



SALZER ELECTRONICS LTD

Regd. Office : Samichettipalayam, Jothipuram (Post)

Coimbatore -641 047.

CIN : L03210TZ1985PLC001535.

Phone No.0422-4233600/ 614/696

E-Mail : baskarasubramanian@salzergroup.com

web site : <https://www.salzergroup.net/>

August 18, 2023

To

THE CORPORATE RELATIONSHIP DEPT
BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P.J.Towers, Dalal Street,
Fort, Mumbai - 400 001.

M/s. National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E),Mumbai - 400 051
Tel : +91 22 26598235/36, 26598346
Fax : +91 22 26598237/38

SCRIP CODE: 517059

Symbol: **SALZERELEC**

Dear Sir,

NOTICE is hereby given that the 37th Annual General Meeting of the Members of the company will be held on **Saturday**, the **9th September 2023** at 11.30 am to transact the business mentioned in the Notice of the Annual General Meeting being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

The schedule of the AGM is set out below:

Event	Date	Time
Cut-off date to vote on AGM resolutions	2 nd September, 2023	NA
Record Date -AGM	25th August, 2023	NA
Commencement of remote e-voting	4th September, 2023	09:00 a.m. IST
End of remote e-voting	8th September, 2023	05:00 p.m. IST
AGM	9th September, 2023	11:30 a.m. IST

Further in terms of Regulation 34(1) of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, we are attaching herewith our Annual Report for the financial year 2022-23. The soft copy of the Annual Report is also available on the website of the Company www.salzergroup.net.

You are requested to kindly take a note of the same and disseminate the same.

Thanking you
Yours faithfully
For SALZER ELECTRONICS LIMITED

K M MURUGESAN
COMPANY SECRETARY

salzer

SOARING TO THE NEXT ECHELON



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Salzer Electronics Limited 2022-23

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38TH ANNUAL GENERAL MEETING INFORMATION

Date	: September 09,2023
Day	: Saturday
Time	: 11.30 a.m
Mode	: Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Remote E-Voting Information

E-Voting period starting on	: September 04,2023, Monday (9.00 a.m)
E-Voting Period Ending on	: September 08,2023, Friday (5.00 p.m)
EVEN No.	: 125109

Cautionary Statement

Certain expectations and projections regarding the future performance of the company referred in the Annual Report constitute forward-looking statements. These expectations and projections are based on the currently available competitive, financial and Economic data, along with the Company's Operating Plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

PLANT LOCATIONS

Unit-I

Samichettipalayam, Jothipuram (Via),
Coimbatore - 641 047. Tamil Nadu.

Unit-II

Chinnamaddampalayam, Coimbatore - 641 019.

Unit-III

2, Gudalur Village Samichettipalayam,
Jothipuram (Via), Coimbatore - 641 047.

Unit-IV

S F No.863, Coimbatore Main Road, Bettathapuram,
Coimbatore - 641 104.

Unit-V

S F No.882/3, Coimbatore Main Road, Bettathapuram,
Coimbatore - 641 104.

Hosur Plant

SF.No. 722/1& 2, 725, Thorapalli Road, Hosur Taluk,
Krishnagiri District - 635 109.Tamil Nadu.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

- Mr. Doraiswamy R.** Managing Director
- Mr. Rajeshkumar D.** Joint Managing Director & CFO
- Mr. Ramachandran P.** Whole Time Director &
- Mr. S. Baskarasubramanian** Director (Corporate Affairs) & Company Secretary (Upto August 07,2023)

Independent Directors

- Mr. Rangachary N. - Chairman**
- Mr. Jayabal N.**
- Mr. Nirmal Kumar M. Chandria**
- Mr. Sankaran V.**
- Mr. Shah P.K.**
- Mrs. Priya Bhansali** (From August 07,2023) &
- Mr. Sharat Chandra Bhargava** (From August 07,2023)

Non Executive and Non Independent Directors

- Dr. Thilagam Rajeshkumar &**
- Mr. Vishnu Rangaswamy**

COMPANY SECRETARY

- Mr. K.M. Murugesan** (From August 08,2023)

AUDIT COMMITTEE

- Mr. Sankaran V - Chairman of the Committee**
- Mr. Rangachary N**
- Mr. Jayabal N**
- Mr. Nirmal Kumar M. Chandria &**
- Mrs. Priya Bhansali**

NOMINATION AND REMUNERATION COMMITTEE

- Mr. Sankaran V - Chairman of the Committee**
- Mr. Jayabal N &**
- Mr. Shah P.K.**

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. Jayabal N – Chairman of the Committee**
- Mr. Rajeshkumar D &**
- Mr. Nirmal Kumar M.Chandria**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Rangachary N. - Chairman of the Committee**
- Mr. Doraiswamy R**
- Mr. Rajeshkumar D &**
- Mr. Jayabal N**

STATUTORY AUDITORS

- M/s. JDS Associates**
Chartered Accountants,
R.No.6, 1st Floor, Jewel Complex,
324, Raja Street, Coimbatore - 641 001.

INTERNAL AUDITORS

- M/s. Covai management Services**
N.S.R. Road, Saibaba Colony, Coimbatore - 11.

SECRETARIAL AUDITOR

- Mr. G.Vasudevan** B.COM, LL.B, FCS
Company Secretary in Practice,
G.V. Enclave' 18/30, Ramani Street,
K.K. Pudur, Saibaba Colony,
Coimbatore - 641038

COST AUDITOR

- Mr. A.R. Ramasubramania Raja**
DTT, BCOM, BGL, MBA, FCS, ACMA.,
19, third Street, Gokulam Colony, P.N.Pudur,
Coimbatore - 641 041.

REGISTERED OFFICE

- Samichettipalayam (PO) Jothipuram (Via),
Coimbatore - 641 047.
Tel: 0422-4233600 / 2692531
Fax: 0422-2692170
E-mail: salzer@salzergroup.com
Website: www.salzergroup.net

SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

- M/s GNSA Infotech Private Limited**
Nelson Chambers, 'F' block, 4th floor
115, Nelson Manickam Road,
Aminthakarai, Chennai - 600 029.
Tel: 044-42962025. E-mail:sta@gnsaindia.com

LISTING ARRANGEMENTS

- BSE Limited (Bombay Stock Exchange Ltd) and
National Stock Exchange Limited

OUR BANKERS

- M/s. Canara Bank
- M/s. HDFC Bank Limited
- M/s. Union Bank Of India &
- M/s. IDFC First Bank Limited

Message from Managing Director's Desk

"The year gone by is a testament to Salzer's commitment to innovation, growth and strategy execution that is enabling the Company to soar to new heights"

R. DORAISWAMY, Managing Director



Dear Valued Shareholders,

I'm writing to you this letter with a sense of great satisfaction as the performance of financial year 2022-23 was incredibly fulfilling for Salzer. We achieved a long desired milestone in our journey as the turnover crossed more than Rs. 1,000 Crores mark in FY23. This was achieved amidst difficult times characterised by rising input costs, margin pressures and headwinds from geopolitical unrest. In a way, FY23 is a benchmark year and we have set new standards for our strategies towards future growth.

FY23 and its relevance

The Financial year 2022-23 unfolded various headwinds for the economy and overall industry in the form of the global turmoil like Russia-Ukraine war, strengthening of dollar, elevated inflation, and increased interest rates, which resulted in increased overall volatility, and the impact is being felt in the ongoing fiscal year as well. Though a lot of supply chain issues created due to COVID got stabilised, there were still a lot of constraints during the year due to the ongoing war. In spite of that, we crossed some key milestones in our journey. Our advanced engineering capabilities backed by in-house manufacturing and R&D, product innovation, strong technical collaboration and long-standing customer relationships have helped us to sustain and grow in the volatile market scenario.

In FY23, our standalone revenue grew by 29.28% year-on-year to Rs. 1,013.08 crores, while EBITDA and PAT stood at Rs. 91.14 cr and Rs. 36.36 cr, with respective growth of 43% and 62% over previous year. It is heartening to see the Company cross the Rs. 1,000 crore mark in terms of top line, which was an important target we had set for ourselves.

In terms of segmental performance, our Industrial Switchgears segment grew 40.0% and contributed 54.3% to revenue, while Wires and Cables accounted for

38.4%, with growth of 15.0% over previous year 2021-22. The building products division contributed 7.23% to revenue and grew by 44% in the year.

Our Exports business, during the year, grew by 42% and accounted for 25.57% of our top line. The growth came in mainly from Europe and North America markets. This is also an important milestone for us as we are seeing increasing contribution from exports. We are expanding well in overseas markets and looking to increase our exports.

Development in EV space

As you might be aware, we have a Joint Venture with an Austrian Company Kostad Steuerungsbaue GmbH to develop and manufacture DC Fast charging stations for electrical vehicles in India. We completed the developmental activities for this product, and we are taking steps to roll out the product in the current fiscal after securing clearances from the regulatory bodies.

Hosur Plant

Another key milestones was the setting up of our new manufacturing facility in Hosur, Tamil Nadu to manufacture high demand products like Wire Harnesses and Toroidal Transformers. This facility is aimed at servicing Auto Component Suppliers, Two Wheeler Manufacturing companies and other world leading manufacturers of electrical products in the region with quick delivery and improves focus on customer requirement and satisfaction. This plant has successfully commenced its operations and is steadily scaling up activities.

Business growth ahead

Looking ahead, growth in Profit Margins remains one of our top priorities. Our past few price hikes coupled with declining input costs is likely to strengthen the profitability in the current fiscal.

We are seeing strong demand especially for our 3-phase dry type transformers, particularly from the sectors of renewables and machine tools, as this product is getting very well accepted in the market, and orders have been flowing in consistently from customers across geographies.

As mentioned earlier, we have enhanced our focus on the Export Markets where the growth potentials remain untapped in various geographies.

The North American market opportunity is growing quite well for us, and the recent imposition of anti-dumping duty on Chinese products by the US has opened up a lot of scope and opportunity for Indian players. We have been working vigorously to capture and capitalize on this demand.

To expand our geographical footprint, we are also working with electrical industrial giants across the globe for our various Industrial Switchgear products to secure business opportunities particularly in renewal energy ecosystem.

The Europe market is well serviced with lot of our products without any quality issue for decades, and business in this region has consistently been growing at 15-20% every year.

We identified Russia as a new export market and have already received approval for our products like Contactor, MPCB and Special Wires. We are committed to start servicing Russian market in the third quarter of current fiscal.

R&D initiatives

In line with our philosophy of innovation, we received two patents for a duration of 20 years one for integrated cam operated rotary switches, which is a legacy product contributing substantially to our top line, and another for Motor Protection Circuit Breaker (MPCB). These patented products help to protect our intellectual property and boosts our efforts in R&D and product development.

We have recently developed lot of new products for a new segment HVAC (Heating, Ventilation, and Air Conditioning). This segment comprises products like Definite purpose contactor, AC disconnect Switches and Whips and disconnects. These products are being used in both domestic and Industrial AC systems.

Our R&D is constantly engaged to innovate and develop new products aligned with our strategic vision. This is helping us to adapt our product portfolios based on the changing market needs and contemporary thoughts of our customers.

Subsidiary Company Kaycee

Our Subsidiary Company Kaycee Industries Limited, acquired in 2019, delivered an impressive growth in the last two years after Covid-19 effect. Now, Kaycee has broken out all growth related constraints and is poised to progress well in the coming years with consistent revenue and profit growth.

Commitment towards Vision

Looking at the year gone by, we managed to scale new heights and achieve several milestones we had set for ourselves. Looking ahead, we strive to maintain this growth trajectory to set our eyes on new summits of achievement. At Salzer, innovation is in our manifesto, and our strong product offerings and brand position in the market has placed us in a position to achieve new benchmarks for the future. Based on the domestic and export outlook, we are optimistic on our overall business performance.

As always, our core culture and commitment remains dedicated towards growing the business and bringing value to all shareholders and society.

Conclusion

On a concluding note, I would like to thank all our employees, Clients, Creditors, Banks, financial partners, suppliers and all other stakeholders for their trust in Salzer Electronics. I would also like to extend my gratitude to my fellow Directors for their guidance and support in the challenging environment that tested the organization's mettle during the year. On behalf of the Board and Management of Salzer, thank you all for being a part of our transformational and progressive journey.

We have a long way ahead as we set our eyes on the next echelon!

Place: Coimbatore
Date : July 15, 2023

R.DORAISWAMY
MANAGING DIRECTOR
DIN : 00003131

Standalone broad financial highlights

(₹ in Crs)

From Profit & Loss	2023	2022	2021	2020	2019	2018	2017
Net revenue from Operations	1013.17	783.63	605.62	566.94	559.76	442.78	384.06
Other Income	1.37	2.18	1.99	0.89	0.71	3.10	6.75
Total revenue	1014.54	785.81	607.61	567.83	560.47	445.88	390.81
Operating Profit (EBITDA)	91.14	63.77	61.78	65.20	63.64	53.29	42.91
Depreciation and Amortization	16.11	16.00	15.60	14.44	12.16	10.53	9.81
Finance Cost	26.05	19.80	21.27	21.17	19.88	14.91	14.59
Profit before Tax	50.34	30.15	26.90	30.48	32.31	30.95	25.26
Profit After Tax	36.36	22.48	20.67	26.39	23.96	20.02	17.09
Dividend Payout	3.60	2.88	2.56	-	03.08	3.07	2.76
From Balance Sheets							
Share Capital	16.18	15.98	15.98	15.98	15.98	15.53	14.35
Reserves & Surplus	385.23	333.84	313.92	293.40	271.01	255.07	207.65
Net worth	401.41	349.82	329.90	309.38	286.99	270.60	222.00
Borrowings	272.55	247.81	199.55	173.68	139.81	135.43	105.55
Net fixed Assets	226.93	210.57	206.66	202.37	178.35	166.32	129.33
Investments (Current and Non Current)	21.86	20.55	21.16	19.72	3.67	3.08	4.47
Current Assets	607.35	480.64	414.09	352.42	349.69	327.59	282.56
Current Liabilities	443.26	358.31	307.91	260.52	253.99	236.56	195.44
Net working Capital	164.09	122.33	106.18	91.90	95.70	91.03	87.12
Performance Indicators							
Revenue growth	29.28%	29.39%	6.82%	1.28%	26.42%	15.29%	6.35%
Operating Profit Margin	9.00%	8.14%	10.20%	11.50%	11.37%	12.04%	11.17%
Operating Profit growth	42.92%	3.22%	-5.25%	2.46%	19.42%	24.19%	0.04%
Net Profit Margin	3.58%	2.86%	3.40%	4.65%	4.27%	4.49%	4.37%
Net Profit Growth	61.74%	8.76%	-21.67%	10.14%	19.68%	17.14%	0.25%
Revenue Contributions :-							
(a) Industrial Switch Gears	54.33%	50.25%	41.32%	44.80%	41.40%	45.01%	45.80%
(b) Wires and Cables	38.44%	43.23%	52.83%	47.00%	48.50%	49.20%	45.60%
(c) Building Products	7.23%	6.52%	5.37%	6.20%	7.60%	4.71%	6.00%
(d) Energy Management	-	-	0.48%	2.00%	2.50%	1.08%	2.60%
Return on Capital Employed *	11.56%	8.54%	9.30%	10.96%	12.02%	10.97%	11.73%
Return on Net-worth	9.06%	6.43%	6.24%	8.53%	8.35%	7.40%	7.70%
Debt Equity Ratio ** (x)	0.68	0.71	0.60	0.56	0.49	0.50	0.52
Earning per shares - Basic (in ₹.)	22.74	14.07	12.93	16.51	15.21	13.68	12.35
- Dilute (in ₹.)	20.58	14.07	12.93	16.51	15.10	13.31	11.89
Dividend Declared per cent	22%	18%	1.6%	-	16%	16%	16%
Dividend per share (in ₹.)	2.20	1.80	1.60	-	1.60	1.60	1.60
Dividend Pay-out Ratio	10%	13%	12%	-	13%	15%	15%
Book value per share (in ₹.)	248.09	218.64	206.44	193.36	185.15	174.58	154.72
Price Earnings Ratio (Times)	11.14	12.51	9.64	3.75	7.79	14.32	15.08
Price to Book Value Ratio	1.02	0.80	0.60	0.32	0.64	1.12	1.20
Market Cap as at March 31	409.99	281.30	199.16	98.85	189.27	293.79	271.00
No of Shareholders as at March 31	24022	25,886	19532	17,700	19,379	23,049	21,157

* ROCE=EBIT/(Net worth + LT Borrowing + ST Borrowing + Current Maturity of LT Debt - Non Current Investments)

** Debit equity ratio = Total Debt / Shareholders Fund

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **38th Annual General Meeting** of the Members of **Salzer Electronics Limited** will be held on **Saturday, September 09, 2023 at 11.30 a.m.**, through **Video Conferencing (VC) / Other Audio Visual Means (OAVM)** with virtual presence of the Shareholders to transact the following businesses:

Ordinary Business:

- 1. Consideration of Audited Standalone and Consolidated Financial statements of the Company for the Financial year ended March 31, 2023, and the reports of the Board of Directors along with annexures and Auditors thereon;**

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

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statement comprising of balance sheet as at March 31, 2023, statement of profit and loss for the year ending on that date, Cash Flow statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted."

- 2. To declare a dividend on Equity Shares for the financial year 2022-23.**

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

"RESOLVED THAT a dividend at the rate of Rs. 2.20 (22%) per equity share of Rs. 10/- each fully paid-up of the Company be and is hereby declared for the Financial year 2022-23 and the same be paid as recommended by the Board of Directors of the Company, out of the Profit of the Company for the financial year ended March 31, 2023."

- 3. To re-appoint a Director in place of Dr.Mrs.Rajeshkumar Thilagam (DIN: 00006783), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.**

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

"RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company Dr.Mrs.Rajeshkumar Thilagam (DIN: 00006783), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company."

- 4. To re-appoint a Director in place of Mr.D.Vishnu Rangaswamy (DIN: 00793090), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.**

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

"RESOLVED THAT in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company **Mr.D.Vishnu Rangaswamy (DIN: 00793090)**, a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the company."

Special Business:

- 5. To consider and approve the re-appointment of Mr.P.Ramachandran, (DIN: 01043572) as a Whole time Director.**

To consider and if thought fit to pass the following resolutions with or without modification as a special resolution.

"RESOLVED THAT subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, upon such regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in terms of Company's policy for Nomination and Remuneration Committee, based on the recommendation of the Nomination and Remuneration Committee and the Board, the consent of the Members be and is hereby accorded to the re-appointment of Mr. P Ramachandran (DIN: 01043572) , as Whole Time Director of the Company for an another term of five years effective September 26, 2023, as well as eventual payment of salary and perquisites (hereinafter referred to as "remuneration") as detailed below:

1) Remuneration

Monthly Remuneration of Rs. 175000-10000-215000

2) Other emoluments

a. House Rent Allowance :

No accommodation is being provided by the Company. House Rent Allowance is 50% of the salary over and above 10% of the salary payable by the appointee, as rent.

b. Medical Allowance :

Expenses incurred by him and his family subject to a ceiling of one month salary in a year or five months' salary over a period of five years.

c. Leave Travel concession :

As per Company Rules from time to time.

d. Personal Accident Insurance :

Premium not to exceed Rs.5000.00 per annum

e. Club Fees :

Fees of clubs subject to maximum two clubs.This will not include admission and life membership.

Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

NOTICE (Contd.)

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of leave at the end of tenure."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr.P.Ramachandran, the remuneration by way of salary, perquisites or any other allowances as specified above and in accordance with the limits specified under Schedule V Part II -Section II of the Companies Act, 2013 or such other relevant provisions and limits as may be prescribed by the Government from time to time in this regard."

"RESOLVED FURTHER THAT aforesaid term of office of Mr.P.Ramachandran hereby subjected to determination by retirement by rotation in terms of Section 152 of the Companies Act 2013."

6. To consider and approve the appointment of Mrs. Priya Bhansali (DIN: 00195848) as a Non-Executive and Independent Director.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Priya Bhansali (DIN: 00195848), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 7, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 3 (three) years till August 06, 2026, and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. To consider and approve the appointment of Mr. Sharat Chandra Bhargava (DIN: 00008146) as a Non-Executive and Independent Director.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Sharat Chandra Bhargava (DIN: 00008146), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 7, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company period of 3 (three) years till August 06, 2026, and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To ratify the remuneration payable to Mr. A.R. Ramasubramania Raja (M.No. 32458) appointed as Cost Auditors of the Company for FY 2023-24

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Mr.A.R.Ramasubramania Raja (M.No.32458), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2023-24, be paid a remuneration of Rs.1,45,000/- (Rupees One lakh Forty Five thousand Only) per annum plus applicable service tax and out-of-pocket expenses on actual basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By the order of the Board of Directors

R. DORAISWAMY
Managing Director
(DIN :00003131)

Date: August 07, 2023
Place: Coimbatore

NOTICE (Contd.)**Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Act setting out material facts concerning the business under Item Nos. 5, 6, 7 & 8 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 3 to 7 of the Notice, are also annexed.
2. The Ministry of Corporate Affairs ("MCA") vide its relevant Circulars issued during the years 2020, 2021, 2022 and 2023 permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide its relevant Circulars issued during the years 2020, 2021, 2022 and 2023. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars, the 38th AGM of the Company for the financial year 2022-23 is being held through VC / OAVM.
3. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is provided in Page No. 10 and available at the Company's website www.salzergroup.com.
4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
6. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the Scrutinizer by email through its registered email address to vasudevanacs@gmail.com with a copy marked to evoting@nsdl.co.in
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Vide circular dated May 5, 2020, MCA has also dispensed with the printing and despatch of annual reports to shareholders. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated 12th May, 2020, dated January 05, 2023, the Notice of AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2022-23 has been uploaded on the website of the Company at www.salzergroup.net/investors.html. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://eservices.nsdl.com>. The Company will supply hard copy of full annual reports to those shareholders who request for the same.
9. Members whose email address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website at [https://www.salzer@salzergroup.com/investors/](https://www.salzer@salzergroup.com/investors/shareholder-registration) shareholder-registration by providing the requisite details of their holdings and documents for registering their e-mail address; and
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
10. In case of joint holders attending the AGM, 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.
11. The Members can join the AGM through the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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12. The Company has fixed Friday, August 25, 2023 as the record date for the purpose of determining eligible shareholders entitled for the Dividend, if approved at the meeting, for the financial year 2022-23.
13. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within the stipulated time to those Members whose names stand registered on the Company's Register of Members:-
 - a) In respect of shares held in dematerialized form, the Beneficial Owners are as at the end of business hours on Friday the 25th August 2023, as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
 - b) In respect of shares held in physical form, the Beneficial Owners are the Members in the Register of Members of the Company after giving effect to valid share transmission / transposition lodged with the Company, on or before Thursday the 24th August, 2023 and whose names appearing in the Register of Members as at on Friday the 25th August 2023, in respect of Members holding shares in physical form.
14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. GNSA Infotech Limited (GNSA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to GNSA/ Company.
15. As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode will not be processed with effect from 1st April 2019.
16. In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialized and to avail various benefits of dematerialisation and to eliminate all risks associated with physical shares and for ease of portfolio management.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA - GNSA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. Pursuant to the circular issued by SEBI, investors holding shares in physical mode are required to register / update their details regarding PAN, KYC, specimen signature, bank details and Nomination with the listed entity by 30th September 2023
19. It is mandatory to register / update details / information pertaining to PAN, KYC, signature and Nomination. You may note that the Company / RTA shall not process any service request, unless the KYC details are updated. Failure to update the PAN, KYC and Nomination details by 30th September 2023 shall result in freezing of such physical folios/holdings.
20. The Company / the RTA recommends the updation of above information / details for the following reasons:
 - Facilitating timely and secured receipt of dividends;
 - Ensuring regular and timely delivery of correspondences and facilitating e-communication to notify relevant information on immediate basis;
 - Ensuring that no documents are undelivered and returned back to the Company / the RTA;
 - Paving way for direct interaction with the investors in case of any clarifications and updates;
 - Ensuring secured access of information to shareholders by the way of signature verification / registration in the database and
 - Ease of transmitting the shares to legal heirs through nomination
21. To update the information / details, the Shareholders are required to download relevant Forms (ISR -1, ISR-2 and SH-13) from Company Website www.salzergroup.net > Investors > Forms, and duly completed Forms along with supporting documents are to be submitted to the Registrar and Share Transfer Agent of the company M/s. GNSA Infotech Private Limited, STA Department, Nelson Chambers, F-Block, 4th Floor, 115 Nelson Manickam Road, Aminthakarai, Chennai 600 029
22. Members holding shares in physical mode:
 - a) are required to submit their Permanent Account Number (PAN) and Bank Account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.
 - b) are requested to register / update their e-mail address with the company / RTA for receiving all communications from the company electronically.

