the members of the Company be and is hereby accorded to approve Articles 43(f) and 43(g) of Part A and Article 18.3 and the associated definitions under Article 2.1 of Part B of the Articles of Association of the Company, as reproduced below:

Part A of the Articles of Association

Article 43 (f): Investor 1 i.e., Client Ebene Limited (CEL) right to appoint one nominee director on the Board.

43(f): Investor 1 may nominate one director on the Board, provided that the Investor 1 holds at least 5% of the issued and paid-up capital on a fully diluted basis, who does not hold any executive position in any Person engaged in the Business, provided that if any Person holding non-executive position in any Person engaged in the Business, is appointed as an Investor Director, then such Person so appointed shall be required to be bound by suitable non-disclosure undertakings with respect to Confidential Information pertaining to the Company and the Subsidiaries, that may be received in connection with the appointment of such Person as an Investor Director. It is hereby clarified that Investor 2 shall not have a right to appoint nominee directors on the Board, and

Article 43 (g): Promoters right to appoint two directors on the Board

43(g): Promoters may nominate two directors on the Board, who shall be the representative of the Promoters on the Board, provided that the Promoters cumulatively hold at least 5% of the issued and paid-up capital on a fully diluted basis.

Part B of the Articles of Association

Article 18.3: Upside sharing arrangement inter-se Investors (Client Ebene Limited and CVCIGP II Employee Ebene Limited) and Promoters of the Company.

18.3: Each of the Investors agrees that following the provision of full cash exit to such Investor in compliance with the Transaction Documents, in the event that such Investor's Inflows are (following payouts of employee incentives pursuant to the Shareholders Agreement) in excess of the Investor Benchmark Rate, such Investor agrees to share 30% of such excess of Inflows over the Investor Benchmark Rate with the Key Promoters ("Promoter Upside Entitlement"). The requirement to share the Promoter Upside Entitlement may be provided by such Investor at its sole discretion, either (a) by way of a cash payment, subject to withholding of applicable taxes; or (b) by any other method determined by the Investor that achieves the same commercial effect.

The method by which the payment of the Promoter Upside Entitlement shall be determined at the sole discretion of the Investors without diluting in any manner the Investors' rights set out in these Articles.

Article 2.1: Associated definitions for the calculation of upside sharing arrangement

2.1:

"Inflows" means all amounts which received by an Investor, including, without limitation, any dividends or other distributions, repayments, redemptions, buybacks or interest received from the Company in respect of the Shares held by that Investor (including any shares into which those Shares have converted) and any proceeds from the sale of those Shares (or any shares into which those Shares have converted), and in each case as reduced by the amount of any Tax (including any surcharge, fees, interest, penalty or other amounts in relation to Tax) paid, payable, levied, withheld, accrued or provided for in relation to such Inflows under applicable regulations and in each case as reduced by the amount of expenses or costs incurred, accrued, paid, provided for or reimbursed by the Investor in relation to such Inflows. Provided that where Inflows are denominated in a currency other than US$, then such Inflows shall be converted into US$ at their respective actual exchange rate for an Investor and in case of any accruals or provisions therefor, the average exchange rate available on the website of the Reserve Bank of India, at the end of banking hours in India on the relevant calculation date. Provided further that for the purpose of this definition, the term Tax shall include all forms of taxes, levies, duties, charges, impost and withholding or other amount imposed by or payable to any tax authority in India or in countries other than India;

"Investor Benchmark Rate" means the US$ cash amount equal to the amount which when inserted in the calculation of IRR as the Inflows received at the relevant calculation date (where the relevant calculation date(s) is/are the date(s) of receipt of such Inflows received) would result in the Investors receiving the 25% IRR after taking in account:

(i) all Outflows for that Investor prior to and as at the relevant calculation date;

(ii) all Inflows for that Investor prior to the relevant calculation date; and

(iii) such part of the Inflows for that Investor as on the relevant calculation date as required for achieving the Investor Benchmark Rate;

"IRR" means as at the relevant calculation date, the internal rate of return per annum received by an Investor with respect to that Investor's Outflows, calculated by applying the latest version of Microsoft Excel Version XIRR function to the Outflows and Inflows, in each case on the date upon which the cashflow was effected or in case of any Outflows or Inflows that have not yet occurred, the relevant calculation date, with returns calculated on a daily basis but compounded annually;

"Outflow" means all amounts comprising an Investor's Investment Amount, being the US$ amount actually remitted by such Investor;

"Tax" means: (i) all forms of tax (direct and indirect), levy, duty (including stamp duties), charge, impost, withholding or other amount, whenever or wherever created or imposed by, or payable to any Tax Authority in India wherever payable on own account or in a representative capacity, including without limitation in relation to income, profits, gains, net wealth, asset values, turnover, expenditure, capital gains, withholding, employment, payroll, fringe benefits and franchise taxes (including surcharges and cess); and (ii) all charges, interest, penalties and fines incidental or relating to any Tax falling within (a) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorised to do all such acts, deeds or things that may be necessary, proper and expedient to give effect to the aforesaid resolution."

5. APPOINTMENT OF MR. SAMIR PURUSHOTTAM INAMDAR AS INDEPENDENT DIRECTOR AND FIXING OF REMUNERATION.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) including any statutory modification(s) or re-enactment thereof for the time being in force, and the Articles of Association of the Company, Mr. Samir Purushottam Inamdar, DIN: 00481968, having Registration No. IDDB-DI-202201-040536 of Director in Independent Director's Data Bank, and who was appointed as an Additional Independent Director upto the ensuing AGM by the Board of Directors with effect from May 23, 2022 on recommendation of the Nomination & Remuneration Committee of the Board of Directors and in respect of whom notice under section 160 of the Act has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period

/ term of five (5) years from May 23, 2022 to May 22, 2027 (both days inclusive) and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Section 197, 198 read with Schedule V of the Act and other applicable provisions, Mr. Samir Purushottam Inamdar, DIN: 00481968, shall be entitled to receive fixed commission not exceeding ₹ 12.00 Lacs (Rupees Twelve Lacs only) per annum, plus sitting fees for attending the Board and Committee meetings during his tenure as Independent Director of the Company as may be determined by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) be and is hereby authorised to perform all such acts, deeds, matters or things and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