NOTICE (Contd.)

23. Members holding shares in electronic mode:
- are required to submit their Permanent Account Number (PAN) and Bank Account details to their DPs with whom they are maintaining their demat account.
 - are requested to register / update their e-mail address with their DPs for receiving all communications from the company electronically.
24. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
25. **Those Members who have so far not encashed their dividend warrants for the Financial year 2015-16**, may approach GNSA, for making their claim without any further delay as the said unpaid dividends will get transferred to the Investor Education and Protection Fund of the Central Government before September 19, 2023 pursuant to the provisions of Companies Act 2013. Further Ministry of Corporate Affairs has notified on September 05, 2016 operation of Section 124(6) of the Companies Act 2013 and Related Rules "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective September 07, 2016 which, inter alia, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account.
26. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF Authority, after completion of seven years. Further, according to the rules, all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more shall also be transferred to the demat account created by the IEPF. The details of the shares and dividend transferred to IEPF Authority as on the due date are available on the website of the Company and the same can be accessed through the link: <http://www.salzergroup.net/investors.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
27. Due dates for transfer of unclaimed / unpaid dividends from the financial year 2015-16 are as under and thereafter the unclaimed/unpaid dividend amount will be transferred to IEPF:
- | FY ended | Declaration Date | Last date for encashment | Due Date |
|----------------------|----------------------|--------------------------|------------|
| 2015-16 (31.03.2016) | 13.08.2016 | 19.09.2023 | 17.10.2023 |
| 2016-17 (31.03.2017) | 09.08.2017 | 15.10.2024 | 14.11.2024 |
| 2017-18 (31.03.2018) | 22.09.2018 | 28.10.2025 | 26.11.2025 |
| 2018-19 (31.03.2019) | 10.08.2019 | 14.09.2026 | 13.10.2026 |
| 2019-20 (31.03.2020) | No dividend Declared | | |
| 2020-21 (31.03.2021) | 13.09.2021 | 18.10.2028 | 16.11.2028 |
| 2021-22 (31.03.2022) | 10.09.2022 | 15.10.2029 | 13.11.2029 |
28. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts, which were unclaimed and unpaid for a period of 7 consecutive years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder. Concerned members/ investors are advised to visit the webpage: <http://www.iepf.gov.in/IEPFA/refund.html> or contact our RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.
29. A sum of Rs.4,33,448/- has been transferred to the Investor Education and Protection Fund (IEPF) in the year 2022 towards unclaimed/unpaid dividend declared during August 2015 for the year 2014-15.
30. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.
31. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are

NOTICE (Contd.)

provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

- 32.. The Board of Directors has appointed G V and Associates, Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
33. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
34. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:-

- I. (i) The remote e-voting period begins on Monday, September 4, 2023 (9.00 a.m.) and ends on Friday, September 8, 2023 (5.00 p.m.). The e-voting

module shall be disabled by NSDL for voting thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, September 2, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, Saturday, September 2, 2023.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode





In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Type of shareholders
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NOTICE (Contd.)

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

Type of shareholders	Type of shareholders
	<p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

ogin typEL	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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID e.g., if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID e.g., if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company e.g., if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the .pdf file is

your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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

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

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- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdcl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vasudevanacs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be

disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdcl.com to reset the password.

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to geetha.r@salzergroup.com or sanjay@salzergroup.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to geetha.r@salzergroup.com or sanjay@salzergroup.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

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- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who wish to register themselves as speaker shareholder (to speak at the AGM) are requested to write to the Company, from their

registered email address mentioning their name, DPID & Client ID / Folio No, PAN, Mobile No., on or before September 07, 2023, Thursday (upto 5.00 P.M IST) to " geetha.r@salzergroup.com or sanjay@salzergroup.com ". Those members who have registered themselves as a speaker shareholder will only be allowed to express their views / ask questions during AGM

6. Voting Results

- Mr.G.Vasudevan, Practicing Company Secretary has been appointed as Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and not later than three days of the conclusion of the meeting, and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company to countersign the same.
- The Results along with the Scrutinizer's Report shall be placed on the Company's website www.salzergroup.com within forty eight hours of the passing of the Resolutions at the 38th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
- If any member buys the shares of the company after 11th August 2023 they may either write to the company for call for notice or down load the notice from the website of the company to cast their vote as advised therein.

By the order of the Board of Directors

R. DORAISWAMY

Date: August 07, 2023
Place: Coimbatore

Managing Director
(DIN :00003131)

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 8 of the accompanying Notice:

Item No.5

The present term of Mr.P.Ramachandran, aged 75 year, who has been appointed as a Whole time Director with the approval of the shareholders at their meeting held on September 26,2013, is getting expired on September 25, 2018. The Board of Directors at their meeting held on May 24,2023, based on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Mr.P.Ramachandran for another term of Five years with a monthly remuneration of Rs.1,75,000/- with an annual increment of Rs. 10,000/- per month during period of office and with such other emoluments as set out in the resolutions.

Currently Mr.P.Ramachandran is heading Wires and Cables Divisions. During the last two years, Wires and Cables Industry faced multiple headwinds in the market like acute volatility of the commodity (Copper) price, Covid related economic crisis, irrational demand etc. . In spite of all these challenges, Unit IV and V made its sustainability during these periods and posted a considerable growth. In the FY23, Wires and Cables registered a growth of 15% with an total revenue of Rs. 388 Crs comparing to FY22

In 2021, Lan Cable Project was commissioned at a Capital Outlay of Rs.24 Crores, for making Lan Cables (Part of Wires and Cables Division) for the various industrial and other uses, and with his strenuous efforts, the project is running under 100% capacity with an monthly revenue of Rs.4 to 5 Crs, and is on the expansion mode at the cost of Rs.5 Crs to achieve a turnover of Rs. 8 Crs per Month before Q2FY24

NOTICE (Contd.)

He has been continuously focusing on development of New Products fetching more margins and capturing new products/markets so to achieve more revenue growth with improved margins. Considering his attributes and growth vision on Wires and Cables Division, your Board is of the considered view that his continuation of office would be required for further period and accordingly, recommended his re-appointment for further term of five years effective September 26, 2023

Mr. R Ramachandran declares that

- He is fulfilling all the conditions as set out in Part I of Schedule V to the Companies Act 2013 and also conditions set out under Section 196(3) of aforesaid Act for being eligible for his re-appointment.
- He is not disqualified from being reappointed as Director in terms of Section 164 of above Act.

The above may be treated as a written memorandum setting out the terms of the Re-appointment of Mr.P.Ramachandran under Section 190 of the Companies Act 2013.

Brief Profile of Mr.P.Ramachandran are provided in the "Annexure" to the Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. P.Ramachandran and his relatives, are in any way, concerned or interested in the said resolution.

The Board recommends the special resolutions as set out at item 5 in compliance of first Proviso to Section 196(3)(a) of the Companies Act 2013 and Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

The Term of the Office of Mr.P Ramachandran is subject to determination of retirement by rotation in terms of Section 152 of the Companies Act 2013 and in terms of the resolutions passed by the shareholders at their 30th Annual General meeting held on August 08, 2015.

Item No.6 & 7

Mrs.Priya Bhansali and Mr. Sharat Chandra Bhargava have been inducted as the Additional Directors (Independent) on the Board of Directors of the company with the recommendations of Nomination and Remuneration committee of the Board, by the Board of Directors at their meeting held on August 07, 2023 to hold office till the conclusion 38th AGM.

In terms of Section 160(1) of the Companies Act 2013, Your company has received notice from the members of the company nominating Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava on the Board of Directors of the company as Non Executive and Independent.

Your Board of Directors thought it prudent based on the recommendations of Nomination and Remuneration committee to consider candidature of both Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava for the office of the director on the Board of Directors of the company and approved their induction subject to the approval of the shareholders at this meeting as a Non Executive and Independent Director with a term of 3 years till August 06, 2026, and that they shall not be liable to retire by rotation.

The NRC and the Board has assessed the veracity of the declarations and other documents furnished by both Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava and based on the same, has opined that they duly fulfil the conditions / criteria specified in the Act, the Rules and the Listing Regulations and determined that they are totally independent of the Management and possesses appropriate skills, experience and knowledge to be appointed as an Independent Directors of the Company.

Mrs.Priya Bhansali, aged 57 years is a graduate in Bachelor of Commerce from Madras University and a Chartered Accountant. Presently working as Managing Partner in Kumbhat & Co., Chartered Accountants The Board was satisfied that appointment is justified due to her expertise in Direct Taxes, Management Assurance Audit, Joint Ventures and FDI, International Taxation and 35 years of experience as an Chartered accountant.

Mr. Sharat Chandra Bhargava aged 73 years, is a graduate in BTech from IIT Kharagpur and completed Advanced Management Programme in Wharton, USA. Presently, he is a member of the Board of Governors of Bajaj Institute of Technology, Wardha. The Board was satisfied that appointment is justified due to his 45 years of experience and expertise in L&T Switchgear division

The terms and conditions for appointment of Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava as the Independent Directors would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered email address to the Company at murugesan@salzergroup.com

Brief Profile of Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava are provided in the "Annexure" to the Notice.

Except Mrs. Priya Bhansali and Mr. Sharat Chandra Bhargava, being the appointees, None of the Directors of the Company are interested in this resolution and the Board unanimously recommends their appointment for your consideration and approval.

Item No.8

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 24, 2023, the Board considered and approved the appointment of Mr.A.R.Ramasubramania Raja (M.No. 32458) as the cost auditor for the FY 2023-24 at a remuneration of Rs. 1,45,000/- (Rupees One lakh Forty thousand Only) plus applicable service tax and reimbursement of out-of-pocket expenses on actual basis.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 8 of the Notice for the approval of the shareholders.

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

ANNEXURE TO NOTICE DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015)

Name of the Director	Dr. Thilagam Rajeshkumar	Mr. Vishnu Rangeswamy	Mr. P. Ramachandran
DIN	00006783	00793090	01043572
Category	Non Executive Director and Non Independent	Non-Executive Director and Independent	Whole Time Director
Date of Birth	03/12/1972	22/02/1976	01/09/1948
Date of Appointment on the Board	30/03/2015	06/02/2020	26/09/1998
Qualification	MBBS., DGO.,	B.Tech., MBA	BA
Brief profile and nature of their expertise inspecific functional areas	Heading 100 bedded Multi Speciality Hospital & having vast administrative experience	He is President of Global Technical Talent (GTT), Manpower Recruitment Firm in USA, and has been associated with GTT for more than 20 years and held various positions. He is an experienced person with a demonstrated history of working in the information technology staffing and services industry. Strong skills in the management of enterprise talent engagement initiatives, client services & talent acquisition, team mentoring and management, Executive Search, Technical Recruiting.	He is a Graduate in Economics with wide experience in the field and has good contacts both in domestic and international markets. He has contributed to achieve the performance and corporate objectives of the company all these years.
Directorships held in other companies/ Firm.	<ol style="list-style-type: none"> 1. K R Health Care P Ltd, 2. S R V E Industries Ltd, 3. Saradha Investments Limited 4. Coimbatore Kalpana Chit Funds P Ltd. 5. Sarojini Chit Funds Private Limited 6. Quebec Information Services India Limited 7. Kalpana Medical Centre Private Limited 	<ol style="list-style-type: none"> 1. K R Health Care Private Limited 2. Sri Ram Arts Centre Private Ltd 3. Saradha Investments Limited 4. Salzer Spinners Limited 5. SRVE Industries Limited 	1. Salzer Securities Holdings Ltd
Memberships / Chairmanships of committees across all companies	NIL	NIL	NIL
Shareholding in the Company	486044 shares 3.00%	7,83,289 shares 4.75%	NIL
Inter se relationship, if any	Daughter in law of Mr. R Doraiswamy Managing Director, and Wife of Shri. D Rajesh Kumar, Joint Managing Director and Chief Financial Officer.	Brother of Shri.D.Rajesh Kumar, Joint Managing Director and Chief Financial Officer and son of Mr.R.Doraiswamy Managing Director	NIL

ANNEXURE TO NOTICE DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015)

Name of the Director	Mrs. Priya Bhansali	Mr. Sharat Chandra Bhargava
DIN	00195848	00008146
Category	Non Executive and Independent Director	Non-Executive Director and Independent
Date of Birth	25/03/1966	28/12/1950
Date of Appointment on the Board	07/08/2023	07/08/2023
Qualification	B.Com; Chartered Accountant; Information Systems Auditor, ICAI and GST Certification Course by ICAI	B. Tech in IIT Kharagpur (Gold Medallist) and BTech in Advanced Management Programme, Wharton (US)
Brief profile and nature of their expertise in specific functional areas	She is a Managing Partner in Kumbhat & Co., Chartered Accountants Firm, Coimbatore. She is a Practising Chartered Accountant for about 30 years Expertise in Direct Taxes, Management Assurance Audit, Joint Ventures and FDI, International Taxation with 35 years of experience as an Chartered accountant.	He is at present current member of the Board of Governors of Bajaj Institute of Technology, Wardha. He held various important positions in L&T and retired in 2018. He possesses 45 years of rich service and expertise in Switch gear division in L&T group.
Directorships held in other companies.	Sakthi Sugars Limited, Sakthi Finance Limited, Kaycee Industries Limited and Ishita Advisory Services Private Limited	NIL
Memberships / Chairmanships of committees across all companies	Member in Audit Committee and Nomination and remuneration Committee of Kaycee Industries Limited, Member of Nomination and remuneration Committee in Sakthi Finance Limited and Member of Audit Committee in Sakthi Sugars Limited.	NIL
Shareholding in the Company	NIL	NIL
Inter se relationship, if any	NIL	NIL

DIRECTORS' REPORT

The Directors have the pleasure in presenting the Thirty Eighth Annual Report along with the audited Financial Statements of the Company for the year ended March 31, 2023

The Information furnished hereunder is in line with Section 134 of the Companies Act 2013 and applicable Provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

1. PERFORMANCE REVIEW:-

Financial Summary of the Company

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year Ended March 31, 2023	For the year Ended March 31, 2022	For the year Ended March 31, 2023	For the year Ended March 31, 2022
I Revenue from operations	1,01,316.68	78,363.30	1,03,717.24	80,354.15
II Other Income	137.26	217.88	170.10	247.62
III Total Revenue (I + II)	1,01,453.94	78,581.18	1,03,887.34	80,601.77
IV Expenses				
a Cost of materials consumed	81,827.82	63,764.67	82,694.88	64,550.68
b Purchase of stock in trade	-	-	-	-
c Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1,964.41	-1,585.42	-1,978.92	-1,533.96
d Employee benefit expenses	3,514.73	2,939.99	3,936.54	3,359.63
e Finance Cost	2,605.69	1,980.54	2,611.89	1,987.65
f Depreciation and amortization expense	1,611.38	1,600.59	1,660.37	1,633.48
g Other expenses	8,824.47	6,865.90	9,474.56	7,353.53
h Total Expenses	96,419.68	75,566.27	98,399.32	77,351.01
V Profit before exceptional and extraordinary items and tax	5,034.26	3,014.91	5,488.02	3,250.76
VI Exceptional Items	-	-	-	-
VII Prior Period expenses	-	-	1.52	-
VIII Profit before tax & extraordinary items	5,034.26	3,014.91	5,489.54	3,250.76
IX Extraordinary items	-	-	-	-
X Profit before tax	5,034.26	3,014.91	5,489.54	3,250.76
XI Tax expense:	-1,398.07	-766.77	-1,527.68	-830.30
XII Profit for the period - After Tax	3,636.19	2,248.14	3,961.86	2,420.46
XIII Earnings per equity share:				
(1) Basic (in Rs.)	22.74	14.07	24.21	14.14
(2) Diluted (in Rs.)	20.58	14.07	21.90	14.14
XIV Reserves and Surplus	38,523.12	33,384.31	39,152.82	33,791.00

2. BUSINESS SCENARIO IN THE YEAR

The past financial year posed significant challenges for the economy and industries due to various macro-economic factors such as increased inflation, Exchange rate fluctuations, and a general decline in demand from our export markets.

Despite these challenges, your Company achieved a remarkable growth in the FY 2022-23. With a 30% increase in the top line, your company surpassed an important milestone by generating revenues exceeding Rs 1000 Crores. This achievement can be attributed to our growing advanced engineering capabilities backed by a robust in-house manufacturing and R&D team, product innovation,

strong technical collaboration and improving customer relationships. It is a matter of pride to all your stakeholders on achieving this milestone. This is just one step in Salzer's overall strategy.

The demand of the Infrastructure sector in India in the last financial year was a matter of significant relevance. With an increased emphasis on the growth of the infrastructure, particularly the Government's focus on smart cities development the demand for electrical products is bound to grow. Private investments have gained momentum significantly which are now stimulating the Country's economic activities. Such a growth further has added to the increasing demand of our products.

DIRECTORS' REPORT (Contd.)

The increasing demand for renewable energy sources such as solar, wind, and hydro power have opened new growth opportunities and demand for switchgear, transformers, wires and cables. Your Company has benefited from this development.

a) Progress in the year on standalone basis

- In the year ended March 2023, Net Revenue of your Company was Rs. 1,013.1 crore as against Rs. 783.6 crore recorded in the last financial year a growth of 29.3%. This was driven by a strong demand for almost all products on the back of improved market conditions both in India and abroad.
- The EBITDA (excluding other income) stood at Rs. 91.10 crore in FY23 as against Rs. 63.80 crore in FY22 with a year on year growth of 42.90%, mainly on account of higher sales in all the product divisions.
- The Profit after Tax was at Rs. 36.4 crore in the year as against Rs. 22.5 crore in last year, with year on year growth of 61.74%; the PAT Margin was 3.6% in FY23 as against 2.9% in FY22 and increase of 72 basic points.

b) Individual division's performance and Contributions

i) Industrial Switch Gear Division:

Our Industrial Switch Gear Products have a strong foothold both in the domestic and global markets. Your company has established a niche in the market across the globe over a period of time. Various globally renowned large Multi-national Companies are your Company's customers who draw supplies from us in preferential manner. Your Company is the only approved supplier of Nuclear Power Corporation and the largest supplier of rotary switches and load break switches to Indian Railways.

The Products under covered are:- Cam Operated Rotary Switches, Load Break Switches (Disconnects), Toroidal Transformers, General Purpose Relays, Wire Harness, Three Phase Dry Type Transformers, Contactors, Over Load relays, Motor Protection Circuit Breakers (MPCB), MCB's, Terminal Connectors, Wiring Ducts and Control Panels.

This Division witnessed a Compounded Annual Growth Rate (CAGR) of 30% in the last five years and increased its contribution to the total revenue from 43% in 2018 to 54% in 2023.

In FY23, the Industrial Switch Gear Division recorded a growth of 40% over FY 22 with EBITDA Margin of 11.70%, up from 9.60% in FY22 on account of better operational efficiency, cost optimization and product mix. During the year, the growth was mainly driven by products like Toroidal Transformers, Three phase Transformers, Wire

Harness, Rotary Switches and Isolators which comprised 65% of this division sales.

ii) Wires and Cables

Your Company manufactures a wide range of Industrial wires & Cables from 0.5 sq mm to 300 sq mm - Building Wires, Flexible wires, Multi Core Cables, Flat cables, Traveling cables, Lan Cables, UL rated Wires, Shielded & Braided Wires Halogen Free wires, Low smoke Wires etc. ,

This Division saw the CAGR of 10% in the last five years and posted a growth of 15% in FY23 and made a contribution to the total business of 38% in the year.

Recently rolled out Lan Cable Product has done phenomenally well and posted a growth of 287% in the year on the back of a strong demand. This Product is poised to grow well, going forward considering the market size and future potentials.

iii) Building Products

This is the only B2C division of the company, predominately servicing South Indian Market with the Product basket comprising of Modular Switches, Speciality Switches, Movement Sensors, Remote Switches, House Wires, MCB's Distribution Boards, etc. ,.

This Division posted a CAGR of 15% in the last five year cycle and registered a sales growth of 44% in FY23 with contribution of 8% to the top-line of the Company. The EBITDA Margin of this business division was 2.7% in FY23 against 1.70% in FY22.

iv) Energy Management Division

The fourth division is our Street Light Management System and this business is a Tender driven business. During the year, the Company has not received any new orders from the Government.

c) Export Business

On the exports front, the Company has been growing steadily on the strength of enhanced sales in America including South American countries like Brazil, Argentina and Chile. During the year, the export business registered a growth of 42% and contributed 26% to the total business volume of the Company. Though the major economies across the world are facing some recessionary situation due to inflation, geo political crises etc., your Company foresees that the present export growth would be stable as the customers are quite optimistic on their business prospectus

d) Consolidated Financial performance

On the consolidated basis,

- Your Company reported highest ever sales turnover of Rs.1037 Crs in FY23 as against Rs.803.54 Crores recorded in FY22 with a growth of 29% as the result of improved business volumes of both the Parent Company and the subsidiary, Kaycee Industries Limited.

DIRECTORS' REPORT (Contd.)

- Similarly, the consolidated operating profit, Profit before and after Tax were up by 45%, 69% and 64% respectively and Profitability margin both at operating level and PAT level also got enhanced by about 1% in the year.

e) Key significant developments in the year - Manufacturing Facility in Hosur

Your Company has Set up utilising accruals a new manufacturing facility on a 30000 sq.ft rented building strategically located in Hosur, Tamil Nadu to manufacture high demand products like Wire Harnesses and Toroidal Transformers with an Initial investment cost of Rs. 15 Cr. This Unit has commenced its operations successfully since April 2023 and is on path of steady progress.

f) Future outlook

For the year now on, it has been projected that the company will grow at around 20% with strong product offerings and brand position in the market. Based on the domestic and export outlook, your Company is quite optimistic about achieving this. As a part of its strategy, Your Company will continue to focus on profitable growth combined with capital efficiency to improve our working capital cycle.