6. RATIFICATION OF SANSERA ENGINEERING LIMITED EMPLOYEE STOCK OPTION PLAN 2018.

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

"**RESOLVED THAT** pursuant to provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021, relevant provisions of the Securities and Exchange Board (Listing Obligations And Disclosure Requirements) Regulations, 2015, relevant provisions of the Memorandum and Articles of Association of the Company, and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members be and is hereby accorded to the ratification of the Sansera Engineering Limited - Employee Stock Option Plan 2018 (the **ESOP 2018**) as aligned with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021, which was originally approved by the members of the Company vide Special Resolution on August 08, 2018 and amended on August 31, 2021 prior to initial public offer of shares of the Company, which now authorises the Board of Directors of the Company including duly constituted Nomination & Remuneration Committee exercising the powers conferred by the Board, to create, issue, offer, and grant such number of employee stock options to eligible employees of the Company, whether in India or overseas, determined in terms of ESOP 2018, from time to time, in one or more tranches as may be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% of shareholding in the Company on a fully diluted basis not exceeding 13,47,213 options.

RESOLVED FURTHER THAT the equity shares so issued as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, split-up, consolidation, merger and sale of division and others, if any additional equity shares that are issued by the Company for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of options/ equity shares shall be deemed to be adjusted accordingly without affecting any rights or obligations of the grantees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable to ESOP 2018.

RESOLVED FURTHER THAT the Board including duly constituted Nomination & Remuneration Committee of the Board of Directors be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things and to sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard.

7. RATIFICATION TO EXTEND BENEFITS OF SANSERA ENGINEERING LIMITED – EMPLOYEE STOCK OPTION PLAN 2018 (ESOP 2018) TO EMPLOYEES OF SUBSIDIARY COMPANY(IES) OF THE COMPANY

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

"**RESOLVED THAT** pursuant to provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021, relevant provisions of the Securities and Exchange Board (Listing

Obligations And Disclosure Requirements) Regulations, 2015, relevant provisions of the Memorandum and Articles of Association of the Company, and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members be and is hereby accorded to extend the benefits of Sansera Engineering Limited – Employee Stock Option Plan 2018 (**ESOP 2018**) including the issuance of Options and shares thereunder to and for the benefit of eligible permanent employees of any existing or future Subsidiary(ies) of the Company and its director(s), whether whole time director or not but excluding independent directors, whether working in India or outside India but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company (Sansera Engineering Limited).

RESOLVED FURTHER THAT the equity shares so issued as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, split-up, consolidation, merger and sale of division and others, if any additional equity shares that are issued by the Company for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of options/ equity shares shall be deemed to be adjusted accordingly without affecting any rights or obligations of the grantees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable to ESOP 2018.

RESOLVED FURTHER THAT the Board including duly constituted Nomination & Remuneration Committee of the Board of Directors be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard."

8. RATIFICATION OF REMUNERATION PAYABLE TO M/S. RAO, MURTHY AND ASSOCIATES, BENGALURU, COST AUDITORS OF THE COMPANY.

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

"**RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, the Company ratifies the remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) plus applicable taxes, conveyance and reimbursement of out of pocket expenses incurred in connection with the cost audit payable to M/s. Rao, Murthy and Associates, Bengaluru (having Firm Registration No. 000065), appointed as Cost Auditor of the Company by the Board of Directors of the Company on May 23, 2022 for the financial year 2022-23 upon recommendation of the audit committee of the Company.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as the "Board" which expression shall also include any Committee duly constituted by the Board) of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the aforesaid resolution."

9. CREATION OF CHARGE ON THE ASSETS OF THE COMPANY.

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

"**RESOLVED THAT** in supersession of the earlier resolutions passed by the shareholders if any and pursuant to terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof, for the time being in force) read with relevant Rules thereof and the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members be and is hereby accorded to the Company, to sell, mortgage and / or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and / or immovable properties of the Company, and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the Company, together with the power to take over the management of business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, not exceeding ₹ 1,200.00 Crores (Rupees One Thousand Two Hundred Crores Only) from the existing limits of ₹1,000 Crores (Rupees One Thousand Crores Only), from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s) and / or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Heads of Agreement(s), Debenture Trust Deed(s) or any other agreement /document, entered into / to be entered into between the Company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loans, borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and / or trustee(s).

RESOLVED FURTHER THAT Mr. S. Sekhar Vasan, Chairman & Managing Director (DIN: 00361245) or Mr. Fatheraj Singhvi, Joint Managing Director (DIN: 00233146) of the Company be and is hereby severally authorised to finalise and settle with the Lenders, the terms and conditions of such mortgage or charge and execute such documents/deeds/writings/papers/ agreements for creation of the aforesaid mortgage and charge and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise with regard to creating mortgages/charges as aforesaid and as may be required to give effect to the above resolution.

Registered Office:
Plant 7, No. 143/A,
Jigani Link Road,
Bommasandra Industrial Area
Bengaluru 560105

By Order of the Board
Sansera Engineering Limited
Sd/-
Rajesh Kumar Modi
Company Secretary
Membership No. F5176

Place : Bengaluru
Date : May 23, 2022.

NOTES:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as 'SEBI Circulars) permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the relevant MCA Circulars issued from time to time, the 40th AGM of the Company is being held through VC/OAVM on Thursday, August 18, 2022 at 11.00 a.m. (IST).

2. The deemed venue for the 40th AGM shall be the registered office of the Company, i.e., Plant 7, Plot No. 143/A, Bommasandra Industrial Area, Jigani Link Road, Bengaluru 560105, Karnataka, India.

3. As per the provisions of clause 3.A. II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item Nos. 4 to 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

4. A Statement pursuant to Section 102(1) of the Act, ("Explanatory Statement") relating to the Special Businesses to be transacted at the Meeting is annexed hereto.

5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice. In this notice, the terms member(s) or shareholder(s) are used interchangeably.

6. Institutional Investors and corporate members are encouraged to attend and vote at the 40th AGM of the Company through VC/OAVM facility.

7. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send certified copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address to pramod@bmpandco.com with a copy marked to the RTA of the Company i.e., Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in. The facility of joining the AGM through VC /OAVM will be opened 30 minutes before and will remain open upto 30 minutes after the scheduled start time of the AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

8. Members are requested to confirm their e-mail Id, or otherwise notify changes in the email Id, to RTA of the Company at: rnt.helpdesk@linkintime.co.in

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants (DPs) in case the shares are held by them in dematerialised form and to the RTA of the Company in case, the shares are held by them in physical form.

10. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and the provisions of the Act.

11. The Board of Directors has recommended dividend of ₹ 2.00 per equity share of the face value of ₹ 2/- each for the financial year ended March 31, 2022 for the approval of shareholders at the 40th AGM.

12. Pursuant to the provisions of section 91 of the Act and regulation 42 of the Listing Regulations, the register of members and share transfer books of the Company will remain closed from August 12, 2022 to August 18, 2022 (both days inclusive) for the purpose of payment of dividend.

13. Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited/dispatched on or before September 09, 2022.

14. As per the Listing Regulations and pursuant to SEBI Circular dated April 20, 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment of dividend to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where dividend payments are made through

electronic mode, intimation regarding such remittance will be sent separately to the shareholders. Where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as non-negotiable instruments/warrants/ Demand Draft with bank account details of such shareholders printed thereon.

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

15. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to RTA of the Company and to their respective depository participants.

16. In compliance with the MCA and SEBI Circulars, Notice of the Meeting along with the Annual Report for financial year FY 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for FY 2021-22 will also be made available on the website of the Company, i.e., www.sansera.in, website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

17. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

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

19. Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at rajesh.modi@sansera.in.

20. Members seeking any information/desirous of asking any questions at the meeting with regard to the accounts or any other matter to be placed at the meeting are requested to send email to the Company Secretary at rajesh.modi@sansera.in at least 10 days prior to the meeting. The same will be replied by the Company suitably in the meeting.

21. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.

22. Share transfer documents and all correspondence relating thereto, should be addressed to the RTA of the Company at Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 or at their designated email id i.e., rnt.helpdesk@linkintime.co.in

23. To prevent any fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also be advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

24. SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA of the Company.

25. Pursuant to Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF authority. As on date of this AGM, there were no unpaid or unclaimed dividend amount which are required to be transferred to IEPF.

26. As mandated by SEBI, effective April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the embers of the Company were requested to open a demat account and submit physical securities to their DPs.

27. As per Regulation 40(7) of the Listing Regulations, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of

their Income Tax PAN Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the RTA of the Company for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.

28. Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to RTA. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to RTA. These forms will be made available by RTA on request.

INSTRUCTIONS FOR SHAREHOLDERS FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS ARE AS FOLLOWS:

i. Temporary Registration for Demat shareholders:

The members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime.co.in at the Investor Services tab by choosing the e-mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DP ID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA.

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

ii. Permanent Registration for Demat Shareholders:

It is clarified that for permanent registration of e-mail address, the members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant ("DP") by following the procedure prescribed by the DP.

iii. Registration of email id for Shareholders holding physical shares:

The members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with RTA, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

iv. Registration of Bank Details for Physical Shareholders:

The members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with RTA by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, email id along with the copy of the cheque leaf with the first named Shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an email to RTA at rnt.helpdesk@linkintime.co.in

On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

29. Information and other instructions relating to e-voting are as under:

I The remote e-voting facility will be available during the following period:

Commencement of e-voting: From 9:00 a.m. (IST) on Monday, August 15, 2022.

End of e-voting: Up to 5:00 p.m. (IST) on Wednesday, August 17, 2022.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.

II. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA and SEBI Circulars, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means.

III. The Company has engaged the services of Link Intime India Private Limited to provide remote e-voting facility to the members.

IV. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Thursday, August 11, 2022. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

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

VI. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, such member may obtain the User ID and password by sending a request at rnt.helpdesk@linkintime.co.in.

VII. The Board of Directors of the Company has appointed CS Pramod SM or failing him CS Biswajit Ghosh of M/s. BMP & Co., LLP, a Practicing Company Secretary firm, Bengaluru as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer, after scrutinizing the votes, will, not later than forty-eight hours from the conclusion of the meeting; make a consolidated Scrutinizer's report which shall be placed on the website of the Company, i.e., www.sansera.in. The results shall simultaneously be communicated to the Stock Exchanges i.e., BSE and NSE.

IX. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., Thursday, August 18, 2022.

X. Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL
    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
    2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
    3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
    1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the Company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -
   - A. **User ID:** Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.
   - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
   - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders/ members holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

2. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request upto August 09, 2022 (5.00 pm IST) with the Company on the email id rajesh.modi@sansera.in .
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

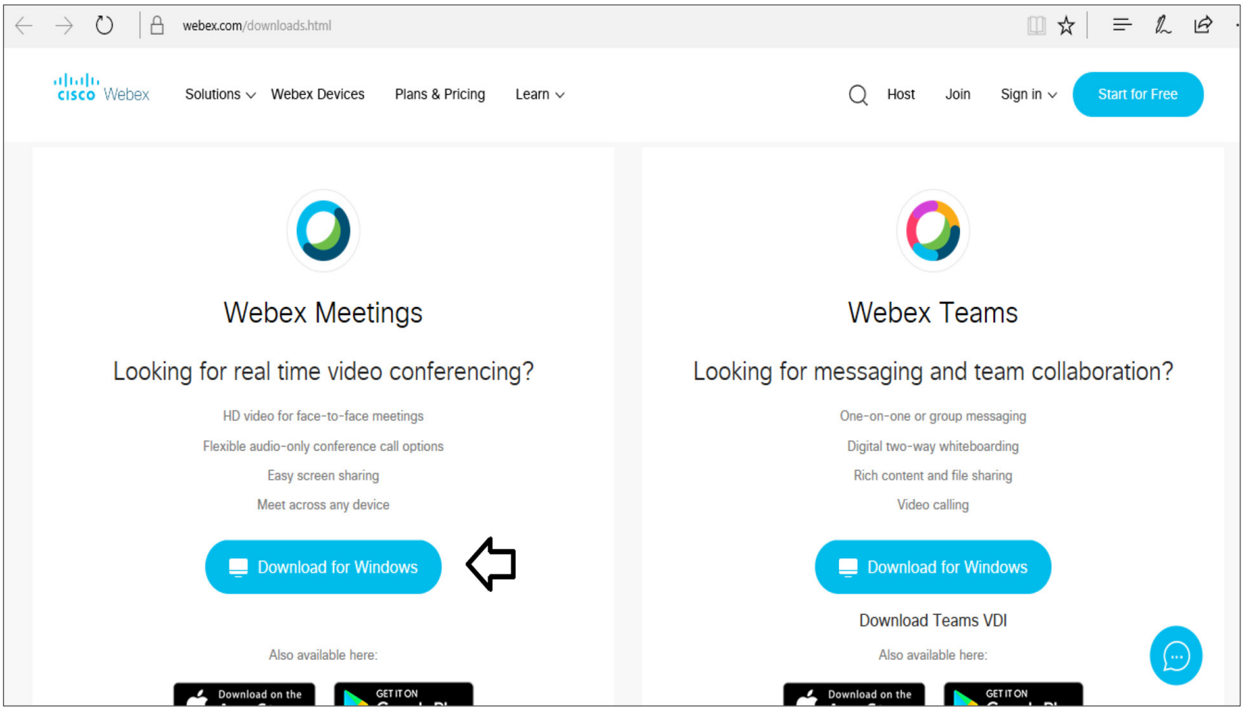
In case Shareholders/ Members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Private Limited: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, Shareholders/ Members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