Besides the above, our strong commitment towards

- Seeking for Technical alliances to develop new and technically advanced products
- Finding out suitable players in the market for acquisition
- Increase sales of high margin products existing and new
- Constantly develop new products through in-house R&D and
- cleaner, greener and healthier environment

will continue to guide us now and as well in the future.

3. DIVIDEND

Your Board of Directors at the meeting held on May 24, 2023 considered the proposal of Dividend for the financial year ended March 31, 2023 and recommended a Dividend at the rate of 22% i.e Rs.2.20 per equity share of Rs.10/- each for the financial year 2022-23 which will involve a cash outgo of Rs.3.60 Crores.

The above recommended dividend, if approved by you, at the Annual General Meeting, will be payable to all eligible shareholders whose name appears in the Register of Members on the relevant date, within the stipulated time as permitted under the Provisions of the Companies Act, 2013.

4. CAPITAL STRUCTURE AND OTHER RELATED ISSUES

i) Preferential issue of securities

- Your Board, in order to augment working capital purposes and for general purposes with the approval of the shareholders through an Extra Ordinary General Meeting held on December 07, 2022, allotted 17,00,000 Convertible Share warrants at an issue Price of Rs.278.50/- for an aggregate cash consideration of Rs.47.35 Crs on December 13,2022 to the Bodies Corporate forming part of the Promoters' group in accordance with SEBI (Issue of Capital and Disclosures Requirements) Regulation 2015.
- At the Time of Allotment of said warrants, your Company received an upfront payment equivalent to 25% of the issue price, amounting to Rs.11.84 Crs and balance 75% will be receivable when subscribers to the warrants exercise their right to convert the warrants into equity shares over the period of 18 months from the date of allotment of warrants
- Post conversion of the warrants into equity, the Promoters shareholdings in your Company will stand increased by 6.50% at 38.84%
- On March 23, 2023, your Board allotted 2,00,000 equity shares against conversion of similar numbers of warrants exercised by warrant subscribers after receipt of balance 75% of the Issue Price amounting to Rs.4.18 Crs.
- The details of utilization of funds are given hereunder:

Particulars	₹ In Crs
Funds raised through allotment of 17,00,000 warrants on December 13,2023 (A)	11.84
Funds raised through allotment of 200000 fully paid-up equity shares against conversion of equal number of warrants on March 23,2023 (B)	4.18
Total Funds raised and available for utilization till 31 March 2023 (A+B)	16.02
Funds utilized during the year ended 31 March 2023	16.02

- There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the Explanatory Statement to the Notice of the EGM dated November 10,2022.

ii) Increase in the Share Capital

Consequent to the allotment of 200000 equity shares on March 23, 2023, the issued, subscribed and paid up capital of the Company increased from Rs. 15,98,27,370/- comprising

DIRECTORS' REPORT (Contd.)

of 1,59,82,737 equity shares of Rs.10/- each to Rs.16,18,27,370/- comprising of 1,61,82,737 equity shares of Rs. 10/- each.

iii) Amendment to the Memorandum and Articles of Association

During the year under review, your Company has not amended any Provisions in the Memorandum and Articles of Association.

5. CORPORATE GOVERNANCE

As required under Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance are attached to this report as Annex: 1

6. RESERVES

Your Board of Directors, as a prudent measure, have transferred Rs.50.00 Lakhs to the General Reserve Account. Now, your Company has general reserves of Rs. 21.08 Crores Lakhs as at March 31, 2023.

7. LIQUIDITY

The Company has adequate cash and cash equivalents in its Books as at March 31, 2023 to effectively take care of all current liabilities.

8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, the nature of the business of your Company Manufacturing of Electrical Installation Products- has not changed.

9. MATERIAL CHANGES AND COMMITMENTS 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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statements relate and the date of this report.

10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review and also upto the date of this report, no orders were passed by any Court in India or by any Regulator or by any Tribunal affecting the going concern status and the Company's operations in future.

11. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

Effective and progressive systems have been put in place in the organisation to ensure a proper regime of internal financial controls to ensure the stability and proper financial reporting. These are reviewed periodically and are converted into work policies in a regular manner. To ensure reliability there is an ongoing programme to automate many of these procedures to improve the efficiency of the Financial Control Systems.

The Company's accounting policies are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. Changes in policies, if any, are to be approved by the Audit Committee in consultation with the Statutory Auditors.

Since the business is always on the move and nothing stays static, the Company has identified inherent reporting risks for each major element in the financial statements and put in place controls to mitigate the same. These risks and the mitigation controls are reviewed periodically in the light of changes in business, IT systems, regulations and internal policies. Corporate accounts function is involved in designing large process changes as well as validating changes to IT systems that bear a note in the financial systems.

The system of internal check includes the conduct of a physical verification of inventory, fixed assets and cash on hand and any variance has to be dealt according to the procedures laid down at periodic intervals. No Discrepancies were found during the year under review.

The Company, in preparing its financial statements, makes judgements and estimates based on sound policies and uses external agencies to verify/validate them as and when needed and appropriate. The basis of such judgements and estimates are also approved by the Audit Committee of the Board of Directors of the Company in consultation with the Statutory Auditors of the Company. The company has a well-run internal audit system manned by competent external agencies. The system periodically reports to the Audit Committee any significant changes or non-confirmation to procedures.

The Company has a Code of Conduct applicable to all its employees as well as Board of Directors; a Whistle Blower Policy facilitating employees to report their concern in case they come across any type of improper act or violation of code of conduct which includes Fraud, scam etc. , is also in position.

12. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

With reference to the shareholdings held by the Company as at March 31, 2023, your Company has One Subsidiary-Kaycee Industries Limited, One wholly Owned Subsidiary- Salzer EV Infra Private Limited, One Step down Subsidiary Salzer Emarch

DIRECTORS' REPORT (Contd.)

Electromobility Private Limited and One Associate Entity Salzer Kostad EV Charges Private Limited

Performance Analysis of Subsidiary and Associate Entities

a) Kaycee Industries Limited

- In FY2023, Kaycee Industries Limited posted a growth of 42% with Sales turnover of Rs.41.78 Crs as against Rs. 29.41 Crs reported in FY22.
- The profit also has grown significantly well by 87% as the result of better operational efficiency and optimization of costs.
- Kaycee is totally Debt free Company and operating its business with strong cash generation.

- Going forward, Kaycee is expected to clock a growth of 25% in FY24 with New Products offerings and more outreach marketing.
- During the year, your Company diluted 1% holding in Kaycee. Post this development, your Company holds now stands 73.86% of Kaycee's shares.
- The Board of Directors of Kaycee at their meeting held on May 9, 2023 approved the Annual Financial Results of FY23 and recommended a Dividend at the Rate of Rs.60 (60%) per Equity Share of Rs.100 each
- The Financial Highlights of Kaycee

THE FINANCIAL PERFORMANCE OF SUBSIDIARY COMPANY FOLLOWS AS UNDER

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Revenue from operations	4,177.56	2,940.86
Other Income	56.62	44.02
Total Revenue	4,234.18	2,984.88
Total Expenses	3,756.64	2,734.76
Profit/(Loss) before exceptional and extraordinary items and tax	477.54	250.12
Exceptional Items	-1.15	-
Extraordinary Items	-	-
Net Profit Before Tax	479.05	250.12
Provision for Tax	-	-
- Current Tax	122.21	53.13
- Deferred Tax (Liability)/Assets	7.40	10.38
Net Profit After Tax	349.44	186.61
Other Comprehensive Income (After Tax)	2.55	4.93
Total Comprehensive income	351.99	191.54
Paid up Equity Share Capital (Face Value Rs. 100/- per Share)	63.47	63.47
Other Equity	1,914.12	1,593.87
Earnings per share (Basic & Diluted)	550.56	294.01

b) Salzer Kostad EV Charges Private Limited Associate Entity

Your Company formed a joint venture company in July 2021, named Salzer Kostad EV Chargers Pvt Ltd, with Austria-based Company Kostad Steuerungsbaubau GmbH (Kostad).

This is engaged in the business of manufacturing of DC Fast charging stations for electrical Cars, Trucks & Buses, and components and systems thereof, in India. Through this technical alliance, Kostad is providing technical know-how and requisite technology support to Salzer for the production of EV charging stations and related components.

With support of the technology partner, Kostad, the Company has developed the product and tested successfully. The product is under approval process

from Regulators, and efforts are being made to roll out in the market before end of third quarter.

Your Company, during the year, made an investment of Rs.21.00 Lakhs in the equity of Salzer Kostad. With this capital infusion, the cumulative equity investment stands at Rs.24.50 Lakhs, translating into a holding of 37.40 % in Salzer Kostad.

c) Salzer EV Infra Private Limited (Wholly owned subsidiary) and Salzer EMarch Electromobility Mobility Pvt. Ltd (Step down subsidiary)

Your company, through its wholly owned subsidiary, Salzer EV Infra Pvt. Ltd., formed a JV named Salzer EMarch E Mobility Pvt. Ltd., in association with EMarch LLP. This JV is engaged in manufacturing electric conversion kits for auto-rickshaws, cars and buses and also the manufacture novel electric driven utility vehicles.

DIRECTORS' REPORT (Contd.)

Your Company through its wholly owned subsidiary, made an equity investment Rs.32.25 Lakhs in Salzer E-March, representing holding of 98%.

The product is still under developmental stage with various technological ideas being tested before a final conclusion could be reached.

13. DEPOSITS

During the Financial year under the review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014. As such there was no deposit as at March 31, 2023.

14. STATUTORY AUDITORS

In terms of Proviso to Section 139 (1) of the Companies Act 2013, and with the approval of the shareholders at their meeting held on August 10, 2019, M/s. JDS Associates, Chartered Accountants, have been appointed as the Statutory Auditors of the Company, for a term of Five years immediately after conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting for the financial year 2023-24.

15. INVESTMENTS MADE BY THE COMPANY

The Company has adequate measures to review the significant impact by way of any increase/ decrease of the fair value of the investments and accordingly being dealt with in the financial statements of the Company. During the reporting period, there was no significant variance in the fair value of the Investments.

16. AUDITORS' REPORT

The Independent Audit Report along with the Annexure as prescribed under Companies (Auditors' Report) Order 2020 as issued by the Auditors' are appended to this Annual Report. The Auditors have not made any qualification / adverse remarks.

17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT 2013

There were no instances of fraud reported by the Auditors to the Central Government or to the Audit Committee of the Company as indicated under the provisions of Section 143 (12) of the Companies Act, 2013.

18. MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the Company has duly made and maintained the Cost Records as mandated by the Central Government.

19. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form No. MGT 7 forms part of the Board's report given in the company's website www.salzergroup.net in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given as Annex: 2 herewith separately.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee of the Board of Directors and has adopted a CSR Policy. The same is posted in the Company's website www.salzergroup.net. A report in the prescribed format detailing the CSR expenditure for the year 2022-23 is attached herewith as Annexure 3 and forms a part of this report.

22. DIRECTORS:**A) Changes in Directors and Key Managerial Personnel**

During the year under the review, no changes took place in the Board's Composition.

Presently, your Board is having 11 members Four Executive Directors, Two Non-Executive and Non Independent Directors and Five Independent Directors.

B) Retirement by Rotations

Mr. Vishnu Rangaswamy and Dr. Mrs. Thilagam Rajesh Kumar, who are the retiring Directors in the ensuing 38th Annual General Meeting, offer themselves to get re-appointed in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company.

C) Declaration by the Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Board has optimum composition of the Independent and Non Independent Directors.

D) Formal Annual Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as: -

- Board dynamics and relationships

DIRECTORS' REPORT (Contd.)

- Information flows
- Decision-making.
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness

Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report.

E) Committees of the Board.

Currently, the Board has five committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, Stakeholders Relationship Committee, and the Risk Management Committee. A detailed note on the composition of the Board and its committees is provided in the corporate governance report section of this Annual Report.

23. LISTING REGULATIONS

Your Company has duly complied with various Regulations as prescribed under SEBI (Listing obligations and Disclosures) Regulations 2015.

24. MEETINGS

The details in respect of the Meeting of the Board of Directors, Audit Committee and all other sub Committee are given in the Corporate Governance Report.

25. WHISTLE BLOWING POLICY MECHANISM

A whistle blowing policy mechanism has been in place providing opportunity to Directors/Employees

- To access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company,
- to prohibit managerial personnel from taking any adverse personnel action against those employees and
- to provide necessary safeguards for protection of employees from reprisals or victimization

This policy applies to all directors and employees of the Company to report concerns about unethical

behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy

To report such incidents, practices etc., the concerned Employees / Directors can contact / report to

Office of the Audit Committee (Compliance Officer)

E-Mail : baskarasubramanian@salzergroup.com
Contact No. 0422 4233614

Office of the Managing Director

E-Mail : rd@salzergroup.com
Contact No.0422-4233612

Office of Joint Managing Director and Chief Financial Officer

E-Mail : rajesh@salzergroup.com
Contact No.0422-4233610

During the year under review, no complaint was received by the above officers under whistle blowing policy mechanism with respect to the performance of the company and other related matters.

26. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE

The Company has constituted an Internal Committee (IC) in all the Units to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Committee has not received any complaint.

27. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the committee is to screen and to review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with policies approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

The committee also makes recommendations to the Board on candidates for

- (i) nomination for election or re-election by the shareholders; and
- (ii) any Board vacancies that are to be filled.

It also reviews and discusses all matters pertaining to candidates and evaluates the candidates. The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors.

The nomination and remuneration committee's charter and policy are available on our website.

DIRECTORS' REPORT (Contd.)**28. POLICY ON THE DIRECTORS APPOINTMENT AND REMUNERATION**

In accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 read with Salzer's Policy for Nomination and Remuneration, the Board is having an optimum combination of the executive, non-executive and independent directors. As of March 31, 2023, the Board has eleven members, four of whom are Executive Directors; two are Non-Executive and Non-Independent member and five Independent Directors. One non-executive and non-independent member of the Board is a woman. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on its website.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**During the year under review,**

- During the year, the Company has not granted/taken loans, unsecured, from or to Companies, firms or other parties, listed in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'), the terms and conditions are not prima facie prejudicial to the interest of the Company during the course of its business and
- The investments in other bodies corporate are well within the limit as prescribed under Section 186 of the Companies 2013.

30. RELATED PARTY TRANSACTIONS

All the transactions of the Company with related parties are at arms' length and have taken place in the ordinary course of business. None of the transactions with related parties is a material transaction. Since there are no transactions that are not in arms' length and material in nature, disclosure under AOC 2 does not arise. A copy of the Related Party Transaction Policy is available at the Company's website www.salzergroup.net

31. INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing

with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website www.salzergroup.net

32. MANAGERIAL REMUNERATION

- A) The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 i.e
- No employee of the Company throughout the Financial year was in receipt of remuneration for that year which, in the aggregate, for Rupees one Crore and two Lakhs rupees and
 - No employee of the Company for a part of the Financial year was in receipt of remuneration for any part of year which, in the aggregate, for Rupees Eight Lakhs and Fifty Thousand per month
- B) The Company does not have such director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company receiving any remuneration or commission from any Holding Company or Subsidiary Company of such Company.

Details pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as Annex: 4.

33. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors, at their meeting held on May 21, 2022, appointed Mr. G Vasudevan, B.Com, LLB & FCS, M/s.G V Associates, Company Secretaries (Certificate of Practice No. 6522), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2022-23 in terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended 31st March, 2023 is set out in the Annexure-5 to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS' REPORT (Contd.)

34. COMPLIANCE ON SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

35. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of Rs.4,33,448/-. Further, 13,650 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF rules. The details are available on our website at www.salzergroup.net. The Details of the nodal officer: Mr.S. Baskarasubramanian, E.mail ID. baskarasubramanian@salzergroup.com

36. RISK MANAGEMENT POLICY

Risk management is attempting to identify and manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the firm and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats. In order to tackle such risks emanating during the course of business operation, the Board of Directors, constituted Risk Management Committee with an objective of identifying the potential threats that are likely to impact the growth of the organization and evolve suitable measure strategically to mitigate such identified Risks.

Accordingly, the operating management review the risk profile which has got impact on the performance of the company in accordance with the policy of the company on Risk Management and also in compliance with the relevant regulations thereof on a periodical basis.

37. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report as Annexure: 6.

38. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors, on the recommendation of the Audit Committee and subject to the approval of the Members, have appointed CMA Mr.A.R.Ramasubramania Raja, Practicing Cost and Management Accountant, as the Cost Auditor of the Company for the Financial Year 2022-23 to conduct the audit on the Maintenance of Cost Records of the Company and submit the report to the Central Government with the due approval of the Board of Directors within the stipulated time.

39. POLICIES OF THE COMPANY

The Company is committed to a good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics.

The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if required.

Some of the key policies adopted by the Company are as follows:

- a) Policy on Materiality of Related Party Transactions
- b) Corporate Social Responsibility Policy
- c) Insider Trading Policy
- d) Nomination and Remuneration Policy
- e) Policy on Related Party Transactions
- f) Risk Management Policy
- g) Policy on prevention of sexual harassment at workplace
- h) Whistle Blower Policy
- i) Policy on payment of remuneration to Non-Executive Directors
- j) Policy on Familiarization Program for the Non-Executive Directors
- k) Policy on Determination of materiality of events/information
- l) Policy for Preservation of Records
- m) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- n) Policy on Subsidiary & Material Subsidiary Company

DIRECTORS' REPORT (Contd.)

40. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors make the following statements:

- that in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that internal financial controls are being followed by the company and that such internal financial controls are adequate and were operating effectively.

41. CREDIT RATINGS

During the year under review, CRISIL, Rating Agency, has reaffirmed as 'CRISIL A/Stable' for long term borrowing and 'CRISIL A1' for short term borrowings.

42. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's all units have continued to remain cordial and peaceful.

43. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

- Not Applicable

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

- Not Applicable

45. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

46. ACKNOWLEDGEMENTS

Your Directors place on record their deep sense of appreciation and gratitude to the Shareholders, various Government Agencies, Canara Bank, Union Bank of India, ICICI Bank, Citi Bank NA, M/s. Axis Bank, M/s. HDFC Bank, M/s. Larsen & Toubro Limited - Marketing Associates, CRISIL, M/s. GNSA Infotech Ltd, (Registrar & Share Transfer agent) for their continued support and co-operation. Your Directors also wish to record their appreciation for the dedicated services being rendered by the employees at all levels.

For and on behalf of the Board

Place : Coimbatore
Date : May 24, 2023

N RANGACHARY
CHAIRMAN
DIN : 00054437

ANNEXURE-1

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE.

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's wealth-generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Salzer, it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

2. BOARD OF DIRECTORS

a. Role of Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to fulfill stakeholders' aspirations and societal expectations.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs
- Reviewing and guiding corporate strategy, major plans of action etc,

b. Composition

In terms of Regulation 17 of SEBI (LODR) Regulation 2015, your Board has optimum combination of Executive and Non-Executive Directors. The Board is headed by a Non-Executive

Chairman. Executive Directors includes Managing Director also. The composition of Board of Directors is as under.

The Board headed by the Non-Executive and Independent Chairman, comprising 11 Directors from varied disciplines like Engineering, Finance, Banking, Capital Market, Management, Administration sectors.

i) Composition of the Board as on March 31, 2023

Category	No of Directors
Executive Director (Managing Director, Joint Managing Director, Whole-time Director & Director (Corporate Affairs) & Company Secretary	4
Non Executive & Independent Directors including the Chairman	5
Other Non Executive & Non Independent Directors	2

ii) Profile Of Directors

a) Shri.N.Rangachary, Non-Executive Independent Chairman

Shri.N.Rangachary, Chairman of the company, aged 85 years, possesses appropriate skills, integrity, experience and knowledge, inter alia, in the field of Finance including the Management Accounting and Costing, Taxation, Insurance and Company Law matters and Corporate Governance. In the Opinion of the Board, Shri.Rangachary fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Rangachary was an IRS officer having over 44 years of experience under the Government of India, Ministry of Finance. He is also a Fellow Member of all the three Professional Bodies viz., the Institute of Chartered Accountants of India, the Institute of Cost and Works Accountants of India, the Institute of Company Secretaries of India. He has also served as a Chairman of Central Board of Direct Taxes and also first Chairman of Insurance Regulatory and Development Authority (IRDA) from 1996 till June 2003 where he retired. He is an awardee of International Insurance Man for the year 1999. Further, he was also an advisor to the Government of Andhra Pradesh Finance department during the period 2002-08. He is a Honorary Member of Indian Institute of Actuaries.

ANNEXURE-1 (Contd.)

b) **Shri.R.Doraiswamy, Managing Director**

Shri.R.Doraiswamy, Managing Director of the company, aged 80 years basically a graduate in electrical engineering and a technocrat entrepreneur being the core promoter of Salzer Electronics Limited and other Salzer Group Companies for manufacture of electrical installation products, comparable with the international quality standards, both for industrial and domestic segments. He has got wide experience in design, development and manufacture of electrical installation products , having served in leading industrial manufacturing company like Lakshmi Machine Works Limited, Reiter Machine Works, M/s. Brown Boverly Baden, And M/s. Sprecher + Schve Arrow, both in India and Switzerland respectively, for over two decades. He is having good business acumen and expertise in Industrial and Business Management with wide contacts globally.

c) **Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer**

Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer of the company, aged 52 years, is a graduate in Electrical Engineering with Post Graduation in Business Administration, a technocrat turned into an industrialist. Mr.D.Rajeshkumar did his Pos-Graduation in Business Management in USA and has taken over as Managing Director of erstwhile Salzer Controls Limited and was at the helm of the Management of Salzer Controls Limited for over a period of 5 years. On merger of Salzer Controls Limited with Salzer Electronics Limited, he has occupied the position of Joint Managing Director in Salzer Electronics Limited, virtually acting as CEO of the concern. He is a young and energetic entrepreneur and is managing the Salzer group of companies under the guidance of Mr.R.Doraiswamy, his father, being the Promoter of Salzer group of companies.

d) **Dr.(Mrs.)Rajeshkumar Thilagam, Non-Executive Woman Director**

Dr.(Mrs.)Rajeshkumar Thilagam, aged 50 years, is a Doctor by profession, having MBBS & DGO qualification. Presently, engaged in practice and managing affairs of the K R Health Care Private Limited, a multi-specialty, 150 bedded hospital. She is spouse of Mr.D.Rajesh Kumar, Joint Managing Director of the Company, having wide and rich knowledge on the administration of the business affairs and ability to take strategic decisions in any given situation.

e) **Shri.N.Jayabal, Non-Executive Independent Director**

Shri.N.Jayabal, aged 79, is an Electrical Engineer, having wide overseas experience for about three decades and with good international contacts. He is also a Director in M/s.Salzer Exports Limited. His association on the Board of Directors of the Company has contributed to improve the market share for the products of the Company in the Global Market.

f) **Shri.P.Ramachandran, Whole Time Director**

Shri.P.Ramachandran, aged 75 years, who is a Graduate in Economics with wide experience in the field of manufacture of products and having good contacts both in domestic and international markets which have contributed to achieve the performance and corporate objectives of the company all these years. He is also a Director in M/s.Salzer Securities Holdings Limited.

g) **Shri.Nirmal Kumar M Chandria, Non-Executive Independent Director**

Shri.Nirmal Kumar M Chandria, aged 63 years, having graduation in Commerce and is an Industrialist and Promoter of a Company in Aluminium Sector and has associated himself with leading industries. He is a Director of M/s. Nirmal Aluminium Industries Ltd, M/s. Nirmal Insulations P Ltd, M/s. Motichand Poonjabhai and Brothers Pvt Ltd & M/s. Parsvir Alloys P Ltd.

h) **Shri.P.K.Shah, Non-Executive Independent Director**

Shri.P.K.Shah, aged 79 years, is a graduate and also basically a business man and financier for the last more than 3 decades in Bangalore. He is associated with Salzer Electronics Limited for the last 23 years and his business acumen and expertise in financial aspects contributed for the growth of the company all these years. He is also a Partner of M/s. Suk Electronics and Proprietor of M/s. Jayashree Industrial Accessories.

i) **Shri.V.Sankaran, Non-Executive Independent Director**

Shri.V.Sankaran, aged 80 years, is an Independent and Non-Executive Director on the Board of Directors for the last 20 years and holds a Master's Degree in Commerce and is an Associate Member of both the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries of India. He also holds a Postgraduate Diploma in Management Accounting from Jamnalal Bajaj Institute of Management Studies, Bombay (University of Bombay). He is well known in the

ANNEXURE-1 (Contd.)

Financial Services Industry. He has over 45 years of experience in reputed companies in various areas of Finance and General Management. Mr.Sankaran is a Director of Smile Electronics Limited.

j) **Shri.S.Baskarasubramanian, Director (Corporate Affairs) & Company Secretary**

Shri.S.Baskarasubramanian, aged 80 years, who is a graduate in Commerce and qualified Company Secretary and a Fellow member of Institute of Company Secretaries (FCS) of India, is having wide experience in the field of Company Law matters / Corporate Affairs. He is at present employed in

your Company as Director (Corporate Affairs) & Company Secretary.

k) **Shri.Vishnu Rangaswamy, Non-Executive Non-Independent Director**

Shri.Vishnu Rangaswamy, aged 47 years is a Non Resident Indian, who is a B.Tech graduate and having a Post-Graduation of Master of Business Administration from Southern New Hemisphere University of USA. Presently, he is working as President in Global Technical Talent (GTT), USA, one of the leading Manpower Recruitment Firm in USA.

iii) Position of Board of Directors

Directors	Category	Attendance Particulars		No. Of Membership In The Boards Of Other Companies
		Board meeting	Last Agm (10.09.2022)	
N.Rangachary *,@	Non-Executive Independent Chairman	4	√	5
R.Doraiswamy #,%	Managing Director	4	X	7
D.Rajeshkumar #,@,%	Joint Managing Director & Chief Financial Officer	4	√	12
Dr.(Mrs.)Rajeshkumar Thilagam	Non-Executive Woman Director	4	√	7
N.Jayabal *,#,\$,@,%	Non-Executive Independent Director	4	√	2
P. Ramachandran %	Whole-time Director Marketing	3	√	2
Nirmal Kumar K Chandria *,#	Non-Executive Independent Director	4	√	5
P.K.Shah \$	Non-Executive Independent Director	3	√	0
V.Sankaran *,\$,%	Non-Executive Independent Director	4	√	1
D.Vishnu Rangaswamy	Non-Executive Independent Director	1	X	5
S.Baskarasubramanian &	Director (Corporate Affairs) & Company Secretary	2	√	0

* Members of Audit Committee

Members of the Shareholders / Investors Grievance Committee

\$ Members of the Nomination and Remuneration Committee

@ Members of CSR Committee

% Members of Risk Management Committee

& Secretary to all the Committees

ANNEXURE-1 (Contd.)
iv) Listed entities in which the Directors hold position as Director other than the Company and category of Directorship:

Sl. No.	Name of the Director	Name of the Company	Category of Directorship
1	N.Rangachary	Equitas Holding Ltd Kaycee Industries Ltd	Non-Executive Independent Chairman Non-Executive Independent Chairman
2	Mr. R. Doraiswamy	Kaycee Industries Ltd	Non-Executive Independent Director
3	Mr. D. Rajeshkumar	Kaycee Industries Ltd	Non-Executive Independent Director
4	Dr. (Mrs.) Rajeshkumar Thilagam	Nil	
5	Mr. N.Jayabal	Nil	
6	Mr. P. Ramachandran	Nil	
7	Mr. Nirmal Kumar K Chandria	Nil	
8	Mr. P.K. Shah	Nil	
9	Mr. V. Sankaran	Nil	
10	Mr. D.Vishnu Rangaswamy	Nil	
11	Mr. S.Baskarasubramanian	Nil	

v) MEETING OF THE BOARD OF DIRECTOR

During the year under report, Four Board meetings were held on 21.05.2022, 08.08.2022, 10.11.2022, & 10.02.2023.

vi) Inter-se relationships between Directors of the Company

Sl. No.	Name	Position	Inter-se relationships
1	Mr. R. Doraiswamy	Managing Director	Father of Mr.D.Rajeshkumar, Joint Managing Director and CFO and Mr.Vishnu Rangaswamy and father-in-law of Dr.(Mrs.) Rajeshkumar Thilagam, Director
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	Son of Mr.R.Doraiswamy, Managing Director, husband of Dr.(Mrs.) Rajeshkumar Thilagam, Director and brother of Mr.Vishnu Rangaswamy, Director
3	Dr. (Mrs.) Rajeshkumar Thilagam	Director	Wife of Mr.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer and Daughter-in-law of Mr.R.Doraiswamy, Managing Director
4	Mr. Vishnu Rangaswamy	Director	Son of Mr.R.Doraiswamy, Managing Director, and brother of Mr.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer

vii) Number of shares and convertible instruments held by non- executive directors;

Sl. No.	Name of the Director	Number of equity shares held as on 31.03.2023
1	N.Rangachary	-
2	Dr. (Mrs.) Rajeshkumar Thilagam	486044
3	Mr. N.Jayabal	665
4	Mr. Nirmal Kumar K Chandria	34910
5	Mr. P.K. Shah	32146
6	Mr. V.Sankaran	-
7	Mr. D.Vishnu Rangaswamy	783289

ANNEXURE-1 (Contd.)

viii) FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The company's policy on the familiarization of business operation and the strategies on the management policies to ensure the value addition to all the stakeholders of the

company and also the practice of good corporate governance are available on the Company's website web link: www.salzergroup.net). Accordingly, the Directors during their meetings on quarterly basis as per the requirements of the regulations in force, are reviewing the performance of the company, the systems and standards being adopted by the company to ensure the growth of the performance and value addition including the financial control measure being adopted by the company to safe guard the interest of the company. In this connection, they are also visiting various units of the company periodically to get an indepth and first-hand information on the standards and systems being followed by the respective units in discharging their performance. They are also reviewing the presentation of various functional heads of the company periodically during their meetings.

ix) The Company has identified the following skill sets on its Board with reference to its Business and Industry :

Name of the Director	Expertise in specific functional area
Mr. N.Rangachary	A former IRS Officer with professional qualification of all the three professional institutions ICAI, ICWA, ICSI with more than 60 years of experience in finance, taxation & Insurance and allied fields.
Mr. R.Doraiswamy	Industrialist with requisite technical skill set - Electrical Engineering graduation having more than 50 years of entrepreneur exposures.
Mr. D.Rajeshkumar	Industrialist with Electrical Engineering graduation with Post graduation in Management of Business Administration and having entrepreneur experience of more than 30 years both in finance and technical skill required for the growth of the company.
Dr. (Mrs.) Rajeshkumar Thilagam	Graduation in Medical profession with exposure in business management and entrepreneuralship for more than 20 years.
Mr. N.Jayabal	Graduation in Engineering with overseas experience in engineering industries and marketing for more than 40 years, which helps the company to formulate its strategy in export business.
Mr. P. Ramachandran	Exposure in Business Management for more than 40 years, and his knowledge in managing the manufacture of Cables and Wires having good potential for Industrial and domestic purposes.
Mr. Nirmalkumar M Chandria	Industrialist in the aluminum sector having good entrepreneurial exposure in managing the core business corporate and his experience and knowledge helps the company in formulating the policy decision.
Mr. P.K.Shah	Having Good knowledge and exposures in Business financing and corporate matters over 50 years.
Mr. V.Sankaran	Has wide in-depth knowledge and exposures in Accounts, finance, Costing and Taxation, and Management of Corporate Affairs for more than 50 years
Mr.Vishnu Rangaswamy	He is an Engineering graduate B.Tech with Post graduation in Business Administration from Southern New Hemisphere University of USA. He is managing identifying and developing the human skill set required by various corporates particularly the industries in ITES like IBM, Oracle, Microsoft, etc. , and have a good exposure in human resources development with strong skills in the management of enterprise talent engagement initiatives, client services & talent acquisition, team mentoring and management, Executive Search, Technical Recruiting.

ANNEXURE-1 (Contd.)

Name of the Director	Expertise in specific functional area
Mr. S.Baskarasubramanian	He is a graduate in Commerce and fellow member of Institute of Company Secretaries of India having over 30 years of post-qualification experience in company law matters and corporate affairs and having good exposure in legal, finance and corporate affairs.

Based on declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have registered themselves in the Independent Directors Data Bank and are exempted from undertaking online self-assessment test.

- x) During the year under review, none of the Independent Directors have resigned before the expiry of the tenure and there was no change in Directors of the Company

3. COMMITTEES OF DIRECTORS:

The Board has constituted the following mandatory committee viz. Audit Committee, Stakeholders' (Investors) Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, and the minutes of the meeting have also been placed before the meeting of Board of Directors for their review and taking on record.

a. Audit Committee:

The Audit Committee consisting of the following independent Directors met four times on 21.05.2022, 08.08.2022, 10.11.2022 & 10.02.2023 during the year under review, to consider the financial performance of the Company as well as compliance of Accounting Standards, Company Law/ Stock Exchange provisions, adequacy of Internal Control system, etc, and found satisfactory.

Terms of reference:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - ✓ Any changes in accounting policies and practices.
 - ✓ Major accounting entries based on exercise of judgment by management.
 - ✓ Qualifications in draft audit report.
 - ✓ Significant adjustments arising out of audit.
 - ✓ The going concern assumption.
 - ✓ Compliance with stock exchange and legal requirements concerning financial statements.
 - ✓ Any related party transactions i.e, transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors on the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

ANNEXURE-1 (Contd.)

- Discussion with external auditors before commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders, in case of non-payment of declared dividends creditors.

Composition and attendance :

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2022-23 are given below:

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V. Sankaran	Chairman of the Committee	Non Executive Independent Director	4
2	Mr. N. Rangachary	Member	Non Executive Independent Director	4
3	Mr. N. Jayabal	Member	Non Executive Independent Director	4
4	Mr. Nirmal Kumar M Chandria	Member	Non Executive Independent Director	4

b. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee with the following members met once on 28.03.2023 during the year under review,

Terms of reference:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with laid down criteria,
2. To recommend to the Board their appointment and removal,
3. To carry out evaluation of every director's performance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and
5. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. To formulate the policies so as to ensure that
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V. Sankaran	Chairman of the Committee	Non Executive Independent Director	1
2	Mr. P. K. Shah	Member	Non Executive Independent Director	1
3	Mr. N. Jayabal	Member	Non Executive Independent Director	1

ANNEXURE-1 (Contd.)**EVALUATION**

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI / HO / CFD / CMD / CIR / P / 2017 / 004 dated 5th January 2017 had issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the Independent Directors, Committees of the Board and the Board of Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation of the Board, Individual Directors and Committees has been carried out in accordance with the aforesaid circular.

Independent Directors' performance is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

Formulation of policy for selection and appointment of Directors and their remuneration.

The Nomination and Remuneration Committee discussed and evolved a policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

Criteria for appointment of Whole-time / Executive / Managing Director / Non-Executive Independent Director / KMP and Senior Management Personnel

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there-under.
- iv. The Company shall appoint or continue the employment of any person as Whole-time

Director as per the relevant provisions of the Companies Act, 2013 read along with the relevant schedule and rules made thereunder.

5. REMUNERATION OF DIRECTORS :**Remuneration to Whole-time / Executive / Managing Director**

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus by way of commission on net profit being computed as per regulations and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

Sitting Fees - The Non-executive Independent Directors and Non-executive Non Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors for their travelling on company's business.

Profit-linked Commission - The profit-linked Commission shall be paid to the Directors within the monetary limit approved by the shareholders of the Company, subject to the regulations thereof, on the net profits of the Company being computed.

Stock Options - Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

ANNEXURE-1 (Contd.)

REMUNERATION TO KMP AND SENIOR MANAGEMENT PERSONNEL

The The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies

and / or as approved by the Committee/ Board. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

Remuneration of Directors for the year ended 31st March 2023 is as follows:

(Amt in ₹.)

Name of the Director	Salary	PF	Bonus	Sitting fee	Commission	Total
N.Rangachary	-	-	-	5,76,000	-	5,76,000
Mr. R. Doraiswamy	56,75,000	21,600	44,500	-	36,17,974	93,59,074
Mr. D. Rajeshkumar	55,50,000	3,99,600	44,500	-	36,17,974	96,12,574
Dr. (Mrs.) Rajeshkumar Thilagam	-	-	-	1,60,000	-	1,60,000
Mr. N.Jayabal	-	-	-	3,73,000	-	3,73,000
Mr. P. Ramachandran	19,21,667	21,600	44,500	-	-	19,88,267
Mr. Nirmal Kumar K Chandria	-	-	-	3,50,000	-	3,50,000
Mr. P.K. Shah	-	-	-	2,20,000	-	2,20,000
Mr. V. Sankaran	-	-	-	5,75,000	-	5,76,000
Mr. D.Vishnu Rangaswamy	-	-	-	40,000	-	40,000
Mr. S.Baskarasubramanian	9,12,692	21,600	44,500	-	-	9,78,792
Total	9,12,692	4,32,000	1,70,000	17,10,000	44,96,240	2,03,45,741

6. STAKEHOLDER (GRIEVANCE) RELATIONSHIP COMMITTEE:

The Stakeholder's (Investors) Relationship Committee of the Board met four times on 30.06.2022, 30.09.2022, 31.12.2022 & 31.03.2023 and reviewed system of handling investor's complaints, redressal of Grievance, etc. , and found that during the year under review the Investors/shareholders complaints have been redressed then and there to the satisfaction of the investors. The Committee also noted that there are no investors / shareholders complaints pending redressal as on 31.03.2023.

Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

The Committee also deal with share registry works such as considering and approving the transfer, transmission of shares being held in physical form / issue of duplicate / remat of shares on the request of the shareholders. Such other duties and functions as may be required for such services to the investors.

Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N. Jayabal	Chairman	Non Executive Independent Chairman	4
2	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	4
3	Mr.Nirmal Kumar M Chandria	Member	Non Executive Independent Director	4

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

ANNEXURE-1 (Contd.)

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	-
Non-Receipt of Dividend Warrants	-
Non-Receipt of Share Certificates	-

As on March 31, 2023, no complaints were outstanding.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board at its meeting held on 10.05.2014 and met on 21.05.2022 in 2022 - 23

Terms of reference:

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

2. Recommend the amount of expenditure to be incurred on the activities referred to in clause 3;
3. Monitor the Corporate Social Responsibility Policy of the company from time to time; and
4. Such other activities as may be prescribed by the Board from time to time."

The Committee considered, at its meeting held on 21.05.2022 the actual expenditure under CSR along with its Annual Report for the year 2021-22 and also considered and approved the budget to be spent during the year 2022-23 pursuant to the regulations in force.

Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N. Rangachary	Chairman	Non Executive Independent Director & Chairman of the Company	1
2	Mr. R. Doraiswamy	Member	Managing Director of the company	1
3	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	1
4	Mr. N. Jayabal	Member	Non Executive Independent Director	1

8. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee has been constituted by the Board on 11.11.2014 with following terms of reference was met on 28.03.2023:

1. Assessment of the Company's risk profile and key areas of risk in particular;
2. Formulating suitable Risk Management Policies taking care of all foreseeable risks that may likely affect the business growth,
3. Recommending to the Board for adopting risk assessment procedures on various matters
4. Determining the sufficiency of the Company's internal control system.
5. Assessing and recommending to the Board acceptable levels of risk,
6. Monitoring compliance with Company Policies.
7. Reviewing the nature and level of insurance coverage of the assets
8. Co-ordination with the Statutory Auditors to ascertain the Compliance level of Accounting Policies and Standards
9. Discussing the results of the internal audit with the Company's auditors;
10. Inquiring if there have been any significant disagreements between management and the Company's auditors;
11. Monitoring management's response to the Company's auditors' recommendations that are adopted and
12. Such other duties as committee thinks fit for execution of the policies.

The Committee reviewed the business risks based on the company's policies and the management strategies to combat the impact of the risk related to the business of the company both internal and external and also taken on record the continuous review by the operating management and actions taken thereof to safeguard the interest of the company without any prejudice for the mutual benefit of all stakeholders.

ANNEXURE-1 (Contd.)

Composition and attendance :

Sl. No.	Name of the Members	Position in the Committee	Position in the Company	No. of Meetings attended
1	Mr. D.Rajeshkumar	Chairman	Joint Managing Director and Chief Financial Officer	1
2	Mr. R. Doraiswamy	Member	Executive Managing Director	-
3	Mr. V. Sankaran	Member	Independent Non Executive Director	1
4	Mr. N. Jayabal	Member	Independent Non Executive Director	1
	Mr. P. Ramachandran	Member	Executive Non-Independent Director	-
6	Mr. P. Sivakumar	Member	Asst. Vice President (Marketing) - Unit I	1
7	Mr. B. Mahendran	Member	Gen. Manager (Operations) - Unit I	1
8	Mr. M. Lakshminarayana	Member	Vice President (Operations) - Unit II	1
9	Mr. S. Venkatachalam	Member	Gen. Manager (Commercial) - Unit II	1
10	Mrs. R. Menaka	Member	Gen. Manager (Accounts) - Unit I	1
11	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1

9. GENERAL BODY MEETINGS

Information regarding last 3 years General Body meetings are given below:

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
VC / OAVM	35 th AGM	Saturday	12/09/2020	11.30 am	No special resolution has been passed in this AGM.
Electronics Voting (e-voting)	Postal Ballot		24.02.2021 - 25.03.2021		Re-appointment of Mr.R.Doraiswamy as the Managing Director of the Company for another term of Five years. The Company appointed Mr. G. Vasudevan, Practicing Company Secretary, as the Scrutinizer, who conducted Postal Ballot exercise in a fair manner
VC / OAVM	36 th AGM	Monday	13/09/2021	11.30 am	No special resolution has been passed in this AGM.
VC / OAVM	37 th AGM	Saturday	10/09/2022	11.30 am	No special resolution has been passed in this AGM.
VC / OAVM	EGM	Wednesday	07/12/2022	11.30 am	Issue of Warrants on Preferential basis

- ❖ In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the above resolutions were passed by way of both e-voting, Postal ballot and vote at the meeting, in the last AGM.
- ❖ No Postal Ballot was conducted during the year.
- ❖ None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Special Business / Resolutions proposed to be transacted at the AGM scheduled on 09.09.2023:

- To consider and approve the re-appointment of Mr.P.Ramachandran, (DIN: 01043572) as a Whole time Director.
- To ratify the remuneration payable to Mr.A. R. Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors of the Company for FY 2023-24.

The Board appointed Mr.G.Vasudevan, a Practicing Company Secretary of M/s.G.V.Associates, Coimbatore as a Scrutinizer for e-voting and postal ballot in a fair and transparent manner.

10. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 28, 2023, inter alia discussed and reviewed the performance of the company and Board with respect to :

- The performance of non-independent directors and the Board as a whole;

ANNEXURE-1 (Contd.)

- ii. the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

and found the affairs of the company were being carried out effectively in a satisfactory manner:

Accordingly, as authorized at the meeting, the Chairman and Chairman of the Audit Committee appraised and evaluated the performance of all the Directors including Executive / Whole Time Directors for the year under review and the Chairman's performance evaluated by the Board collectively.

All the Independent Directors of the Company got empanelled themselves in the Databank maintained and administrated by the Indian Institute of Corporate Affairs in terms of Circular dated October 22, 2019 issued by the Ministry of Corporate Affairs.

11. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results are published in leading Newspapers besides notifying to the Stock Exchanges where the Company's shares are listed as well as posted in the Company's website for the benefit of all stakeholders. The Quarterly, Half yearly and Annual Financial Results of the Company are also available in the BSE website www.bseindia.com and NSE website www.nseindia.com and in company's website www.salzergroup.com.

12. GENERAL SHAREHOLDER INFORMATION

A) ANNUAL GENERAL MEETING

Day & Date	9 th September 2023, Saturday
Time	11.30 AM
Venue	Registered Office of the Company
Mode	Video Conference / Other Audio Video Means (VC / OAVM)
Financial year	1st April, 2022 to 31st March, 2023
Record Date	25.08.2023
Listing on Stock Exchanges	<ul style="list-style-type: none"> • BSE Limited (Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001) & • National Stock Exchange of India Ltd (NSE) (Address: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai- 400051) <p>Annual Listing fees has been duly paid to both the Stock Exchanges.</p>
STOCK / SCRIP CODE	517059 (BSE) & SALZERELEC (NSE)
Audited Financial Results Announced	24.05.2023
Announcement of Quarterly Results	08.08.2022, 10.11.2022 & 10.02.2023
Posting of Notice calling AGM and Annual Reports	All communications required to be sent to the shareholders are being sent only through the registered e-mail addresses of the shareholders as per recent notification issued by MCA. Accordingly, the Notice along with the audited annual accounts would be sent either through e-mail or could be downloaded from company's website www.salzergroup.net .
Registered speaker	Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at murugesan@salzergroup.com / sanjay@salzergroup.com . Those shareholders will only be allowed to express their views/ask questions during the meeting. The facility is provided for the benefit of shareholders who would like to speak not exceeding 1000 numbers on FCFS basis, as per guidelines.
Despatch of Annual Report	Within the stipulated time Through e-mail
Period of e-voting	04.09.2023 to 08.09.2023
e-voting Even No.	125109
CIN No.	L03210TZ1975PLC001535

ANNEXURE-1 (Contd.)**B) MARKET PRICE DATA****Share Trading Details in Bse Limited****For the period: 1-Apr-2022 to 31-Mar-2023****BSE Ltd**

(Amt in ₹.)