https://meetingsapac30.webex.com/webappng/sites/meetingsapac30/dashboard?siteurl=meetingsapac30



Webex Meetings

Looking for real time video conferencing?

HD video for face-to-face meetings
Flexible audio-only conference call options
Easy screen sharing
Meet across any device

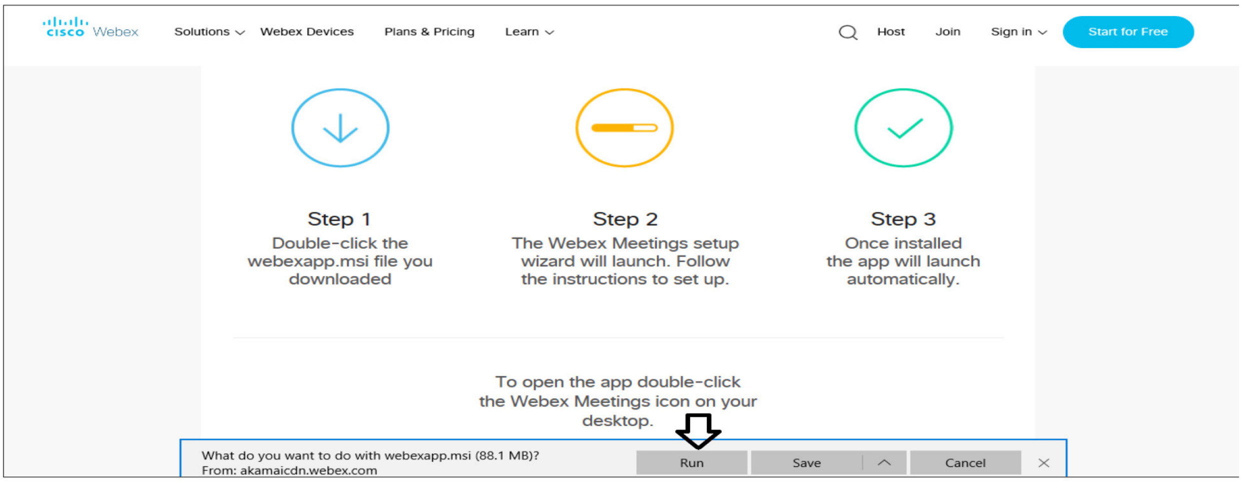
Also available here:

Webex Teams

Looking for messaging and team collaboration?

One-on-one or group messaging
Digital two-way whiteboarding
Rich content and file sharing
Video calling

Also available here:



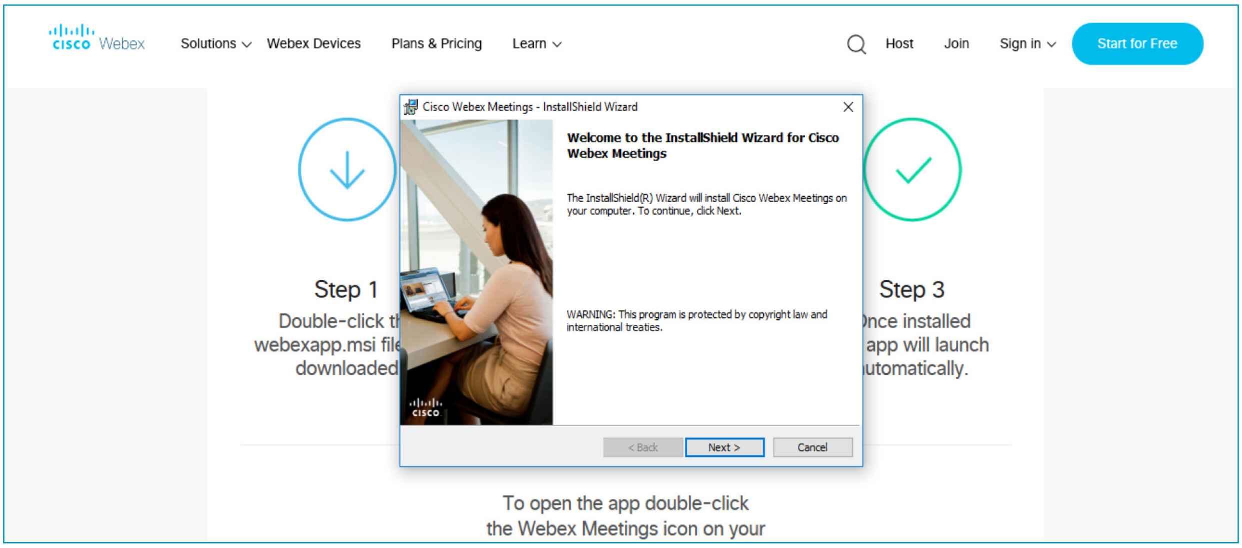
Step 1
Double-click the webexapp.msi file you downloaded

Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.

Step 3
Once installed the app will launch automatically.

To open the app double-click the Webex Meetings icon on your desktop.

What do you want to do with webexapp.msi (88.1 MB)?
From: akamaicdn.webex.com



Step 1
Double-click t
webexapp.msi fil
downloaded

Welcome to the InstallShield Wizard for Cisco Webex Meetings

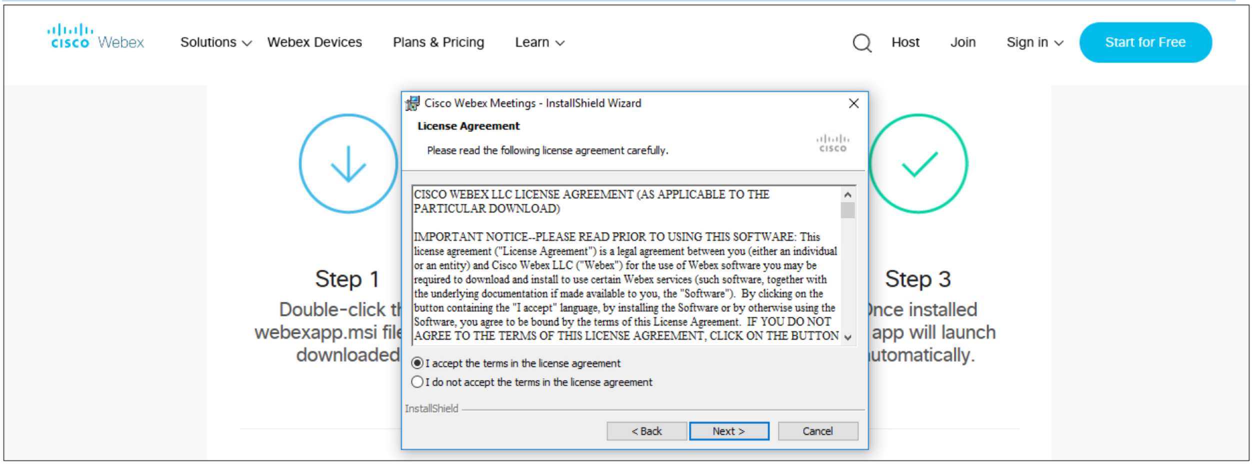
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.

WARNING: This program is protected by copyright law and international treaties.

Step 3
nce installed
app will launch
utomatically.

To open the app double-click
the Webex Meetings icon on your

Step 1	**Enter your First Name, Last Name and Email ID and click on Join Now.**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Cisco Webex Meetings - InstallShield Wizard

License Agreement

Please read the following license agreement carefully.

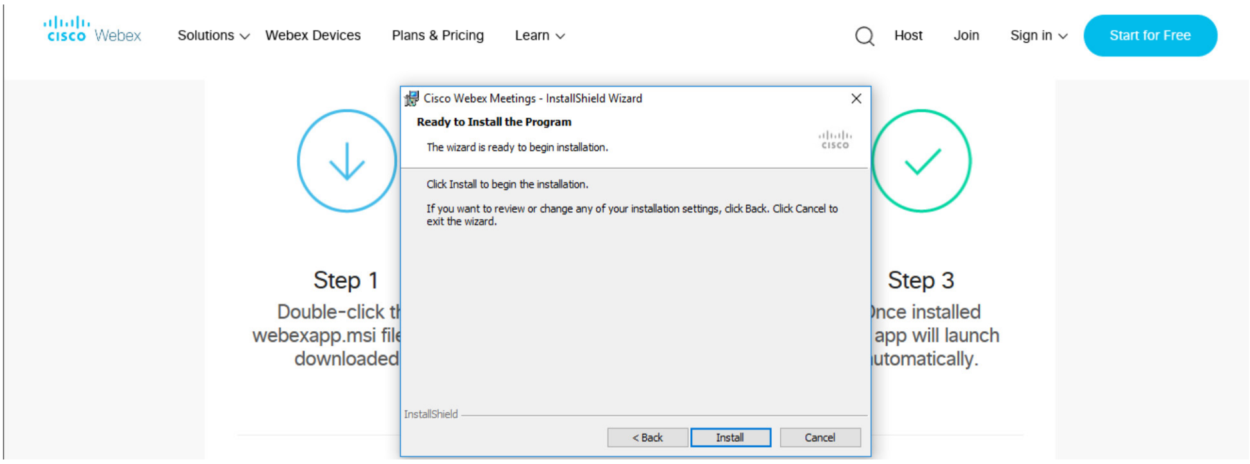
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)

IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON

● I accept the terms in the license agreement

○ I do not accept the terms in the license agreement

InstallShield



Cisco Webex Meetings - InstallShield Wizard

Ready to Install the Program

The wizard is ready to begin installation.

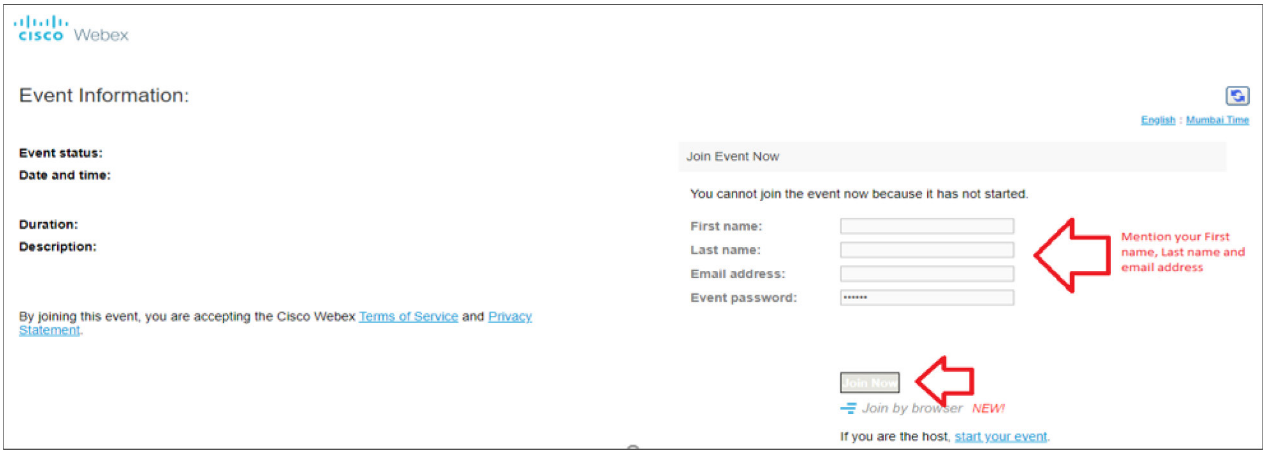
Click Install to begin the installation.

If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.