Month	Open	High	Date	low	Date	Closing	Tra. volume
Apr '22	183.85	214.35	22.04.2022	183.85	01.04.2022	203.20	2,49,038
May '22	201.00	211.05	05.05.2022	162.70	26.05.2022	176.40	1,85,074
Jun '22	176.60	197.50	03.06.2022	160.00	20.06.2022	170.40	79,528
Jul '22	171.50	189.00	21.07.2022	169.85	01.07.2022	179.50	45,695
Aug '22	180.60	254.00	25.08.2022	172.05	02.08.2022	238.30	4,64,104
Sep '22	244.70	289.90	20.09.2022	234.85	01.09.2022	247.45	5,63,319
Oct '22	249.50	290.95	28.10.2022	237.00	03.10.2022	276.30	2,41,123
Nov '22	283.00	287.05	10.11.2022	242.30	30.11.2022	243.60	3,03,170
Dec '22	246.55	275.95	20.12.2022	221.45	23.12.2022	246.10	3,63,039
Jan '23	244.95	331.85	11.01.2023	243.30	02.01.2023	296.75	10,84,350
Feb '23	310.15	327.00	08.02.2023	248.50	27.02.2023	253.00	5,00,356
Mar '23	257.75	271.50	08.03.2023	236.00	28.03.2023	253.35	1,57,512

NSE Ltd

Month	Open	High	Date	low	Date	Closing	Tra. volume
Apr '22	183.00	214.75	22.04.2022	183.00	01.04.2022	203.10	19,75,557
May '22	202.70	210.50	05.05.2022	163.00	26.05.2022	176.05	11,96,115
Jun '22	176.75	197.30	03.06.2022	137.75	20.06.2022	170.80	5,78,398
Jul '22	171.55	188.00	20.07.2022	168.10	01.07.2022	179.50	3,02,558
Aug '22	179.55	255.00	25.08.2022	174.00	01.08.2022	237.95	32,56,483
Sep '22	290.00	290.00	20.09.2022	234.00	01.09.2022	246.90	45,51,902
Oct '22	245.70	293.40	28.10.2022	236.00	03.10.2022	276.30	24,51,256
Nov '22	279.35	287.80	11.11.2022	243.00	29.11.2022	244.30	26,32,288
Dec '22	245.80	276.10	20.12.2022	233.35	23.12.2022	245.15	35,23,399
Jan '23	246.50	332.00	11.01.2023	242.00	02.01.2023	297.50	1,05,11,576
Feb '23	299.95	327.30	08.02.2023	250.00	28.02.2023	253.50	43,48,774
Mar '23	255.85	271.85	08.03.2023	236.00	28.03.2023	253.95	14,52,748

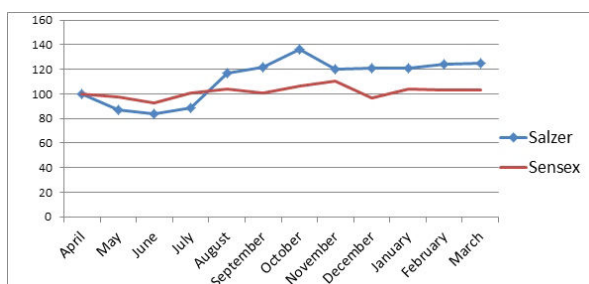
ANNEXURE-1 (Contd.)

MARKET CAPITALIZATION

As on 31st March 2023, the market capitalization of the company stood at Rs. 402.39 Crores as per BSE and at Rs. 405.88 Crores as per NSE.

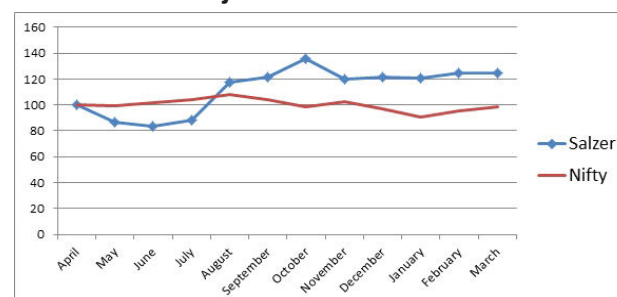
Share Price performance in Comparison to Broad based indices - BSE & NSE as on 31.03.2023

Salzer - Vs - Sensex



Note: Salzer share price and Sensex values on April 1, 2022 have been baselined to 100.

Salzer - Vs - Nifty



Note: Salzer share price and NSE Nifty 50 index values on April 1, 2022 have been baselined to 100.

C) REGISTRAR & SHARE TRANSFER / DEMAT AGENTS

Company's share transfer Registry works both for Demat and Physical forms are being undertaken by M/s. GNSA Infotech Private Limited, Nelson Chambers, 'F' Block, 4th Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai 600 029., Tel: 044-42962025, e-mail: info@gnsaindia.com.

The shares of the Company are dematerialised and registered in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under ISIN No.: INE457F01013.

D) SHARE TRANSFER SYSTEM

The Company's share transfer / transmission works, both physical and electronic form, are being done by M/s. GNSA Infotech Private Limited, Chennai.

As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode will not be processed with effect from 1st April 2019.

In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialize and to avail various benefits of dematerialisation and to eliminate all risks associated with physical shares and for ease of portfolio management.

Application for transmission / transposition of share held in physical form are received both at the Registered office of the Company and at the office of the Registrar / Share Transfer Agent of the Company and if the documents are found to be in order, the transmission / transposition work is completed and the share certificate are returned within the stipulated time as per the Regulations.

The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings, to enable them to update their records.

E) DISTRIBUTION SCHEDULE (As on 31.03.2023)

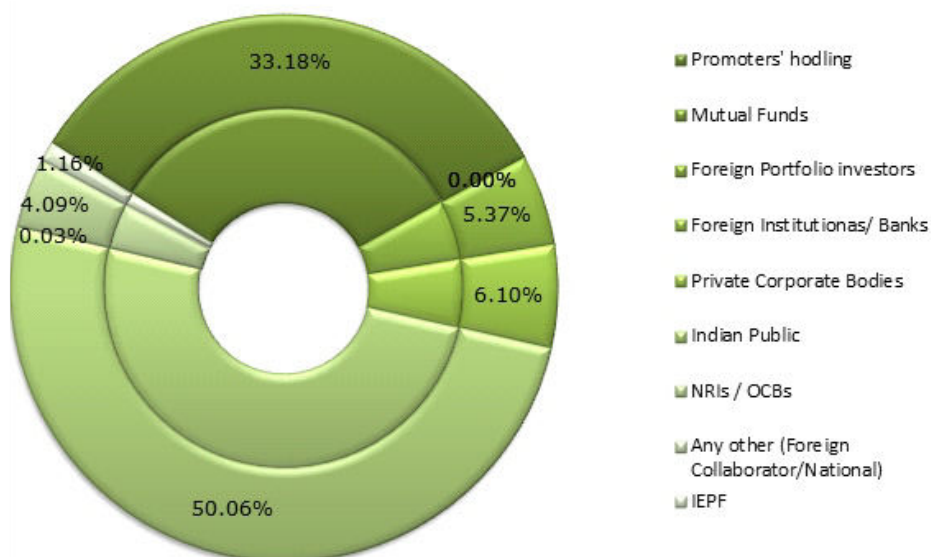
Range	No. of Folios	No. of Shares	% of holding
Up to - 5000	21914	89.72	1968366
5001 - 10000	1114	4.56	895779
10001 - 20000	686	2.81	1050141
20001 - 30000	254	1.04	652121
30001 - 40000	111	0.45	397614
40001 - 50000	88	0.36	414453
50001 - 100000	116	0.47	833816
100001 & above	141	0.58	9970447
TOTAL	24424	100	16182737

ANNEXURE-1 (Contd.)

F) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023

Category		No. of Shares held	Percentage of Share Holding
A	Promoter's holding		
1	Promoters		
	Indian Promoters	4585386	28.34%
	Foreign Promoters	783289	4.84%
2	Persons acting in concert	-	-
	Sub-Total	5368675	33.18%
B	Non-Promoters Holding		
3	Institutional Investors		
a	Mutual Funds	-	-
b	Foreign Institutional investors / Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	869529	5.37%
	Sub-Total	869529	5.37%
4	Others		
	Private Corporate Bodies	987955	6.10%
	Indian Public	8101549	50.06%
	NRIs / OCBs	661291	4.09%
	Any other (Foreign Collaborator/National)	5500	0.03%
	IEPF	188238	1.16%
	Sub-Total	9944533	61.45%
	Grand Total	16182737	100.00%

SHAREHOLDING PATTERN AS AT 31.03.2023



G) DEMAT INFORMATION (AS ON 31.03.2023)

	No. of Shares Dematerialized	% of Total Capital
CDSL	93,39,192	57.71%
NSDL	65,76,641	40.64%
TOTAL	1,59,15,833	98.35%

ANNEXURE-1 (Contd.)**H) CREDIT RATINGS OBTAINED BY THE ENTITY**

Long Term Rating	CRISIL A/Stable (Reaffirmed)
Short Term Rating	CRISIL A1 (Reaffirmed)

Total Rated facilities – Rs. 310.62 Crores, increased from Rs.300.62 Crores, rated previously.

I) NOMINATION FACILITY

As provided in the provisions of the Companies Act, 2013 as the case may be, nomination facility is available for the shares held in a Company. The nomination form along with instruction shall be provided to the members on request.

J) PLANT LOCATION

Unit - I : Samichettipalayam, Coimbatore - 641 047

Unit - II : Chinnamaddampalayam, Coimbatore 641 019.

Unit - III : # 2, Gudalur Village Samichettipalayam, Coimbatore - 641 047

Unit - IV : No.863, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

Unit V : No.882/3, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

Hosur Plant : Thorapalli Road, Perandapalli Post, Hosur Taluk, Krishnagiri District - 635 109.

K) ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

The Managing Director / Company Secretary,

Salzer Electronics Ltd, Samichettipalayam,

Coimbatore - 641 047 CIN No. L03210TZ1985PLC001535

Website: The Company's website www.salzergroup.com contains a separate dedicated section "Investors" where shareholders information is available. The Annual Report of the Company along with Directors' Report, Auditors' Report and Balance Sheet and Statement Profit & Loss are also available on the website in a user-friendly manner.

e-mail : investor_relations@salzergroup.com

Compliance Officer id : baskarasubramanian@salzergroup.com

Phone: 0422 4233600 / 0422 4233614

The Company has exclusive e-mail id: investor_relations@salzergroup.com for investor services.

13. DISCLOSURES**❖ Outstanding Warrants**

The Company had allotted 17,00,000 Convertible Share warrants at an issue Price of Rs.278.50/- to the Bodies Corporate forming part of the Promoters' group. As on 31.03.2023, the 15,00,000 convertible share warrants were outstanding. Post conversion of the entire warrants into equity, the Promoters shareholdings in your Company will stand increased by 6.5% at 38.84%

The Company has not issued any American depository receipts or global depository receipts.

❖ Disclosure on materially significant related party transactions that may have potential conflict with the interest of company at large.

None of the transactions with any of related

parties was in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 47 of Financial Statements, forming part of the Annual Report.

The related party transactions dealt with in the financial statements of the company for the year 2022-23 have been in the ordinary course of business of the company and at arms' length basis without prejudices and detrimental to the interest of the company. The Materiality of the related party transaction policy is displayed on the Company's website viz. www.salzergroup.net

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

Nil

ANNEXURE-1 (Contd.)

❖ **Equity shares in suspense account**

The Company does not have any of its securities lying in suspense account arising out of public / bonus / right issues as at 31.03.2023. Hence, the provisions of particulars relating to aggregate number of shareholders viz-a-vis outstanding securities in suspense account and other related matters thereof does not arise.

❖ **Whistle Blower Policy**

In order to ensure good Corporate Governance the company has appropriate mechanism for the employees to report on the matters relating to unethical behavior, actual or suspected fraud / dishonesty / violation / deviation of the Company's code of conduct or ethics policy and the mechanism / system provides safeguards against victimization of employees in the matter and also having direct access to the Chairman / Management / Chairman of the Audit Committee as the case may be. During the year under review, no such instances were reported and no employee was denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.salzergroup.net

❖ **Commodity price risk and Commodity hedging activities**

The Company has adequate risk assessment and minimization system in place including for commodities. The one of the main input raw material being Copper, having high volatility in the price, which would impact the business have been adequately taken care of by sourcing the material both inland and imports to ensure the risk of volatility and consequential pricing impact. The company has been combating this risk by following previous month average cost of copper in pricing its products. The Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports depending upon the exigencies of the business.

❖ **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The details of utilization of funds raised through preferential allotment forms part of the Board's Report.

❖ **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 Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed as a part of the Directors' report.

❖ **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.**

The Board considered all the recommendations of the committees wherever necessary and approved the same during the year under review.

❖ **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note No.36.1 to the Financial Statements.

❖ **Prevention of Sexual Harassment at workplace**

The company is having suitable policy for prevention of sexual harassment at workplace and the working environment and atmosphere are being closely monitored and no such incident was reported during the year under review.

- number of complaints filed during the financial year - **Nil**
- number of complaints disposed of during the financial year - **Nil**
- number of complaints pending as on end of the financial year - **Nil**

During the year under review the working environment in the company remained cordial.

❖ **Material subsidiary disclosure**

The Company does not have any material subsidiaries, accordingly, the disclosure requirements in relation to the date and place of incorporation and the name and date of appointment of statutory auditors of such subsidiaries does not arise. The Company's Policy relating to determination of Material Subsidiaries is available at the Company's website viz. www.salzergroup.net

COMPLIANCES:

- ❖ Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount - Nil
- ❖ Pursuant to the provisions of the Companies Act, 2013, the annual accounts for the period under review have been prepared as per the requirements of the said revised Schedule-III.
- ❖ All applicable accounting standards have been followed in the preparation of Annual Accounts and there are no material deviation;
- ❖ All such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of

ANNEXURE-1 (Contd.)

the Company as at 31st March, 2023 and of the Statement of Profit & Loss of the Company for the year ended on that date;

- ❖ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ The annual accounts have been prepared on a going concern basis ;
- ❖ The Company is having appropriate systems to ensure the compliance of all laws applicable to the Company;
- ❖ The Company is having appropriate system to ensure payment of statutory dues in time without any delay.
- ❖ Materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.
 - None of the transactions with any of the related parties was in conflict with the interests of the Company.
- ❖ Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.
 - No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.
- ❖ Material non-listed subsidiary companies as defined in Regulations 23 of SEBI (LODR) Regulations 2015 with Stock Exchanges:
 - None.

❖ **CONFIRMATION OF COMPLIANCE**

As required under the Listing Regulations 2015

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations 2015.

The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis'.

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.

❖ **Suspense Escrow Demat Account**

In terms of SEBI Circular dated May 25,2022, the Company opened a Suspense Escrow Demat Account with a Depository Participant and credited 100 shares of the shareholders who failed to demat the shares mentioned in the Letter of Confirmation issued by the Company against loss of share certificate within stipulated time

NON MANDATORY REQUIREMENTS

❖ **Chairman's Office**

During the year under review, the Company has not maintained any office for Non-Executive Chairman. However, the Company has been reimbursing the Travelling and other out-of pocket expenses incurred by the Non-Executive Chairman in the performance of Company's business.

❖ **Audit Qualifications**

There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2023.

❖ **Shareholders' Right**

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges, where the Company's Shares are listed www.bseindia.com & www.nseindia.com. The Quarterly / Half yearly and Annual Financial Results are also available in the Company's web-site : www.salzergroup.com. The Audited Annual Report is also sent to every shareholders of the Company.

❖ **Reminder to Investors**

Reminders for unclaimed shares, unpaid dividend are sent to shareholders as per records every year as the case may be.

❖ **BSE Corporate Compliance & Listing Centre ('Listing Centre') & NSE ('Connect2nse' & "digitalexchange.nseindia.com")**

BSE's "Listing Centre" and NSE's "Connect2nse" & "digitalexchange.nseindia.com" are web-based applications designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre of BSE and Connect2nse of NSE.

❖ **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the fiscal 2022-23 the company has not received any complaints.

ANNEXURE-1 (Contd.)

❖ Other Non Mandatory Requirements

The other Non mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (**NSDL**) and Central Depository Services (India) Limited (**CDSL**) vis-a-viz the issued and listed capital.

The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2022-23 have also been carried out by Mr.G.Vasudevan, Practicing Company Secretary of M/s.G.V. Associates, Coimbatore and accordingly his report is appended to Directors' Report. (See Annexure-5) and the same has been approved by the Board at its meeting held on 24th May, 2023.

Declaration

As provided under Reg.26(3) of SEBI (LODR) Regulations 2015, the Board Members and the members of Senior Management have confirmed compliance with the Code of Conduct.

For and on behalf of the Board

Place : Coimbatore
Date : May 24. 2023

N.RANGACHARY
CHAIRMAN
DIN : 00054437

CEO and CFO CERTIFICATION

We hereby certify

- that we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2023 and that to the best of my knowledge and belief,
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- that 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.
- that we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
- that we have informed the auditors and the audit committee that there are
 - Significant changes in internal control during the year, if any.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
 - No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

For and on behalf of the Board

Place: Coimbatore
Date : May 24. 2023

R. DORAISWAMY
MANAGING DIRECTOR
DIN : 00003131

D. RAJESHKUMAR
JOINT MANAGING DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN: 00003126

ANNEXURE-1 (Contd.)

**AUDITORS' CERTIFICATE ON COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To

The Shareholders
Salzer Electronics Ltd

1. We have examined the compliance of conditions of Corporate Governance by Salzer Electronics Ltd, for the year ended 31.03.2023 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').
2. 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.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investors' grievances are pending for a period exceeding one month, as on 31st March 2023 against the Company as per the records maintained by the Company.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In Terms Of Our Report Attached

Place: Coimbatore
Date : May 24. 2023

UDIN NO.: 23028346BGROT8625

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S**B. JAYARAM**
Partner
Memb.No. 028346

ANNEXURE-1 (Contd.)**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI****(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members,
Salzer Electronics Limited
Samichettipalayam, Jothipuram Post, Coimbatore - 641 047.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Salzer Electronics Limited (CIN: L03210TZ1985PLC001535) and having registered office at Samichettipalayam, Jothipuram Post, Coimbatore – 641047 (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 31 st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	DIN	Name of the Director	Designation	Date of Appointment in the Company as per MCA
1.	00003131	Doraiswamy Rangaswamy	Managing Director	08/01/1985
2.	00003106	Prafulchandra Kanthilal Shah	Independent Director	02/05/1986
3.	00003134	Nirmalkumar Motichand Chandria	Independent Director	17/12/1986
4.	00003152	Sankaran Baskarasubramanian	Wholetime Director	01/10/1994
5.	00003111	Narayanaswamy Jayabal	Independent Director	28/12/1995
6.	01043572	Perumalreddiar Ramachandran	Wholetime Director	26/09/1998
7.	00003126	Rajeshkumar Doraiswamy	Wholetime Director	22/12/2001
8.	00003141	Veeraraghavan Sankaran	Independent Director	28/08/2002
9.	00054437	Nambi Iyengar Rangachary	Independent Director	01/03/2014
10.	00006783	Thilagam Rajeshkumar	Non-Executive Director	30/03/2015
11.	00793090	Doraiswamy Vishnurangaswamy	Non-Executive Director	06/02/2020

Ensuring the eligibility of 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 G.V and Associates
Company Secretaries

Date : May 24. 2023
Place : Coimbatore

G. Vasudevan
FCS No.: 6699
CPNo.: 6522

ICSI UDIN : F006699E000367873

ANNEXURE-2

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

A. CONSERVATION OF ENERGY

Energy conservation is the effort made to reduce the consumption of energy by using less of an energy service. This can be achieved either by using energy more efficiently or by reducing the amount of service used. Energy conservation is an integral part of the concept of eco-sufficiency. Energy conservation reduces the need for energy services and can result in increased environmental performance, national security and higher savings. It also lowers energy costs by preventing future resource depletion.

In this Direction, your Company has been conscious to achieve optimal energy efficiency across the Units and aims to employ continuous measurement of energy consumption and review its operating procedures periodically.

The Company has installed windmills with a capacity of 1.25 MW. The Company also has a photo-voltaic solar power generating facility with an installed capacity of 500 KW. The Company uses electricity generated from renewable sources for captive power consumption.

B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT:

Research and Development (R&D) plays a critical role in the innovation process. It's essentially an investment in technology and future capabilities which is transformed into new products, processes, and services. R&D is essential to maintain the Competition edge. R&D would make the products to get transformed frequently in line with changing needs of the end users. Besides, new products with contemporary technologies and new features are being developed at R&D in-house in order to gain the market share.

As stated in the Directors' Report, the recognition of in-house R & D by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, (DSIR) New Delhi is continuously maintained since 2004 and the present renewal of the recognition is valid upto 31.03.2024.

1. Specific areas in which R&D was carried out the Company.

The R&D wing of the Company has been working to achieve the following objectives:

- Sustainability of the quality standards comparable to the international standards.
- Ensuring process development on continuous basis, to be cost effective and cost competitiveness.
- Enlarging the utilities of the product by continuous improvement in specifications, design, etc.,
- Ensuring technological upgradation and know-how for the products of the Company.
- Developing new products to increase market share & profitability.

2. Benefits derived as a result of the above R&D activities:

Major products developed by R&D and its significant benefits

1. Energy Saver products

Energy Saver Product is one of the key developments from our R&D which has considerable penetrations in the Market. Your Company has already installed these products in various parts of our Country, especially in Tamil Nadu and proved its capabilities

Benefits

- Guaranteed operating efficiency of 97% (higher than industry standards) with the use of highly efficient Toroidal transformers
- Dynamic Voltage reduction: provides stabilized voltage to the lamps
- Automatic On/Off based on Sunrise/Sunset or on programmed timings
- Wireless control and monitoring through sophisticated web-based software
- Automatic bypass in case of tripping with manual changeover in case of maintenance or emergency
- Reduces operational, maintenance and running cost
- Reliable and safe changeover with On-Load tap changing
- Completely remote programmable ON/OFF timings, alert and energy saving settings
- Instantaneous alerts for critical fault conditions to your mobile phone

ANNEXURE-2 (Contd.)

- Energy saving reports and lamp failure reports on daily, weekly and monthly basis for single, multiple or all devices
- Detection of Energy theft or leakage
- Maintains a high power factor of above 0.85
- Guaranteed operating life of 10 years: No moving parts ensuring long life
- Eco-friendly - First in India to adhere to RoHS compliance
- Reduces public inconvenience
- Lighting levels conforming to ISI Standards

2. Automated Meter Reading

Benefits.

- All consumer lines (Energy Meters) are connected with AMR modules
- All the AMR modules will communicate to a single IP, i.e. all the readings shall terminate at the central station
- Unpaid consumer accounts can be disconnected & re-connected from the central station itself
- Any tampering / fault occurrence of the meter can be found from the central station itself
Hardware can be retrofitted to existing static energy meters
- Real-time data configurable for a frequency as less than 15/30 minutes is available in the Control Station
- Low implementation costs & Low Maintenance / Operating Cost
- AMR System becomes inherently expandable, i.e. addition of a new service at any point in the power line becomes plug n play
- Real-time data available

3. Electric Vehicle charging station:

- Low current AC charging stations for Two wheeler & Three wheeler
- High current DC charging stations for Car, Trucks, Heavy vehicles.
- Compact & sleek design
- Easily configurable, authentication and monitoring system as per user requirements with respect to power, time & cost
- Bluetooth interface with user's mobile phone
- Safety features as per regulatory requirements

4. **Other Products** -Energy saving Fan regulator, Electric vehicle charging stations, Brushless DC motors, Air conditioner Energy Saver, Disconnect switch, Ceiling Mount movement sensor, Touch cum remote switch, GE Earth Terminal, Bimetallic Overload Relay, Different Type of Sensors, Contactors and Overloaded relays upto 105 A, Definite purpose Contactors, Motor protection circuit breakers, DC isolators for PV applications, Brushless DC Motors, Data cables, Tinned Copper Wires etc., are developed by your R&D and are in different stage of testing and approval which will give considerable benefits on its usage.

Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- The Company signed technical licensing agreement with Austria-based Trafomodern, Austria so to use former technology and design and assistance, to manufacture dry type air cooled transformers, Chokes and inductors in India. Dry type transformers is a highly specialised and technical product with applications in Medium & large UPS, renewable energy business, railways, power generation and the marine industry. Trafomodern is one of the leading manufacturers of dry type transformers in Europe.