InstallShield

or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



Event Information:

Event status:

Date and time:

Duration:

Description:

By joining this event, you are accepting the Cisco Webex Terms of Service and Privacy Statement.

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password: ••••••

If you are the host, start your event.

Mention your First name, Last name and email address

In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NO. 4 TO 9 ARE GIVEN HEREUNDER AND THE SAME FORMING PART OF THE NOTICE.

ITEM NO. 4:

As disclosed in the offer documents i.e., DRHP dated June 09, 2021, RHP dated September 6, 2021 and Prospectus dated September 17, 2021, filed with SEBI / stock exchanges during IPO of the Company, certain articles of Articles of Association of the Company relating to (i) right of Client Ebene Limited (CEL or Investor 1) to appoint one nominee director on the Board of Company, (ii) right of Promoters to appoint two directors on the Board of Company and (iii) the right of Promoters to receive upside sharing from Investors (Client Ebene Limited and CVCIGP II Employee Ebene Limited) shall be subject to receipt of shareholders' approval by way of a special resolution, post listing of equity shares on the recognised stock exchanges pursuant to the IPO of the Company.

As the equity shares of the Company have been listed on recognised stock exchange in India on September 24, 2021, therefore, the Board recommends approval of Articles 43(f), 43(g) of Part A and Article 18.3 along with associated definitions under Article 2.1 of Part B of the Articles of Association, as reproduced in the resolution accompanying this notice to the Shareholders for their approval as a Special Resolution.

Save and except, Mr. S Sekhar Vasan, Mr. F R Singhvi and Mr. Raunak Gupta and their relatives (to the extent of their shareholding in the Company), none of the other Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at item no. 4 of the notice except to the extent of their shareholding in the Company.

ITEM NO. 5: APPOINTMENT OF MR. SAMIR PURUSHOTTAM INAMDAR AS INDEPENDENT DIRECTOR

Based on recommendation of Nomination & Remuneration Committee (NRC), the Board of Directors appointed Mr. Samir Purushottam Inamdar (DIN: 00481968.), having Registration No. IDDB-DI-202201-040536 of Director in Independent Director's Data Bank as an Additional Independent Director of the Company at its meeting held on May 23, 2022 whose office shall not be liable to retire by rotation, and to hold office for a period/ term of five (5) years i.e. from May 23, 2022 up to May 22, 2027 (both days inclusive) subject to approval of the members.

Pursuant to the provisions of the Articles of Association of the Company, Mr. Samir Purushottam Inamdar shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The resolution seeks the approval of members for the appointment of Mr. Samir Purushottam Inamdar as an independent director of the Company including fixed commission of ₹ 12 Lacs per annum payable to him up to May 22, 2027 plus sitting fees for attending the Board and Committee meetings during his tenure as Non-Executive Independent Directors of the Company as may be determined by the Board from time to time, pursuant to Section 197, 198 read with Schedule V of Act alongwith other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from member, proposing his candidature for the office of Director.

Mr. Samir Purushottam Inamdar has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also given his consent to act as an Independent Director of the Company.

In the opinion of the Board, Mr. Samir Purushottam Inamdar is a person of integrity, possesses the relevant expertise / experience and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director of the Company.

Given his skills and experience, and upon recommendation of NRC, the Board considers it desirable and in the interest of the Company to have Mr. Samir Purushottam Inamdar on the Board of the Company and accordingly the Board recommends the appointment of Mr. Samir Purushottam Inamdar as an Independent Director including payment of fixed commission of ₹ 12 Lacs per annum as proposed in the resolution set out at Item No. 5 for approval by the members by way of Special Resolution.

Director setting out the terms and conditions of appointment would be available for inspection by the members, by writing an email to the Company at rajesh.modi@sansera.in

The additional information required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards is annexed as **Annexure-I**.

Except Mr. Samir Purushottam Inamdar and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NOS. 6 and 7: RATIFICATION OF SANSERA ENGINEERING LIMITED EMPLOYEE STOCK OPTION PLAN 2018 TO ELIGIBLE EMPLOYEES OF THE COMPANY INCLUDING EMPLOYEES OF ITS SUBSIDIARIES.

The Company had introduced Sansera Engineering Limited – Employee Stock Option Plan 2018 (ESOP 2018) to attract, retain, incentivize and motivate the Company's employees and employees of its subsidiaries vide special resolution passed by members of the Company on August 31, 2021 prior to listing of its equity shares on BSE Limited and National Stock Exchange of India Limited.

In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBSE Regulations"), no Company shall make any fresh grant of employee stock options which involves allotment or transfer of shares to its employees under any scheme formulated prior to its Initial Public Offering ("IPO") and prior to the listing of its equity shares ("Pre- IPO Scheme") unless (i) such Pre IPO Scheme is in conformity with the SEBI SBEBSE Regulations; and (ii) such Pre IPO Scheme is ratified by its shareholders subsequent to the IPO. Further, as per proviso to Regulations 12(1) of SEBI SBEB Regulations, the ratification under clause (ii) may be done any time prior to grant of new options under such Pre - IPO Schemes.

Considering that the Company came out with an IPO of its equity shares and got listed on the BSE Limited and the National Stock Exchange of India Limited. on September 24, 2021, the Company's ESOP 2018 is required to be ratified by the Shareholders of the Company in terms of the Regulations 12(1) of the SEBI SBEBSE Regulations, for making any fresh grants under ESOP 2018 to its employees and employees of its subsidiaries. Accordingly, the same is referred to the Shareholders for their ratification in terms Regulations 12(1) and other applicable provisions of the SEBI SBEBSE Regulations.

The ESOP 2018 is in conformity with the SEBI SBEBSE Regulations and the Company has not granted any fresh grant of options to employees after IPO of the Company. However, prior to listing, the Company had granted 8,08,327 options to eligible employees including employees of subsidiaries which shall be vested over a period of 4 years i.e., 25% in each year as per ESOP 2018 plan. The same was disclosed by the Company in the basis of allotment filed with SEBI/ stock exchanges prior to listing.

However, no amendment to the ESOP 2018 will invalidate any of the act already undertaken or decision already implemented by the NRC / Board prior to this ratification.

The salient features of the ESOP 2018 pursuant to Section 62(1)(b) of the. Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI SBEBSE Regulations and SEBI Circular No. CIR/CFD/POLICY/CELL/2/2015 dated June 16, 2015 (as amended from time to time) are as under:

a) Brief description of ESOP 2018

The ESOP 2018 has been implemented to provide means to enable the Company and its subsidiaries (if any) to attract, retain and reward appropriate human intellect in its employment and its subsidiaries, respectively.

After vesting of options, the Eligible Employees earn a right, but not an obligation, to exercise the vested options within the exercise period and subscribe to equity shares of the Company subject to compliance with the requirements of the ESOP 2018, including payment of exercise price and satisfaction of any tax obligation arising thereon.

b) Total number of stock options to be granted

The Nomination and Remuneration Committee may from time-to-time Grant Options to one or more Employee(s) of the Company including employee(s) of its subsidiary(ies), which may include recurring Options to the same Employee. The aggregate number of Shares underlying an Option that may be granted under the Plan shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in the Company on a fully diluted basis which is coming out to be 13,47,213 options. Each option when exercised would be converted into one equity share of ₹ 2 (Indian Rupees Two) each fully paid-up.

The Nomination and Remuneration Committee was entitled to grant up to 60% of the aforesaid options post filing of the Prospectus with Registrar of Companies, Karnataka, located at Bangalore and prior to listing of the Company on the stock exchanges, pursuant to the IPO. The balance options shall be reserved for future and shall be granted from time-to-time post completion of the IPO.

If there is a 'Change in the Capital Structure of the Company' before the Options Granted under this Plan are exercised, the Employee shall be entitled on Exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the outstanding Options exercised by him, had been exercised before such 'Change in the Capital Structure" had taken place and the rights under the Options shall stand correspondingly adjusted.

If any Option granted under the Plan lapses, expires, is forfeited or cancelled or becomes un-exercisable due to any reason, under any provision of the Plan, such Option shall be added back to the Options available for further grants under the Plan.

c) Implementation and administration of the ESOP 2018

ESOP 2018 shall be administered by the Nomination and Remuneration Committee formed by the Company under the broad policy and framework laid down by the Board of Directors.

All questions of interpretation of the ESOP 2018 or any option under the Scheme shall be determined by the NRC and such determination shall be final and binding upon all persons having an interest in the ESOP 2018 or in any option issued thereunder.

d) Identification of classes of employees entitled to participate and be beneficiaries in ESOP 2018

"Employee" means the following Employees:

i. an employee as designated by the Company, who is exclusively working in India or outside India; or

ii. a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director;

iii. an employee as defined in sub-clauses (i) or (ii), of a subsidiary, in India or outside India.

Provided that an Eligible Employee who is a Promoter or forms part of the Promoter Group of the Company shall not be eligible to participate in the Plan.

Provided further that a Director who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company shall not be eligible to participate in the Plan.

e) Requirements of vesting and period of vesting

There should be a minimum period of one year between the grant of options and vesting of options and such maximum period as may be determined by the NRC, but not exceeding four years. Unless otherwise specified, all Options granted on any date shall Vest as follows:

○ 25% at the end of Year 1, post grant of Options

○ 25% at the end of Year 2, post grant of Options (cumulatively 50%)

○ 25% at the end of Year 3, post grant of Options (cumulatively 75%)

○ 25% at the end of Year 4, post grant of Options (cumulatively 100%)

Provided that in the event of death or permanent incapacity /disability of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of sub-regulation (4) & (5) of Regulation 9 of SEBI Regulations, on the date of the death or permanent incapacity.

f) Maximum period within which the options shall be vested

All the options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant.

g) Exercise price or pricing Formula

The Nomination and Remuneration Committee shall determine the Exercise Price which may be at a discount of up to 10% of the Fair Market Value of shares.

h) Exercise period and exercise Process

The overall exercise period shall be 3 years from the date of respective vesting of options.

An Option shall be deemed to be exercised only when the Board or NRC receives written or electronic notice of exercise and a confirmation that the Exercise Price (in accordance with the ESOP 2018) has been received from the Participant

i) Appraisal process for determining the eligibility of employees for the ESOP 2018

As soon as may be possible after the Plan comes into effect and at such times thereafter, as deemed fit, the Nomination and Remuneration Committee shall, based on the various criteria, decide on the Employees who are eligible for the Options under the Plan and the terms and conditions thereof. The Board of Directors may in its absolute discretion vary or modify such criteria and / or selection and / or the terms and conditions for granting any Option to any Employee or class of Employees.

j) Maximum number of options to be issued per employee and in aggregate

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Nomination and Remuneration Committee may, decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

k) Maximum quantum of benefits to be provided per employee under the ESOP 2018

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the equity shares as on the date of sale of equity shares arising out of exercise of options.

l) **Whether the ESOP 2018 is to be implemented and administered directly or through a trust**

The ESOP 2018 shall be implemented and administered directly by the Company, under the superintendence of the NRC. However, the Board or the NRC has the power to create a trust, subject to requisite approval.

m) **Whether the ESOP 2018 involves new issue of equity shares or secondary acquisition of equity shares or both**

The ESOP 2018 contemplates issue of fresh equity shares by the Company on exercise of options.

n) **Lock-in Period**

The equity shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such equity shares under the ESOP 2018, provided that the sale or transfer of equity shares allotted on such exercise will be subject to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons of the Company framed thereunder, to the extent applicable.

o) **Transferability of Stock Options**

The options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

However, in the event of the death of the employee while in employment, all the stock options granted to him/her till such date shall forthwith vest in his/her designated nominee or nominees (who may be named contingently or successively), or such employee's legal heir, and can be exercisable by them within the time period as may be prescribed under the ESOP 2018.

p) **Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.**

This is currently not contemplated under the present ESOP 2018.

q) **Maximum percentage of secondary acquisition that can be made by the trust for purposes of the ESOP 2018**

Not applicable

r) **Accounting and Disclosure Policies**

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards and the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share based Payments' issued in that regard from time to time.

s) **Method of option valuation**

The Company shall use the fair value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for valuation of the Stock Options granted, to calculate the employee compensation cost.

t) **Variation of terms of Scheme**

Subject to compliance with the requirements of the Companies Act and SEBI SBEB Regulations, to the extent applicable, and other applicable laws, the Company may, from time to time, amend or vary the Scheme or any terms and conditions in the Scheme or alter any options granted in such respects as the NRC may deem necessary or desirable, provided that approval of the shareholders of the Company is taken by way of a special resolution in a general meeting for effecting such change, if such approval is required under applicable law and such change is not detrimental or prejudicial to the interests of the grantees, provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirements.

u) **Declaration**

The Company will use fair value method for option valuation and therefore declaration regarding disclosure for difference between the employee compensation cost based on intrinsic value and fair value is not applicable.

v) **Certificate from the Secretarial Auditor**

The Board of Directors shall at each annual general meeting place before the members a certificate from the Secretarial Auditor of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

w) **Rights of the option holder**

The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him/her, till equity shares are allotted upon exercise of such option.

x) **Terms & conditions for buyback, if any, of specified securities covered under these regulations.**

The procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

(i) permissible sources of financing for buy-back;

(ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

(iii) limits upon quantum of specified securities that the Company may buy-back in a financial year.