The Company has setup state of the art manufacturing facility and commenced the production during the Third quarter in 2016-17. This product has well received both in domestic and international markets and has got good potentials which would in turn improve the growth and profitability of the company.

- The Company signed a Distribution Agreement with IPD Group Limited of Australia a Leading Electrical distributor/Wholesaler and manufacturer in Australia for marketing and selling of Salzer Branded Electrical products for Solar Photovoltaic Applications in Australia and Newzeland. This understanding with IPD opens to the Company a Large New Market for its internationally tested and approved products.
- Your Company has also undertaken the development of Contactors for C3 Controls, USA who is one of the reputed manufacturer and supplier of the electrical goods worldwide. This product has already established its foothold in the domestic and international markets.
- In 2021, Your Company has established Joint Venture with an Austrian Company - Kostad. Steuerungsbau GmbH, Austria-based company for sourcing its technologies for manufacturing DC Fast charging stations for electric vehicles

ANNEXURE-2 (Contd.)

- In 2021, Your Company has established another Joint Venture with EMarch LLP, a Indo-Austrian technology firm for sourcing its technologies for manufacturing electric conversion kits for auto-rickshaws, cars and buses for electric vehicles.

2. During the year under review the following expenditures were incurred with regard to R & D :

• Capital Expenditure as additions to Plant & Machineries, Tools, Dies etc.	₹ 688.63 Lakhs
• New Products and Process development	₹ 315.41 Lakhs
• Salary and other expenses for R & D personnel	₹ 313.90 Lakhs

4. Details of Imported Technology:

No.	Technology imported for	Year of Import	Status of absorption
1	Manufacturing CAM Operated Rotary Switches	1985	Fully absorbed
2	Manufacturing Toroidal Transformers	1995	Fully absorbed
3	Manufacturing Three phase dry type transformer	2016	Fully absorbed
4	Making DC Charging Stations for Electric Vehicles	2021	Under absorption
5	Making Conversion of kits for Auto Rickshaws etc	2021	Under absorption

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Foreign Exchange earned during the year	₹ 12,550.39 Lakhs
b) Foreign Exchange outgo	₹ 10,377.16 Lakhs

For and on behalf of the Board

Place : Coimbatore
Date : May 24, 2023

N.RANGACHARY
CHAIRMAN
DIN : 00054437

ANNEXURE-3

ANNUAL REPORT ON CSR ACTIVITIES

forming part of Board's Report For Financial Year ending March 31,2023

1. Brief outline on CSR Policy of the Company.

Social Responsibility is one of the many responsibilities of a Corporate to contribute something from its earnings for the development of the society without any anticipation. In order to ensure and streamline such social and economic development of the society at large especially the development of Rural and Semi urban Local Regional Areas in which the Company is operating, and also to ensure all citizens including corporates' participation along with the Government, corporate social activities is brought under the regulatory frame work under the relevant statute Companies Act, 2013. Accordingly, the regulatory

frame work stipulate 2% of the average net profit of the preceding three years should be spent by the Corporate under the CSR policy framed by the corporate concerned every year. The Corporates are expected to spend such amount for the social and economic upliftment of the society in and around the Corporate concerned and also society at large, in order to upliftment of literary level of the people by way of extending educational assistance, development of infrastructure facilities of the educational institutions, society in and around the Corporate, Health care programmes to the needy people, skill development through sponsorship of nationally recognised sports activities etc. .

2. THE COMPOSITION OF THE CSR COMMITTEE.

S. 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
a	Mr. N Rangachary	Chairman Independent Director	1	1
b	Mr. R Doraiswamy	Managing Director	1	1
c	Mr. D Rajesh Kumar	Joint Managing Director & Chief Financial Officer	1	1
d	Mr. N. Jayabal	Independent Director	1	1
e	Mr. S Baskarasubramanian	Secretary to the Committee	1	1

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

<https://www.salzergroup.net/investors.html>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable The Impact assessment of CSR Project will arise only when the Company's average CSR obligation exceeds ten crore rupees in the three immediately preceding financial years,

5. CSR Obligations for the Financial year

a.	Average net profit of the company as per sub-section (5) of section 135	₹ 2923.83 Lakhs
b.	Two percent of average net profit of the company as per section 135(5)	₹ 58.48 Lakhs
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
d.	Amount required to be set off for the financial year, if any	₹ 1.90 Lakhs
e.	Total CSR obligation for the financial year (7a+7b-7c).	₹ 56.60 Lakhs

6. CSR Obligations for the Financial year

c.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 58.22 Lakhs
a.	Amount spent in Administrative Overheads.	NIL
b.	Amount spent on Impact Assessment, if applicable.	NIL
d.	Total amount spent for the Financial Year [(a)+(b)+(c)].	
e.	CSR amount spent or unspent for the financial year:	₹ 58.22 Lakhs

ANNEXURE-3 (Contd.)

CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	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	Amount	Date of transfer	Amount	Date of transfer
₹ 58.22 Lakhs	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any

S. No	Particular	Amount ₹ in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5) (after setting off amount available from previous year)	56.60
(ii)	Total amount spent for the Financial Year	58.22
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.62
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.62

7. Details of Unspent CSR amount for the preceding three financial years: Not applicable

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

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

For and on behalf of the Board

N RANGACHARY
Chairman of CSR Committee
DIN :00054437

R DORAISWAMY
Managing Director
DIN :00003131

D. RAJESHKUMAR
Joint Managing Director &
Chief Financial Officer
DIN: 00003126

Date : May 24, 2023
Place : Coimbatore

ANNEXURE-4

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl. No.	Executive Director	Position	Ratio of Remuneration of the Director to the median Remuneration
1	Mr. R. Doraiswamy	Managing Director	27.21
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	27.94
3	Mr. P. Ramachandran	Whole Time Director	5.78
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	2.84
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Director	0.47
6	Mr. Vishnu Ranagaswamy	Non Executive and Non Independent Director	0.12
7	Mr. N. Rangachary	Independent Director	1.67
8	Mr. N. Jayabal	Independent Director	1.08
9	Mr. Nirmal Kumar M.Chandria	Independent Director	1.02
10	Mr. P.K. Shah	Independent Director	0.64
11	Mr. V. Sankaran	Independent Director	1.67

Note: Non Executive Directors and Independent Directors are entitled to receive only sitting fees

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl. No.	Executive Director	Position	Increase %
1	Mr. R. Doraiswamy	Managing Director	22.15 %
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	23.90 %
3	Mr. P. Ramachandran	Whole Time Director	6.54 %
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	-27.50 %
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Directors	6.67 %
6	Mr. Vishnu Ranagaswamy	Non Executive and Non Independent Directors	33.33 %
7	Mr. N. Rangachary	Independent Director	20.00 %
8	Mr. N. Jayabal	Independent Director	148.67 %
9	Mr. Nirmal Kumar M.Chandria	Independent Director	16.67 %
10	Mr. P.K. Shah	Independent Director	22.22 %
11	Mr. V. Sankaran	Independent Director	37.14 %

- (iii) The percentage increase in the median remuneration of employees in the financial year : **12 %**
- (iv) The number of permanent employees on the rolls of company as at March 31, 2023 - **646**
- (v) Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year is **16 %**
- (vi) The average increase granted to managerial personnel : **19 %**

ANNEXURE-4 (Contd.)

(vii) Affirmation that the remuneration is as per the remuneration policy of the Company

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

(viii) No employee of the Company is covered by the Rule 5(2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or with his family, shares of 2% or more in the Company and drawing remuneration in excess of the remuneration paid to Whole-Time Director and Managing Director.

(ix) Particulars of Top Ten employees in terms of remuneration drawn:

Sl. No.	Name (Age in years)	Designation	Remuneration (in Lakhs)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
1	R. Doraiswamy (Age : 80 years)	Managing Director	57.20	BE (Electrical Engineering)	08/01/1985 (38.4 Years)	Lakshmi Machine Works Limited
2	Rajeshkumar.D (Age : 52 years)	Joint Managing Director and Chief Financial Officer	55.95	B E (Electrical and Electronics Engineering) and MBA (USA)	05/02/1985 (27.3 Years)	-
3	Lakshminarayana.M (Age : 52 years)	Vice President (Operations)	19.86	B E (Electrical and Electronics Engineering)	21/09/1995 (27.8 Years)	-
4	Janardhan Ashadapu (Age : 45 years)	Senior Manager (R&D)	18.00	B E (Mechanical Engineering)	02/09/2019 (3.8 Years)	-
5	Sreenivasan G (Age : 55 years)	General Manager (Marketing Building Seg)	17.49	Diploma in Electronics and Communication Engineering	21/03/2005 (18.2 Years)	Electrex India Ltd
6	Shankar M Bhat (Age : 43 years)	Asst. General Manager (Design - 3Ph Transformer)	15.90	B E (Electrical and Electronics Engineering))	21/11/2016 (6.6 Years)	Tamura Elcomponics Pvt.Ltd
7	Ramachandran .P (Age : 75 years)	Whole Time Director	15.63	B A (Economics)	01/07/1988 (34.10 Years)	-
8	Prabhu .S (Age : 46 years)	Asst.General Manager- Operations - Transfromer	14.82	BE (Electronics and Communication Engineering)	02/01/2004 (19.4 Years)	Genius Electronics
9	Ramesh Babu.V (Age : 58 years)	General Manager-R&D-U3	14.55	DME	03/05/1996 (27 Years)	Ram Precision Products
10	R. Karunakaran (Age : 61 years)	General Manager (GST)	14.43	B Sc and Diploma (Material)	17/05/1989 (34.8 Years)	-

None of the above mentioned employees is a relative of Directors of the Company except for Mr. Doraiswamy.R and Mr. Rajeshkumar.D whose relationship is detailed in Corporate Governance Report.

For and on behalf of the Board

Date : May 24, 2023
Place : Coimbatore

N RANGACHARY
Chairman
DIN :00054437

ANNEXURE-5

SECRETARIAL AUDIT REPORT

To

The Members,
Salzer Electronics Limited,
Samichettipalayam,
Coimbatore 641047

Our Secretarial Audit Report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process 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 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 future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For G.V and Associates

Company Secretaries

G. Vasudevan

Partner

FCS No. :6699

CPNo. :6522

Date: May 24, 2023

Place: Coimbatore

ANNEXURE-5 (Contd.)

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
OF
SALZER ELECTRONICS LIMITED
For The Financial Year Ended March 31, 2023

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To

The Members,
 Salzer Electronics Limited,
 Samichettipalayam,
 Coimbatore - 641 047.

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Salzer Electronics Limited (CIN: L03210TZ1985PLC001535)**, a listed entity having its registered office at Samichettipalayam, Jothipuram post, Coimbatore - 641047 (hereinafter called 'the Company' or SEL). 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 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) 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 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the company during the Audit Period)**
 - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the company during the Audit Period)**
 - (g) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not Applicable to the company during the Audit Period)**

ANNEXURE-5 (Contd.)

- (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the company during the Audit Period)**
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the company during the Audit Period)**
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the company during the Audit Period)**

We have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2, 3 & 4 issued by The Institute of Company Secretaries of India.

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, Independent Directors and a Woman Director. 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 were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case maybe.

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

We further report that during the audit period,

- (i) The Company has allotted 2,00,000 Equity Shares of Rs. 10/- each (1,00,000 Equity Shares each) at at premium of Rs. 268.50 per share to the following entities in which Promoters are interested, pursuant to the conversion of warrants on 23.03.2023.
 - (a) M/S. KR Health Care Private Limited and
 - (b) M/S. SRVE Industries Limited

For G.V and Associates

Company Secretaries

G. Vasudevan

Partner

FCS No.:6699

CPNo.:6522

Date: May 24, 2023

Place: Coimbatore

ICSI UDIN: F006699C000442178

ANNEXURE-6

MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking statement -

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements 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 assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the IND AS Accounting standards. The Management of Salzer Electronics has used estimates and Judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Salzer" are to Salzer Electronics Limited and its subsidiaries and associates.

Global Economic Overview

Global growth is expected to decelerate sharply to 1.7 percent in 2023 the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis. This is 1.3 percentage points below previous forecasts, reflecting synchronous policy tightening aimed at containing very high inflation, worsening financial conditions, and continued disruptions from Russia's invasion of Ukraine. The United States, the euro area, and China are all undergoing a period of pronounced weakness, and the resulting spillovers are exacerbating other headwinds faced by emerging market and developing economies (EMDEs). The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults. Further negative shocks such as higher inflation, even tighter policy,

financial stress, deeper weakness in major economies, or rising geopolitical tensions could push the global economy into recession. In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs. Given limited policy space, it is critical that national policy makers ensure that any fiscal support is focused on vulnerable groups, that inflation expectations remain well anchored, and that financial systems continue to be resilient. Policies are also needed to support a major increase in EMDE investment, which can help reverse the slowdown in long-term growth exacerbated by the overlapping shocks of the pandemic, the invasion of Ukraine, and the rapid tightening of global monetary policy. This will require new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies.

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labor market conditions. Inflation remains high worldwide and well above central bank targets in almost all inflation targeting economies. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could be becoming more persistent. In response, central banks around the world have been tightening policy faster than previously expected. Monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDEs. Financial conditions have particularly worsened for less creditworthy EMDEs, especially if they are also energy importers.

Investment growth after the pandemic -

Investment growth in EMDEs is expected to remain below its average rate of the past two decades through the medium term. This subdued outlook follows a geographically widespread investment growth slowdown in the decade before the COVID-19 pandemic. During the past two decades, investment growth was associated with strong real output growth, robust real credit growth, terms of trade improvements, growth in capital inflows, and investment environment reform spurts. All of these factors have seen a declining trend since the 2007-09 global financial crisis. Weak investment growth is

ANNEXURE-6 (Contd.)

a concern because it dampens potential growth, is associated with weak trade, and makes achieving development and climate-related goals more difficult. Policies to boost investment growth need to be tailored to country circumstances but include comprehensive fiscal and structural reforms, including repurposing of expenditure on inefficient subsidies. Given EMDEs' limited fiscal space, the international community will need to significantly scale up international cooperation and official financing and grants as well as help leverage private sector financing for sufficient investment to materialize.

<https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content>

Indian Engineering & Electrical Sector

In FY21, India's heavy electrical equipment production stood at Rs. 168,949 crore (US\$ 21.15 billion). The electrical equipment market is forecasted to grow at 12% CAGR to reach US\$ 72 billion by 2025 from US\$ 48-50 billion in 2021. The electrical equipment export market is forecasted to reach US\$ 13 billion by 2025, from US\$ 8.62 billion in 2021.

Indian machine tool production and consumption were estimated at Rs. 6,602 crore (US\$ 879.38 million) and Rs. 12,036 crore (US\$ 1.6 billion), respectively, in FY21, while exports stood at Rs. 531 crore (US\$ 66.48 million).

The boiler industry's market size stood at US\$ 146 million in 2019 and is expected to grow at a CAGR of 6% to reach US\$ 194 million by 2025. Export of boilers stood at US\$ 106.53 million between April-November 2020, with around 72 million units exported.

The market size of high voltage switchgear (including panels) and low voltage switchgear (including panels) stood at Rs. 4,793 crore (US\$ 679.95 million).

In FY22, India exported engineering goods worth US\$ 111.63 billion, a 45.51% increase YoY. India exports engineering goods mostly to US and Europe, which account for over 60% of the total exports.

Global Switchgear Industry

The global switchgear market size will grow from \$78.4 billion in 2022 to \$85.37 billion in 2023 at a compound annual growth rate (CAGR) of 8.9%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple

countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The global switchgear market size is expected to grow to \$114.89 billion in 2027 at a CAGR of 7.7%.

The demand for electricity generation is projected to drive the switchgear market. The availability of electricity has become essential for economic development and poverty alleviation. Development of industrialization, urbanization requires continuous electricity supply, and the reliability of the electrical supply depends heavily on the performance of the switchgear. Therefore, the demand for electricity generation is driving the demand for switchgear in the forecast period. For instance, global demand for electricity rises at 2.1% per year to 2040 in the Specified Policies Scenario, double the rate of primary energy growth by 2040.

Unstable prices of raw materials are restraining the growth of the switchgear market. Price fluctuation is due to the availability of low-quality materials at cheaper prices. The use of low-quality products increases the risk of breakdown of insulation layers or short circuit conditions and other failures. Thereby inconsistent pricing in raw materials of the switchgear is expected to hinder the market growth. For instance, in May 2020, according to an article published by TTI, Inc., a US-based electronic company, the most expensive variable cost involved with the fabrication of passive electronic components is raw materials.

The last few years witnessed a rising demand for installation of electric substations to restore normal power supply as fast as possible in case of emergencies. The installation of mobile substations enables the restoration of electricity under outdoor conditions or in unforeseen circumstances and is functionally designed to provide temporary power supplies as soon as possible. Also, these mobile substations incorporate generator, transformer, metal-clad switchgear, outdoor load break switches and breakers, which are used for network extensions, and temporary switching stations. For instance, Siemens delivered two mobile substations for national grid SA, and Aktif group delivered 10 mobile substations to the ministry of electricity Iraq. Therefore, increasing the adoption of mobile substations is one of the latest trends that will positively impact the switchgear market.

In January 2020, Siemens Ltd., a Germany-based engineering and electronics company acquired C&S Electric Limited for Rs 2,100 crore (294.4 million). With this acquisition, Siemens aimed to cater to the demand for reliable and efficient power supply in India.

ANNEXURE-6 (Contd.)

C&S Electric Limited is an Indian-based switchgear and power equipment manufacturing company.

Major players in the switchgear market are Schneider Electric, Siemens AG, ABB, General Electric, Eaton Corporation, Hyosung, CG Power, Mitsubishi, Alstom SA, and Bharat Heavy Electricals Ltd.

<https://www.thebusinessresearchcompany.com/report/switchgear-global-market-report>

COVID-19 Impact on the Global Switchgear Market

The pandemic was a big disruptor that has created challenges and opportunities for the sector. The impact of Covid-19 has also highlighted the need for better risk management, greater preparedness and resilience. Switchgear manufacturers continued to face many supply chain constraints, especially in base metals (Copper, Aluminum, steel), plastics, semiconductors and transportation services.

Indian Switchgear Industry

The India switchgear market size reached US\$ 10 Million in 2022. Looking forward, IMARC Group expects the market to reach US\$ 16.5 Million by 2028, exhibiting a growth rate (CAGR) of 6.84% during 2023-2028. The growing demand for reliable and environment-friendly switchgear, increasing need for replacing old switchgears at sub-stations, and rising sales of generating renewable energy represent some of the key factors driving the market. At present, the rising demand for switchgears due to the rapid development in the power distribution sector represents one of the key factors supporting the growth of the market in India. Besides this, the growing implementation of the smart grid and smart

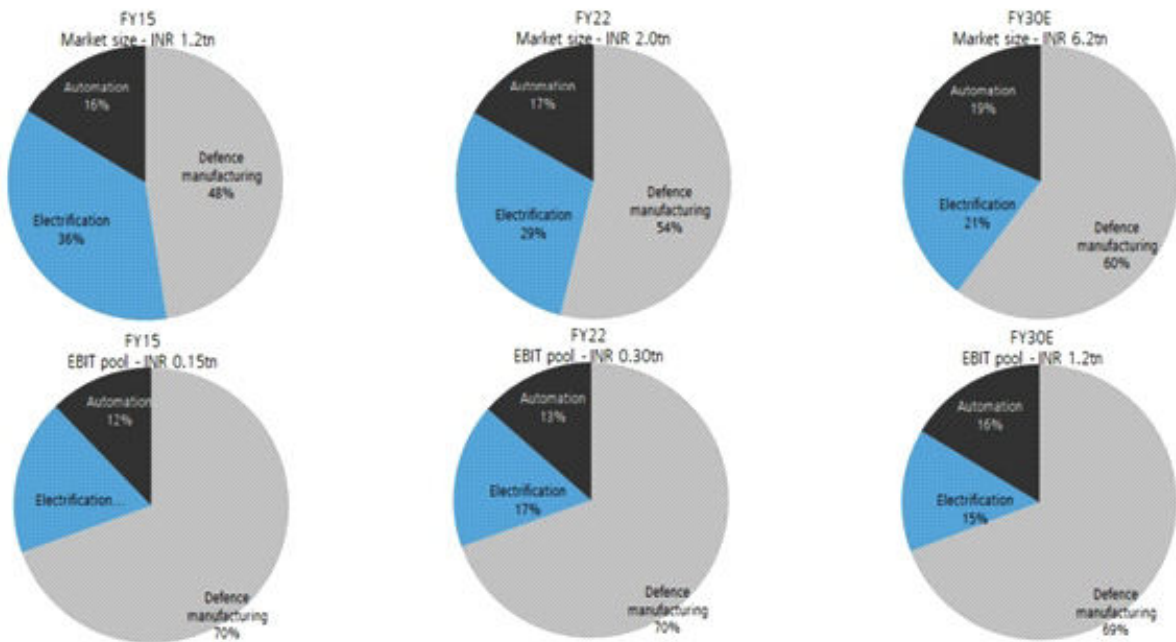
meters, along with the increasing demand for electricity among the masses, is offering a positive market outlook in the country. Additionally, there is a rise in the demand for reliable, flexible, and environment-friendly gas-insulated switchgears compared to air-insulated switchgears among the masses. This, coupled with the increasing utilization of switchgears, as they prevent electrical issues, such as overload and short circuits, is propelling the growth of the market in India. Apart from this, the rising awareness about utilizing renewable energy resources among individuals is offering lucrative growth opportunities to industry investors in the country. Moreover, the Government of India is encouraging the adoption of switchgears by rapidly investing in infrastructure development of the country. In addition, the rising concerns for reducing carbon footprint in the environment are contributing to the growth of the market. Besides this, the growing energy demand and replacement of old switchgears at sub-stations are positively influencing the market in the country. Furthermore, the rapid integration of smart monitoring and control units in power grid infrastructure is strengthening the market growth in India.

With economic and infrastructure development, India's generation and consumption of power and electricity is steadily rising. The nation's power sector is one of the most diversified in the world sources of power generation range from traditional sources like coal, lignite, natural gas, oil, hydro and nuclear power to renewable non-conventional sources such as wind, solar, agricultural and domestic waste. Switchgears are applicable across all types of production and delivery of electricity to end users.

Source: <https://www.imarcgroup.com/india-switchgear-market>

ANNEXURE-6 (Contd.)