No amendment to the ESOP 2018 as aforesaid will invalidate any of the act already undertaken or decision already implemented by the NRC / Board prior to this notice. The copies of the related documents will be open for inspection by the members through electronic mode on all working days, during business hours up to the date of meeting.

The Board recommends the resolutions set out at Item Nos. 6 and 7 of the accompanying notice for your approval as special resolution.

None of the Directors or Key Managerial Personnel, except to the extent of options granted to them / shares held by them, of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolutions.

ITEM NO. 8: RATIFICATION OF FEE PAYABLE TO COST AUDITORS

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost records by the Cost Accountant. Based on the recommendation of the Audit Committee, the Board at its meeting held on May 23, 2022, approved the appointment of M/s. Rao, Murthy and Associates, Bengaluru (having Firm Registration No. 000065), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2022-23 at a remuneration not exceeding ₹ 3,00,000/- (Rupees Three Lacs Only) plus applicable taxes, out-of-pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the members as set out at Item No. 8 of the Notice.

M/s. Rao, Murthy and Associates have furnished a certificate dated April 28, 2022 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 9: CREATION OF CHARGE ON ASSETS OF THE COMPANY

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders for an amount not exceeding ₹ 1200.00 Cr. (Rupees One Thousand two Hundred Crores Only) for the purposes of securing the loan/credit facilities extended by them to the Company. Presently, the current limit previously approved by the shareholders is ₹ 1,000 Cr. (Rupees One Thousand Crores Only). Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013. Accordingly, the Board recommends the Special Resolution set forth in Item No.9 of the Notice for approval of the members.

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

Registered Office:	**By Order of the Board**
Plant 7, No. 143/A,	Sansera Engineering Limited
Jigani Link Road,	Sd/-
Bommasandra Industrial Area	Rajesh Kumar Modi
Bengaluru 560105	Company Secretary
	Membership No. F5176

Place : Bengaluru
Date : May 23, 2022.

ANNEXURE-I

Additional information of Director seeking appointment/ re-appointment as required under Regulation 36(3) of the Listing Regulation, 2015 and applicable Secretarial Standards:

Name of the Director	**Mr. Fatheraj Singhvi**	**Mr. Samir Purushottam Inamdar**
DIN	00233146	00481968
Date of Birth (Age)	March 15, 1955 (67 years)	July 30, 1958 (64 years)
Nationality	Indian	Indian
Date of First Appointment on the Board	March 3, 1991, vacated office on June 11, 2018 and again appointed as Managing Director on August 6, 2019 for period of 5 years.	May 23, 2022
Brief Resume & Experience	Mr. Fatheraj Singhvi is the Joint Managing Director of the Company. He is currently the chairman of Pillar 3 of ACMA overseeing the activities of ACT, ASDC, HR, YBLF. He has over 39 years of professional experience. He is a chartered accountant and is a member of the Institute of Chartered Accountants of India. He was a partner at of M/s. Singhvi, Dev & Unni from 1981 to 2006. He manages the Artificial Limb's Centre and Dialysis Centre for Karnataka Marwari Youth Federation since 1982.	Mr. Samir Inamdar has over 4 decades of experience in industry; former President & CEO of GE Consumer & Industrial, South Asia; former MD & CEO of Tyco Electronics, South Asia. He was part of the automotive industry for over 15 years with Maruti and with Tata Motors. He currently is the Co-founder, MD & CEO of a fund management Company which manages PE funds. Mr. Inamdar is a member of the Global Advisory Board of MAP, a Zurich based management consultancy firm. He is also a Global Mentor with the Unreasonable Group, USA. He is a board member on Sigma Electric Mfg. Co., a $350+ mill US-PE owned leader in aluminium castings and precision machining for Power T&D, Appliances markets in the US.
Expertise in specific functional area	Finance, Audit and Strategic matters.	Business Strategy, M&A, General Management, PE & VC investing
Qualification	Fellow member of the Institute of Chartered Accountants of India.	Bachelor of Engineering (Mechanical) from Mumbai University and Post Graduate Diploma in Management (MBA) from Indian Institute of Management ("IIM"), Calcutta.
No. of Board Meetings attended during the financial year 2021-22 as a Director.	9	-
Terms and conditions of appointment	As per the Ordinary Resolution passed by the shareholders at 37th AGM of the Company held on September 27, 2019 and duly amended by the shareholders at 39th AGM of the Company held on June 02, 2021.	As per the Special Resolution set forth at item no. 5 of this notice, read with explanatory statement thereto.
Directorships held in other Public Companies alongwith listed companies from which the person has resigned in the past three years	Nil	Nil

Name of the Director	**Mr. Fatheraj Singhvi**	**Mr. Samir Purushottam Inamdar**
Memberships / Chairmanships of Committees of other Public Companies alongwith listed companies from which the person has resigned in the past three years. (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Nil
Number of shares held in the Company, including shareholding as a beneficial owner	27,95,549	Nil
Remuneration last drawn (excluding sitting fees)	₹ 14.89 mn	Nil
Remuneration sought to be paid	-	-
Relationships between Directors inter-se	Nil	Nil
Occupation	Business	Employed

Notes

Sansera Engineering Limited

(CIN:L34103KA1981PLC004542)

Registered Office:

Plant 7, No. 143/A, Jigani Link Road, Bommasandra
Industrial Area, Bangalore-560 105, Karnataka,
India

Tel: +91 80-27839081/82/83

Fax: +91 80-27839309

E-mail id: info@sansera.in

Website: www.sansera.in