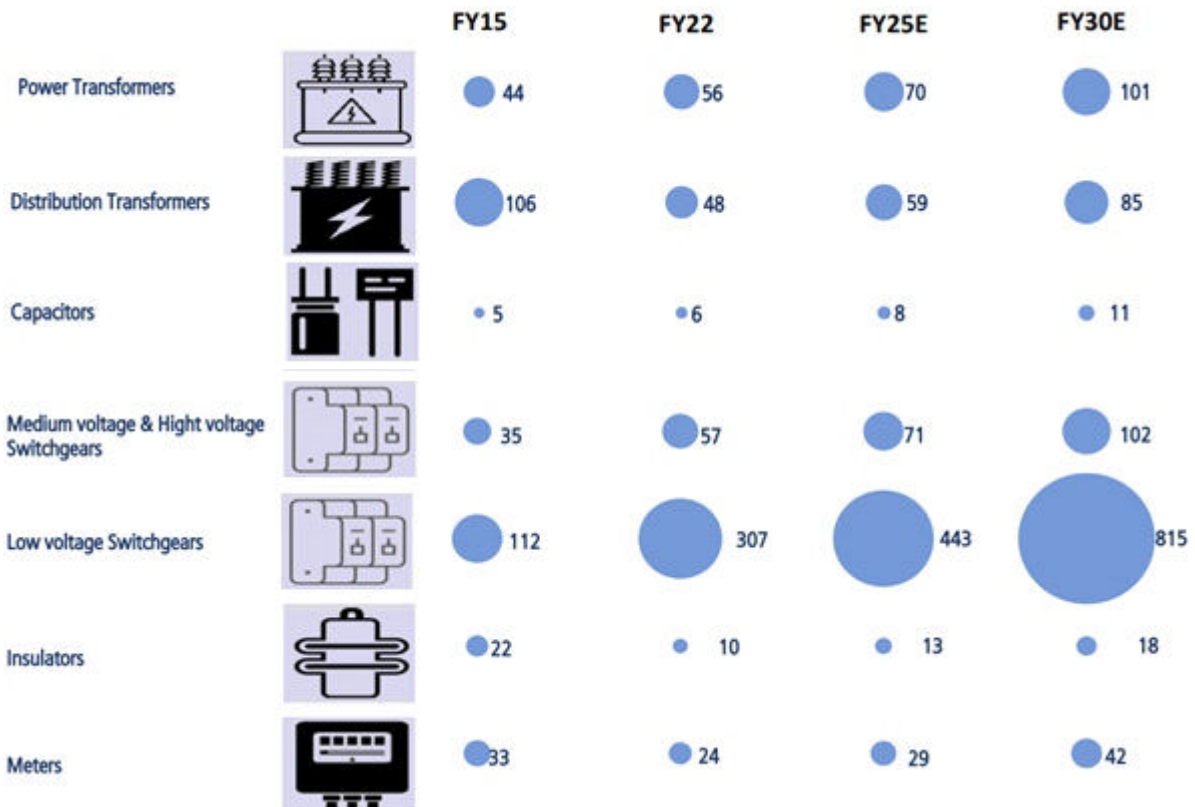
Revenue opportunity size for defence, electrification and automation could grow by around 2.9x by FY30E, while the profit pool, driven by revenue growth and operating leverage, may grow by around 3.6x over the same period



Source: Capitaline, CMIE, Saverisk, Ministry of Defence, UBS estimates

LV electrification, motors/drives and process automation could lead growth for the electrification and automation segments over the next 6 to 8 years

Market sizing Electrification & Automation (INR bn)



Source: Capitaline, CMIE, Saverisk, Ministry of Defence, UBS estimates

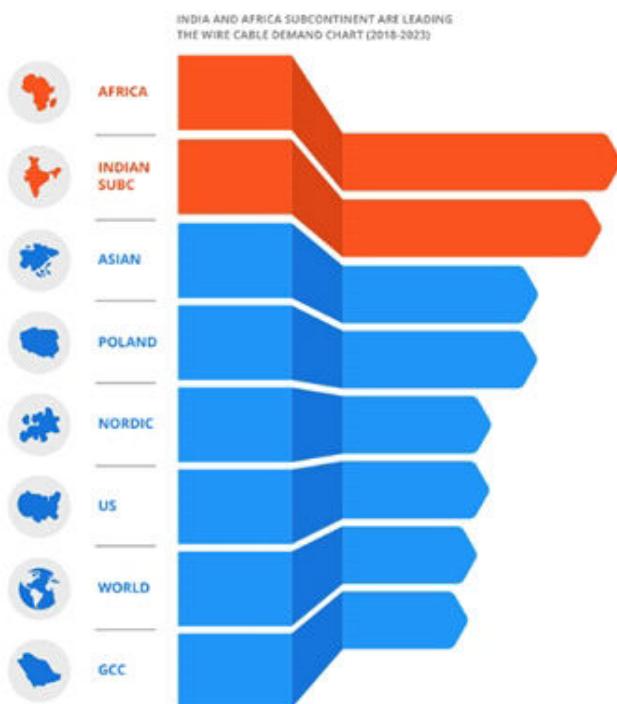
ANNEXURE-6 (Contd.)

Global Wires & Cables Industry

The global wires and cables market size was estimated at USD 202.05 billion in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 4.2% from 2023 to 2030. Rising urbanization and growing infrastructure worldwide are some of the major factors driving the market. The said factors have impacted the power and energy demand in commercial, industrial, and residential sectors. Increased investments in smart upgrading the power transmission and distribution systems and development of smart grids are anticipated to drive the market's growth. Implementation of smart grid technology has met the increasing need for grid interconnections, thus resulting in rising investments in the new underground and submarine cables.

Source: <https://www.grandviewresearch.com/industry-analysis/wire-and-cable-market-analysis-market>

Growth of the Wire and Cable Industry Global and Indian Context



Wire and Cable Industry in India Industry 4.0 and the Widening Scope

The last two to three decades are probably the fastest infrastructure growing years of India, and so it is for the Wire & Cable industry. The rapid urbanization and industrial development have contributed to the exponential growth of the electrical cable industry in the country. According to

a study the global wire and cable market is growing at a CAGR of 6.45%. It predicts that the global market size of this industry is expected to reach USD 332.65 bn by 2026 from USD 201.76 bn in 2018.

The Indian wire and cable market is growing at an even faster pace. With a whopping CAGR 15% growth rate, the rising Indian market reflects the rapid developments in the power and infrastructure sector. And it's not going to slow down any time soon. With the advent of industrial revolution 4.0, global investors are eying the potential Indian market specific to the high-voltage (HV) and extra-high-voltage (EHV) cables product line.

The boom in the telecom sector and the central government-led PLI schemes are another reason behind the upscaling in the manufacturing of commercial-grade electrical equipment and high-intensity cables. The wires and cable sector is a significant 40% of the electrical industry in India and will benefit from the development in the power generation, distribution, and industrial equipment sector.

A few days prior to the presentation of the Union Budget, the Cabinet approved a Rs 12,195 crore PLI scheme for the telecom sector including localized production of core transmission equipment as well as access and customer premise products, routers and switches. The government aims to draw large overseas investments to help domestic companies seize the emerging opportunities and become dominant players in the export market.

The wires and cables sector is a direct beneficiary of development of power generation and distribution infrastructure, as the market comprises nearly 40 per cent of the electrical industry in India. According to a CRISIL report, in volume terms, the domestic wires and cables industry registered a CAGR of 22 per cent CAGR over the last five fiscals to reach about 17 million km in FY 2018-19. The report expects the industry to reach a volume of about 27 million km by FY 2023-24 with a CAGR of 10 per cent.

Source: <https://www.glostercable.com/blog/widening-the-scope-of-wire-and-cable-industry-in-india.html>

<https://engmag.in/wire-and-cable-industry-to-register-significant-growth-in-next-five-years/>

ABOUT SALZER ELECTRONICS LIMITED

Salzer Electronics Limited is among leading players offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business in India. The Company is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India, with a market share of 25% & 20% respectively. The Company caters to a wide range of products with five In-house manufacturing facilities located in Coimbatore.

The Company has a wide distribution network locally

ANNEXURE-6 (Contd.)

and globally, exporting to more than 50 countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

FINANCIAL OVERVIEW

The standalone financial performance of the Company for the financial year ended March 31st, 2023, is as follows:

Total revenue from operations at Rs. 1013.08 crore for the year ended March 31st, 2023, as against Rs. 783.63 crore for the corresponding previous period, an increase of 29.28%, mainly driven by strong demand for almost all products, on the back of better market conditions both in India and global markets. The Contribution from Export Sales was 25.57%, mainly on account of higher sales in North and South America and increased sales to SEZ/EQU's.

The Breakup of revenue for the Electrical Installation Products:

- Industrial Switchgear 54.33% of net revenues
- Wires & Cables 38.44% of net revenues, YoY increase of 15.0%
- Buildings Products 7.23% of net revenues

The raw materials consumed for the financial year ended March 31st, 2023 were Rs. 798.63 crore as against Rs. 621.79 crore for the corresponding previous period, an increase of 28.44%.

The staff expenses for the financial year ended March 31st, 2023 were Rs. 35.15 crore as against Rs. 29.40 crore for the corresponding previous period, an increase of 19.55%.

The other expenses for the financial year ended March 31st, 2023 were Rs. 88.16 crore as against Rs. 68.66 crore for the corresponding previous period, an increase of 28.40%.

The EBIDTA (earnings before interest, depreciation, and tax) was Rs. 91.14 crore for the year ended March 31st, 2023, as against Rs. 63.78 crore for the corresponding previous period, an increase of 42.89%

The depreciation for the financial year ended March 31st, 2023 was Rs. 16.11 crore, as against Rs. 16.01 crore for the corresponding previous period, an increase of 0.67%.

The EBIT (earnings before interest and tax) were Rs. 76.40 crore for the year ended March 31st, 2023, as against Rs. 49.95 crore for the corresponding previous period, an increase of 52.9%

The interest for the financial year ended March 31st, 2023 was Rs. 26.06 crore as against Rs. 19.81 crore for the corresponding previous period, increase of 31.6%

The profit after tax for the financial year ended March 31st, 2023 was at Rs. 36.36 crore as against Rs. 22.48 crores for the corresponding previous period, an increase of 61.74%.

The EPS (Earning per Share) for the financial year ended March 31st, 2023 was Rs. 22.74 for a face value of Rs 10 per share, as against Rs. 14.07 for the corresponding previous period.

The consolidated Revenue for FY23 was Rs. 1037.09 crore with EBITDA of Rs. 95.90 crores and PAT of Rs. 39.60 crores.

RESOURCES AND LIQUIDITY

As on March 31st, 2023, the total net worth stood at Rs. 402.89 crore and total debt was at Rs. 272.55 crore.

The net debt to equity ratio of the Company stood at 0.65 as on March 31st, 2023.

BUSINESS PERFORMANCE

Salzer primarily operates in four divisions, viz. Industrial Switchgears, Copper Business, Building division and Energy Savers.

Industrial Switchgear

This business division occupies the first place in contribution to the total business of the Company. This division includes transformers, terminal blocks, rotary switches, isolators, general purpose relays, wiring ducts, MPCBs, contactors, control panels, and overload relays etc. The products are mainly targeted for the Original Equipment Manufacturers (OEMs) like Engineering Conglomerates Larsen & Toubro Limited etc., Panel Builders, special Machine Manufacturers etc. The Company commenced its operation in 1985 with this division which now has both domestic and export markets considerably. These products have all the necessary international certifications like UL (Underwriters Laboratories Inc), CSA (Canadian Standards Association), Intertek Semko certification and CE (Conformite Europeane). During the year, this division posted revenue of Rs. 550.40 cr against Rs. 393.50 cr in FY23 and contributed 54.33% to the top-line.

ANNEXURE-6 (Contd.)

Copper business

The copper division comes second in contribution to the business. In this division, Larsen and Toubro plays a major role in the off take. This vertical commenced some 17 years back and focusing more on domestic market. After few years of flat performance, the division witnessed robust recovery and during the year, the division reported business revenue of Rs. 389.50 cr as against Rs. 338.58 cr in FY22 with year on year rise of 15.0%.

The copper division includes wires and cables, flexible bus bars, enameled wires, bunched conductors and tinned wires.

Building Division

Salzer has a wide range of products under this division including modular switches, wires and cables, changeovers and MCBs. Modular Switches drives this division in a major way.

Some of the features are:

The Breakup of revenue for the Electrical Installation Products:

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Energy Savers

The energy saving division is a new business vertical and expects to further boost growth by focusing on the manufacturing and installation of energy saving and efficient products like street light controllers and energy saving panels.

Developments in Businesses during the Year:

- Set up a new manufacturing rented facility with 8 acres of land strategically located in Hosur, Tamil Nadu
 - ✓ First phase of commercial production expected to commence in March 2023 where the Company will use 15,000 sq. ft of land and balance in the second phase

- ✓ Plant to manufacture high demand products like Wire Harnesses and Toroidal Transformers in the first phase

- ✓ Initial investment cost of Rs. 15 Cr through internal accruals

- Salzer received patents for 'Integral Cam Operated Rotary Switches' and 'Motor Protection Circuit Breaker' (MPCB) with increased air gap

RISKS AND CONCERNS

The Company faces the following Risks and Concerns:

Commodity risk

A part of the business is substantially dependent on copper. Factors that could affect the copper business include rising copper prices. However, this increase in prices is passed on to the customer, and as the Company operates on a monthly average pricing mechanism, it does not expect to be significantly affected by this risk.

Competition Risk

This risk arising from more players wanting to be a part of this business. Like in most other industries, opportunity brings with itself competition. In each individual business division the Company faces different kinds of competition risk from both domestic manufacturers and bigger international companies. However, Salzer's strong reputation, its brand goodwill and ability to customize orders as per its customers has differentiated the Company from its competition. Over the years, the Company has expanded its presence geographically and added more customers. It also offers total and customized electrical solutions to its customers. As a result, the Company has achieved a 'Preferred Supplier' status with GE and Schneider who source their products from Salzer on a global basis. The Company also has a substantial advantage over others due to the superior quality of infrastructure, customer-centric approach and highly innovative approach. Thus, the Company does not expect to be significantly affected by this risk.

Regulatory Risk

If the Company is unable to obtain the required certifications and approvals for existing and new products, growth will be affected. However, the Company has all the necessary international certifications for existing products. Moreover, with the previous experience of obtaining the necessary

ANNEXURE-6 (Contd.)

certifications for new products, the Company does not expect this risk to affect it in the coming years.

Execution risk

The Company is planning to expand its product range as well as add technologically-advanced new products. The execution of the project is dependent on land purchase and project management skills. However, land acquisition is not a concern as the Company has a sufficient land-bank to increase capacity and support the addition of new products.

Concerns like unprecedented natural calamities, political/ social turmoil may remain. However, these threats are faced by the whole industry. With improved and efficient processes in place, the Company is well-positioned for sustainable growth.

Forex risk

Given the volatile global economy and fluctuations in the foreign exchange market, the Company does face forex risk. In order to mitigate this, hedging tools have been adopted to arrest the negative impact. Importantly, Salzer has a natural hedge having both import and export at appropriate value and as the result, any volatility in the forex market does not have a significant material impact on the business.

OPPORTUNITIES

Ongoing investments across commercial and residential sector will complement the industry statistics - Rising space constraints along with ongoing investments in R&D sector for the enhancement of smart and compact control equipment will further complement the industry scenario. Continuous investments across commercial and residential establishments including public and private apartments, offices, and restaurants will further fuel the product demand. Moreover, ease-of-operation, longer product life cycle and enhanced equipment safety are the essential features which will accelerate the product adoption.

Growing inclination toward energy efficient systems will complement the industry outlook Increasing demand for safe & reliable systems coupled with the increasing demand for HVDC systems across the T&D network will complement the demand DC switchgears. Expansion of extra high-tension transmission networks to cater to the growing energy demand across the manufacturing and industrial sector will further stimulate the product demand. In addition, rising fund allocation toward solar and offshore wind farms across

developed and developing countries will further complement the switchgear market growth.

Ageing Equipment in many countries - The installed base of switchgear in many countries either has exceeded or is nearing their recommended operational life. Such conditions provide good prospects for the replacement market. There are possibilities for switchgears to explode if at all they fail, causing potential damages to other equipment, facility and environment. This may involve liabilities such as compensation, environmental cleanup and legal action. Presently the nature of the load has changed to a large extent, mainly due to growth of electronic equipment that is being used. Therefore, in order to ensure high power quality, improved efficiency and to meet the load demand the existing aged switchgear should be replaced the new ones.

Increase in Electricity Generation - The world electricity capacity is expected to grow over a period of time. There has been a trend of increasing re-location of industrial activity from developed economies to emerging economies such as China, India, Eastern Europe and Latin America. Such a trend arises because of two reasons. Firstly, the low-cost advantage that the companies can derive out of shifting some of their operations in these countries. Secondly there has been a growing domestic demand in these emerging economies for increased industrial and commercial production. To meet the growing demand for more power, countries will require increased investments in electricity infrastructure. Such growth in the installed capacity would require additional infrastructure investments in switchgears. Additionally, the upgradation of transmission and distribution infrastructure to meet the federal and state level energy efficiency mandate is likely to boost the demand for switchgears. The impact of this driver is expected to be medium in the short term and high in the medium and long term over a period of time.

THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Raw Material Cost

HUMAN RESOURCES

The company has proper human resource and industry relations policies, which are reviewed periodically. The human resource team conducts various training sessions for employee development on an ongoing basis. These development programs are aimed at augmenting employee potential and

ANNEXURE-6 (Contd.)

represent an integral part of the overall business goals. Besides, employees profile represents a well balanced mix of experience and youth.

As on March 31st, 2023, the Company had a workforce of 646 people on rolls.

Way Ahead

Engineering sector is of strategic importance to the economy as the sector directly or indirectly influences core infrastructure development within India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed a remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

The demand for Infrastructure growing year on year as populations grow and urbanization increases, there is a growing demand for infrastructure projects such as roads, bridges, and buildings, government's focus on smart cities development is also expected to spur demand for electrical products that go into construction etc. and Salzer expects to capitalize on these opportunities. Besides, the Company also focuses on having technical tie-ups with globally renowned players to develop technically

advanced products for its customers. With a greater emphasis on sustainability, there is an increasing demand for renewable energy sources such as solar, wind, and hydro power which leads to open new growth opportunities and demand for switchgear, transformers, wires and cables.

On Electric Vehicle front, growing demand for low emission commuting and governments supporting long range, zero emission vehicles through subsidies & tax rebates have compelled the manufacturers to provide electric vehicles around the world. This has led to a growing demand for electric vehicles in the market. Countries around the world have set up targets for emission reductions according to their own capacity

Increasing investments by governments across the globe to develop EV charging stations and Hydrogen fueling stations along with incentives offered to buyers will create opportunities for OEMs to expand their revenue stream and geographical presence. The EV sector across Asia Pacific is projected to experience steady growth owing to the high demand for lower cost efficient and low- emission vehicles, while the North American and European market are fast growing markets due to the government initiatives and growing high-performance Passenger vehicle segment. However, relatively less number of EV charging stations and hydrogen fuel stations, higher costs involved in initial investments, and performance constraints could hamper the growth of global electric vehicle market, this is where Salzer Electronics entered into two joint ventures to explore and penetrate this sector.

Source: UBS India Industrial & Infrastructure - Initiation of coverage

<https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content>

<https://www.ibef.org/industry/engineering-india>

<https://www.marketsandmarkets.com/Market-Reports/electric-vehicle-market-209371461.html>

STANDALONE INDEPENDENT AUDITOR'S REPORT

Report on the Standalone Ind AS Financial Statements

To
The Members of Salzer Electronics Limited

Opinion

We have audited accompanying standalone Ind AS financial statements of Salzer Electronics Limited ("the Company"), which comprise of the balance sheet as at March 31, 2023, the statement of Profit and Loss (Including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, including a summary of significant accounting policies, notes to the financial statements, 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 Ind AS financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone Ind AS

financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 independent requirement that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of this revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, this revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. It is observed that transaction price charged is ex works price and revenue is booked at the time of dispatch of the goods. The above method followed by the Company is in line with the provisions of Ind AS 115-'Revenue from contracts with customers' <p>Conclusion:</p> <p>We agree with the management's evaluation.</p>
2.	<p>Accuracy of revenues and onerous obligations in respect of fixed price contracts.</p>	<p>Principal Audit Procedures</p> <p>In the process of verifying the accuracy of recognition of revenues of fixed price contracts, we have undertaken the following audit approach</p> <ul style="list-style-type: none"> Understood, evaluated and tested the key controls over the recognition of revenue from fixed price

STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
		<p>contracts. We selected a sample of transactions and</p> <ul style="list-style-type: none"> • Agreed the applied tariff to the respective terms in the contract. • Tested revenue calculations and agreed the revenue recognized to the underlying accounting records. <p>Conclusion: We agree with the management's evaluation.</p>
3.	<p>Assessment of carrying value of investments</p> <p>The Company has invested in listed equity instruments. We consider this a key audit matter given the relative significance of the value of investments.</p>	<p>Our procedures in relation to assessing the carrying value of investments include the following observations.</p> <ul style="list-style-type: none"> • The equity investments are carried at fair value as on 31st March, 2023. • Due to market fluctuation, there has been significant value reduction in the equity investments. • The Company has also invested in equity oriented mutual funds, and the same has also been recognized at fair market value as on 31st March, 2023. <p>Conclusion: We agree with the management's evaluation</p>
4.	<p>Impairment assessment of carrying value of Investment in Kaycee Industries limited</p> <p>The Company's investment in Kaycee Industries Limited, a subsidiary of the Company, aggregates to Rs. 1,636.47 Lakhs as at March 31,2023.</p> <p>KCL is engaged in the business of manufacture and sale of Industrial Switchgears. The carrying value of investment is greater than the net worth of the subsidiary as at March 31, 2023 which is an indicator of potential impairment of this investment and accordingly an impairment assessment has been performed by the Management.</p> <p>This is a key audit matter as the investment is significant to the financial statements and Management judgement is required in certain key areas such as discount and growth rates in estimating future cash flows prepared by the Company (the Model) along with the Management's valuer to support the carrying value of its investment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and testing the operating effectiveness of key controls in relation to the impairment testing Model. • Assessing the Model and evaluating the independence, competence, capabilities and objectivity of the management's valuer • Assessing the historical accuracy of the Company's forecasts by comparing the forecasts used in the prior year models with the actual performance in the current year. • Testing the mathematical accuracy of the underlying calculations and agreeing the forecasts for the ensuing year with the latest Board approved budgets. • Evaluating, along with the auditor's experts, the key assumptions such as discount rate and growth rate used in the Model. • Performing sensitivity tests on the Model for a range of certain assumptions, such as discount rate and growth rate. • Evaluating adequacy of the disclosures made in the financial statements. <p>Based on the procedure performed , we did not identify any material exceptions in the impairment assessment carried out by the management in respect of the carrying value of its investment Kaycee Industries Limited.</p> <p>Conclusion: We agree with the management's evaluation</p>

STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
5.	<p>Assessment of carrying value of goodwill as per Ind AS 36 (Refer Note 1 (vii) to the Standalone financial Statements)</p> <p>The Company has a goodwill balance of Rs 190.72 Lakhs as at March 31, 2023 relating to the acquisition of business, which is considered as a Cash Generating Unit (CGU). For the year ended March 31, 2023, the company performed an assessment of the carrying value of goodwill as required under Ind AS 36 by:</p> <ul style="list-style-type: none"> • Calculating the recoverable amount for CGU using a discounted cash flow model (DCF model). • Comparing the recoverable amount of the respective carrying amount of assets and liabilities. The preparation of discounted cash flows requires assumptions for projections of cash flows for a specific period, typically for 5 years. A terminal growth rate is applied in determining the terminal value. • We considered the carrying value of goodwill as a key audit matter, considering its significance to the consolidated financial statements, and where applicable, the Management judgement involved in estimating future cash flows, particularly with respect to factors such as discount rates, cash flow projections and terminal growth rates 	<p>Our audit procedures in relation to assessment of carrying value of goodwill arising on consolidation of subsidiary company, included the following:</p> <ul style="list-style-type: none"> • Understood and performed procedures to assess the design and test the operating effectiveness of relevant controls related to the annual evaluation on assessment of carrying value of goodwill. • Together with auditor's valuation experts, evaluated the assumptions and methodologies used in the DCF models, in particular those relating to the cash flow projections used, discount rates and terminal growth rates applied, by: <ul style="list-style-type: none"> a. Evaluating the reasonableness of the cash flow projections by comparing with the approved budgets, previous year performance and our knowledge and understanding of current business conditions. b. Determining a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data, and comparing this range to the discount rates and terminal growth rates adopted by the Company. c. Performing sensitivity tests on the DCF Model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range. d. Tested the arithmetical accuracy of the calculations carried out by the Management. <p>Based on above procedures performed, we found the management's assessment of carrying value of goodwill to be reasonable.</p>
6.	<p>Allowance for credit losses</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Note No: 46 to the Standalone Ind AS financial statements</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p> <p>Conclusion:</p> <p>We agree with the management's evaluation</p>

STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's report including Annexures to Boards Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the standalone Ind AS financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or other information obtained during the course of our audit or otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the standalone Ind AS financial statements is included in Annexure "A". This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our Audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in

STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

"Annexure C". 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 Refer Note 31.1 to Standalone Financial Statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 19 to Standalone Financial Statements
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (a) The Management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Company or any of such subsidiaries ("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 their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (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 misstatements

- iv. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- (b) 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "C" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24,2023

UDIN NO.: 23028346BGRPPI8938

B. JAYARAM
Partner

Memb.No. 028346

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT RESPONSIBILITIES FOR AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism through- out the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24,2023

B. JAYARAM
Partner

UDIN NO.: 23028346BGRPPI8938 Memb.No. 028346

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON STANDALONE IND AS FINANCIAL STATEMENTS OF M/s. SALZER ELECTRONICS LIMITED

(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31st, 2023)

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and

ANNEXUR "B" (Contd.)

the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company as at the Balance sheet date

- d. (a) The Company has not revalued any of its property, Plant and Equipment (including Right of Use Assets).
- (b) The Company has revalued its Intangible asset, being the goodwill during the year based on the valuation done by the Registered Valuer and the changes in the net carrying value is more than 10% of the net carrying value of the Intangible assets
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company
- (iii) During the year the company has made investments in subsidiaries and joint ventures.
- (a) During the year the company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in: arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Sl. No.	Asst Year	Nature of Dues	Amount	Forum where the dispute is pending
1	-	Customs / Excise Duty Under Central Excise Act	₹ 85,68,000 (out of which ₹ 12,00,000 was paid under protest)	CESTAT
2	2017/18	Disputed Liability Against 143(3) order under Income Tax Act.	₹ 91,64,051 (out of which ₹ 15,00,000 was Deposited)	Commissioner of Income Tax (Appeal)

ANNEXUR "B" (Contd.)

Sl. No.	Asst Year	Nature of Dues	Amount	Forum where the dispute is pending
3	2019/20	Disputed Liability Against 143(1) order under Income Tax Act.	₹ 7,93,290	Commissioner of Income Tax (Appeal)
4	2021/22	Disputed Liability Against 143(1) order under Income Tax Act.	₹ 10,08,900	Commissioner of Income Tax (Appeal)
5	2020/21	Disputed Liability Against 143(3) order under Income Tax Act.	₹ 1,62,04,021 *	Commissioner of Income Tax (Appeal)
6	2018/19	Disputed Liability Against 143(3) order under Income Tax Act.	₹ 27,68,010 *	Commissioner of Income Tax (Appeal)
7	-	Appeal against order u/s 263	-	ITAT Chennai
8	2016-17	Disputed liability against order u/s 143(3) (out of total demand of Rs 1,98,69,529/- Company Has paid Rs. 1,24,91,329/-)	₹ 99,91,268	Ordered in favour of the Company by ITAT. Department has gone on appel before Chennai High Court.

* Refund due from the Income Tax Department

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act) and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has complied with the Provisions of Section 42 and 62 of the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 in respect of preferential issue of convertible share warrants to the bodies corporate forming part of the Promoters Group during the years. The funds raised out of preferential issue have been utilized for the purpose for the which the funds were raised. The Company has not issued any debentures during the year
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

ANNEXUR "B" (Contd.) & "C"

- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- (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 of the Company issued till date for the period under audit
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (vii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (viii) There has been no resignation of the statutory auditors of the Company during the year
- (ix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,

which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

- (xx) Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining the books of accounts using accounting software which has a features of recording audit trail (edit log) facility is applicable with effect from April 01, 2023 to the Company and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
- (xxi) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
(b) The Company does not have any ongoing projects as at the end of the previous financial year

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24, 2023

B. JAYARAM
Partner

UDIN NO.: 23028346BGRPPI8938 Memb.No. 028346

ANNEXURE "C" - TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended on 31st March, 2023).

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

ANNEXUR "B" (Contd.) and "C"

We have audited the internal financial controls over financial reporting of SALZER ELECTRONICS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 is sufficient and appropriate to provide a basis for my /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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls 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, 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 March 31, 2023, 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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24, 2023

B. JAYARAM
Partner

UDIN NO.: 23028346BGRPPI8938

Memb.No. 028346

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
1 Non-current Assets			
(a) Property, Plant and equipment	2	22,692.82	21,057.23
(b) Capital Work in progress	3	63.10	77.70
(c) Investment Property	4	0.77	0.77
(d) Intangible Assets	5	358.73	386.37
(e) Financial Assets			
i. Investments	6	1,762.55	1,745.47
ii. Trade Receivables	7	934.66	1,162.73
iii. Others	8	592.06	1,183.25
(f) Other Non-Current Assets	9	493.95	501.52
Total Non-Current Assets (1)		26,898.64	26,115.04
2 Current Assets			
(a) Inventories	10	27,005.03	22,370.11
(b) Financial Assets			
i. Investments	11	422.80	310.06
ii. Trade Receivables	12	27,562.66	20,851.87
iii. Cash and Cash Equivalents	13	603.08	128.22
iv. Other Bank balances	14	661.96	675.60
v. Loans	15	1,020.63	1,058.05
vi. Others	16	42.70	34.82
(c) Other Current Assets	17	3,415.81	2,634.95
Total Current Assets (2)		60,734.67	48,063.68
TOTAL ASSETS (1+2)		87,633.31	74,178.72
II. EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	18	1,618.27	1,598.27
(b) Other Equity	19	38,671.12	33,548.24
Total Equity (1)		40,289.39	35,146.51
2 LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	20	778.06	1,240.68
(b) Provisions	21	16.19	-
(c) Deferred tax liabilities (net)	22	2,223.53	1,960.56
Total Non-current Liabilities (2)		3,017.78	3,201.24
(2) Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	23	26,477.32	23,540.29
ii. Trade Payables	24		
a. Due to Micro Small & Medium Enterprises		223.43	251.44
b. Due to Others		10,734.11	7,125.11
iii. Others	25	484.18	485.89
(b) Other Current Liabilities	26	6,187.23	4,258.71
(c) Provisions	27	219.87	169.53
(d) Current Tax Liabilities (Net)	28	-	-
Total current Liabilities (3)		44,326.14	35,830.97
TOTAL EQUITY AND LIABILITIES (1+2+3)		87,633.31	74,178.72

Significant accounting Policies - Note : 1. The accompanying Notes are an integral part of the financial statements.

N. RANGACHARY

Chairman
(DIN :00054437)

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

Coimbatore – 47
May 24, 2023

R. DORAISWAMY

Managing Director
(DIN :00003131)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

In terms of our report attached

For: **JDS ASSOCIATES**

Chartered Accountants

FRN: 008735S

B. JAYARAM

Partner
Memb.No. 028346

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I. INCOME			
Revenue From Operations	29	1,01,316.68	78,363.30
Other Income	30	137.26	217.88
Total Income		1,01,453.94	78,581.18
II EXPENSES			
Cost of materials consumed	31	81,827.82	63,764.67
Changes in inventories of finished goods and work-in-progress	32	-1,964.41	-1,585.42
Employee benefit expenses	33	3,514.73	2,939.99
Finance Cost	34	2,605.69	1,980.54
Depreciation and amortisation expenses	35	1,611.38	1,600.59
Other expenses	36	8,824.47	6,865.90
TOTAL EXPENSES		96,419.68	75,566.27
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		5,034.26	3,014.91
Exceptional items		-	-
IV PROFIT BEFORE TAX		5,034.26	3,014.91
Tax Expense	37	1,398.07	766.77
V PROFIT AFTER TAX		3,636.19	2,248.14
VI OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		-27.73	14.68
b. Change in fair value of FVOCI equity instruments		6.44	18.99
c. Income Tax expenses on above		5.36	-8.48
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-15.93	25.19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,620.26	2,273.33
EARNINGS PER SHARE	38		
- Basic after exceptional items		22.74	14.07
- Diluted after exceptional items		20.58	14.07

Significant accounting Policies - Note :1

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

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Memb.No. 028346

Coimbatore – 47
May 24, 2023

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) after tax		3,636.19		2,248.14
Adjustments for:				
Tax expenses	1,398.07		766.77	
Depreciation and Amortisation	1,611.38		1,600.59	
Interest Income	-40.81		-34.79	
Finance Costs	2,605.69		1,980.54	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-		-67.27	
Dividend Income	-27.48		20.98	
Profit on Sale of Investments	-38.97		-43.52	
(Profit)/Loss on Sale of Assets (Net)	-0.25		-1.50	
Fair Valuation of Investments	-6.42		-18.99	
Impairment on Good will	44.49		-	
Other Non-operating Income	-27.16		-32.63	
Other Comprehensive Income	27.73	5,546.27	-14.68	4,155.50
Operating Profit before working capital changes		9,182.46		6,403.64
Adjusted for working capital changes				
Inventories	-4,634.93		-4,632.58	
Trade and Other receivables	-6,642.85		-2,316.69	
Trade and Other Payables	3,580.99		1,492.96	
Other Liabilities	1,955.45	-5,741.34	-1,445.07	-6,901.38
Cash Generated from Operations		3,441.12		-497.74
Direct Taxes Paid		-1,135.09		-902.80
Net Cash Flow from Operating Activities		2,306.03		-1,400.54
B. CASH FLOW FROM INVESTING ACTIVITIES				
Investments in Fixed Assets (Net)	-3,263.84		-1,993.53	
Increase / Decrease in Capital Work in Progress	14.60		56.93	
Non-operating Income	27.16		32.63	
Profit / (Loss) on Sale of Investments	38.97		43.52	
Investment in Mutual Funds and Equities (Net)	-112.74		61.11	
Proceeds from Sale of Fixed Assets	23.30		27.60	
Profit/(Loss) on Sale of Assets	0.25		1.50	
Investment in Subsidiary / Associate	-39.75		-	
Other Non- Current Investments	-		-18.99	
Dividend Income	27.48		-20.98	
Interest Income	40.81	-3,243.75	34.79	-1,775.42
Net Cash Used in Investing Activities		-3,243.75		-1,775.42
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings	2,937.03		5,212.41	
Money Received against share warrants	1,253.32		-	
Increase in Share capital	20.00		-	
Increase in Share Premium	537.00		-	
Long term Borrowings - Receipts	-462.62		-	
Repayment of Non Current Liabilities	7.58		-386.00	
Interest and Finance Charges	-2,605.69		-1,980.54	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-		83.99	
Dividend and Dividend Tax Paid	-287.68	1,398.94	-	2,929.86
Net Cash Generated from Financing Activities		1,398.94		2,929.86
Net Increase in Cash and Cash Equivalents (A+B+C)		461.22		-246.10
Cash and Bank balances at the Beginning of the Year		803.82		1,049.92
Cash and Bank balances at the End of the Year		1,265.04		803.82

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (Ind As) 7- Statement of Cash Flows.

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B. JAYARAM

Partner
Memb.No. 028346

In terms of our report attached

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Coimbatore – 47
May 24, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A) EQUITY SHARE CAPITAL		As at 31-03-2023	As at 31-03-2022
Particulars			
Balance as at 31st March, 2022		1,598.27	1,598.27
Changes in equity share capital during the year		20.00	-
Balance as at 31st March, 2023		1,618.27	1,598.27

B) OTHER EQUITY	Particulars	Reserve and Surplus					Total Equity		
		Share application money pending allotment	Money Received Against Share Warrants	Capital Reserve	Securities Premium Reserve	General Reserve		Retained Earnings	Other Items of Other Comprehensive Income
	Balance as at 31/03/2022	-	-	80.67	12,630.14	2,058.46	18,615.05	163.92	33,548.24
	Profit for the year ended 31/03/2023	-	-	-	-	-	3,636.19	-	3,636.19
	- Other Comprehensive income:	-	-	-	-	-	-	-15.94	-15.94
	Transfer to other reserves (if any)	-	-	-	-	50.00	-50.00	-	-
	Appropriations (if any)	-	-	-	-	-	-	-	-
	Options exercised, pending allotment of shares	-	1,253.32	-	-	-	-	-	1,253.32
	Premium against the allotment of shares	-	-	-	537.00	-	-	-	537.00
	Dividend paid	-	-	-	-	-	-287.69	-	-287.69
	Balance as at 31/03/2023	-	1,253.32	80.67	13,167.14	2,108.46	21,913.53	148.00	38,671.12

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

N. RANGACHARY
Chairman
(DIN : 00054437)

R. DORAISWAMY
Managing Director
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For: **JDS ASSOCIATES**
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Coimbatore – 47
May 24, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A) EQUITY SHARE CAPITAL		As at 31-03-2022	As at 31-03-2021
Particulars			
Balance as at 31st March, 2021		1,598.27	1,598.27
Changes in equity share capital during the year		-	-
Balance as at 31st March, 2022		1,598.27	1,598.27

B) OTHER EQUITY	Particulars	Reserve and Surplus					Total Equity		
		Share application money pending allotment	Capital Reserve	Securities Premium Reserve	General Reserve	Employee Stock option outstanding		Retained Earnings	Other Items of Other Comprehensive Income
	Balance as at 31/03/2021	-	80.67	12,630.14	2,008.46	-	16,672.38	138.75	31,530.38
	Profit for the year ended 31/03/2022	-	-	-	-	-	2,248.14	-	2,248.14
	- Other Comprehensive income:	-	-	-	-	-	-	25.19	25.19
	Transfer to other reserves (if any)	-	-	-	50.00	-	-50.00	-	-
	Appropriations (if any)	-	-	-	-	-	0.25	-	0.25
	Options exercised, pending allotment of shares	-	-	-	-	-	-	-	-
	Premium against the allotment of shares	-	-	-	-	-	-	-	-
	Dividend paid	-	-	-	-	-	-255.72	-	-255.72
	Balance as at 31/03/2022	-	80.67	12,630.14	2,058.46	-	18,615.05	163.94	33,548.24

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

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Coimbatore – 47
May 24, 2023

STANDALONE NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Significant Accounting Policies

Note No. 1

i. Corporate Information:

SalzerElectronics Limited, incorporated in January 1985, for manufacture of Electrical Installation Products and Components viz., CAM Operated Rotary switches, Selector Switches, Wiring Ducts, Voltmeter Switches, copper wires and cables and allied products addressing customers in the electrical equipment, power, medical equipment, automotive as well as renewable and uninterrupted power system spaces, in a single and unified segment. The company is listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

ii. General Information and Statement of Compliance with Ind AS:

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on May 24, 2023

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared and presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as on the exchange date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the

asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these

Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

v. Current versus non-current classification

The entity presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current, when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

(c) Forward Contract

Premium/ Discount in respect of Forward Contract are amortized as expense/income over the period of contract. Exchange differences arising on forward contracts between the exchange rate on the date of transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit and Loss.

vii. Property, Plant and Equipment:

Property, plant and equipment are stated at cost net of historical Indirect Taxes, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognised as expense or income in the Statement of Profit and Loss. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

Class of Assets	Useful Lives
Buildings	30 Years
Plant and Machinery	15 Years
Windmill	22 Years
Electrical Machinery solar	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

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

ix. Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

x. Intangible assets and amortization:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Internally Generated Intangible assets	3 Years

xi. Research and Development Expenditure:

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as Property, plant and equipment or Intangible Asset and depreciated in accordance with the policies stated above.

xii. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

xiii. Inventories:

Inventories are carried at the lower of cost and net realizable value.

Cost includes all applicable costs incurred in bringing the properties to their present location and condition.

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

Cost of raw materials including consumables and stores & spares are determined on FIFO (First In First Out) Basis.

Cost of work-in-progress is valued at cost of materials and labor together with relevant factory overheads. The cost of work-in progress is determined on the basis of weighted average method.

The finished goods are valued at cost inclusive of excise duty (or) net realizable value whichever is less.

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

xiv. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved

both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiary is accounted for at cost as per Ind AS 27.

2. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when

the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

method.

xv. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xvi. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xvii. Revenue Recognition:

a. Revenue from sale of goods and services:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer, which is mainly upon delivery, the amount of revenue can be measured reliably and the recovery of consideration is probable. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax (GST) and value added tax, as applicable.

Export Benefits are recognized as revenue when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Revenue from services is recognised in the periods in which the services are rendered.

b. Revenue from Projects

Revenue from fixed Price Contracts, where the performance obligation is satisfied over the period of time and where there is no un-certainty as to measurement or collectability of consideration is recognized as per the percentage of completion method in accordance with the IND AS 115. Under the percentage of completion method, revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The amount recognised is net of goods and service tax (GST), service tax and other amounts collected from the customer in the capacity of an agent, as applicable. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Contract costs include the estimated material costs, installation costs and other directly attributable costs of the project.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion.

The estimates for contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

c. Dividend:

Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors

b. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

e. Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the company and are recognized when the right to receive the income is established as per the terms of the contract.

xviii. Leases:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized

on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

xix. Employee benefits

1. Short Term and other long term employee benefits:

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

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

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

2. Post-Employment Benefits

a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

xx. Share Based Payments Arrangements

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of the equity settled share based payment transactions are set out in the Note No.40.

xxi. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

xxii. Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranty:

Provision for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligations which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidents.

xxiii. Contingent liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

xxiv. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

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

xxv. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. 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.

b. Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xxvi. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xxvii. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the

segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The Company is primarily engaged in manufacturing of wide range of electrical installation products including devices for energy efficiencies services which all fall under One segment by name Electrical Installation Products for any reporting requirements.

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Revenue recognition, contract costs:

The Company uses the percentage of completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred to the estimated total

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

c) Provision and contingent liability:

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

d) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

e) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

f) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

g) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

h) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following IND AS which are effective from April 1, 2023.

i) Definition of Accounting estimates Amendments to IND AS 8

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply changes in accounting policies and changes in accounting estimates that occur on or after the start of the period.

The amendments are not expected to have a material impact on the Company's financial statements.

ii) Disclosure of Accounting Policies Amendments to IND AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

iii) Deferred Tax related to Assets and Liabilities arising from single transaction Amendments to Ind AS 12

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Building	Plant & Equipment	Furniture & Fixtures	Electrical Machinery Solar	Vehicles	Windmill	Total
Deemed Cost								
As at March 31, 2022	2,973.36	3,674.31	20,761.44	623.10	293.04	109.83	132.88	28,567.96
Additions during the year	-	102.33	2,904.84	194.45	0.90	-	12.74	3,215.26
Disposal during the year	-	-	2.16	-	-	-	-	2.16
As at March 31, 2023	2,973.36	3,776.64	23,664.12	817.55	293.94	109.83	145.62	31,781.06
Accumulated Depreciation								
As at March 31, 2022	-	589.58	6,425.42	305.91	84.53	58.68	46.61	7,510.73
Depreciation charged during the year	-	127.05	1,347.05	69.28	16.08	11.72	8.49	1,579.67
Disposals during the year	-	-	2.16	-	-	-	-	2.16
As at March 31, 2023	-	716.63	7,770.31	375.19	100.61	70.40	55.10	9,088.24
Net Carrying amount								
As at March 31, 2022	2,973.36	3,084.73	14,336.02	317.19	208.51	51.15	86.27	21,057.23
As at March 31, 2023	2,973.36	3,060.01	15,893.81	442.36	193.33	39.43	90.52	22,692.82

Details of properties pledged as security - Refer Note No. 20

The Title Deeds of the Immovable Properties not held in the name of the Company : NIL

Note No. 3 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	63.10	77.70
Total	63.10	77.70

Capital-Work-in Progress (CWIP) as on 31.03.2023

(₹ in Lakhs)

CWIP	AMOUNT IN C.W.I.P AS ON 31.03.2023				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	63.10	-	-	-	63.10
Previous Year	77.70	-	-	-	77.70
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) as on 31.03.2022

(₹ in Lakhs)

CWIP	AMOUNT IN C.W.I.P AS ON 31.03.2022				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	77.70	-	-	-	77.70
Previous Year	134.63	-	-	-	134.63
Projects temporarily suspended	-	-	-	-	-

Note No. 4 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold Land	0.77	0.77
Total	0.77	0.77

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 5 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Software		
Opening Balance	151.16	174.46
Add: Additions during the year	48.56	18.56
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	31.71	41.86
Closing Balance	168.01	151.16
Goodwill		
Opening Balance	235.21	235.21
Add: Additions during the year	-	-
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	44.49	-
Closing Balance	190.72	235.21
Total	358.73	386.37

Note No. 6 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	No.	Amount	No.	Amount
TRADE INVESTMENTS				
I Quoted				
(i) Quoted equity shares, fully paid up.				
Bank of India. (Equity Shares of ₹ 10/- each) (31.03.2023 - Rs.74.85 31.03.2022 -Rs.45.85,)	2300	1.72	2300	1.06
(ii) Quoted equity shares in subsidiary (Valued at cost)				
Kaycee Industries Ltd. (Equity Shares of ₹ 10/- each)	46,877	1,636.47	47,546	1,659.82
Total (i)	49,177	1,638.19	49,846	1,660.88
II Un Quoted (Valued at cost)				
(i) Unquoted equity shares, fully paid up				
Salzer Technologies Ltd. (Equity Shares of ₹ 10/- each)	83,250	8.33	83,250	8.33
Salzer Spinners Ltd, (Equity Shares of ₹ 3/- each)	18,65,500	55.97*	18,65,500	55.97*
Jayachandar Windfarm Pvt Ltd, (Equity Shares of ₹ 10/- each)	8,210	0.82	7,960	0.79
(ii) UnQuoted equity shares, in Associate (value at cost)				
Salzer Kostad EV Charges P Ltd, (Equity Shares of ₹ 10/- each)	2,45,000	24.50	5,000	0.50
(iii) UnQuoted equity shares, in Wholly Owned Subsidiary (value at cost)				
Salzer EV Infra Pvt Ltd (Equity Shares of ₹ 10/- each)	3,47,499	34.74	18,999	19.00
Total (ii)	25,49,459	124.36	19,80,709	84.59
GRAND TOTAL	25,98,636	1,762.55	20,30,555	1,745.47

* Valued at ₹ 3 Per Equity Shares

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
	Amount	Amount
Aggregate value of quoted investments	1,638.19	1,660.88
Market value of quoted investments	3,045.68	1,759.26
Aggregate value of unquoted investments	124.36	84.59

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	934.66	1,162.73
Doubtful	-	-
Sub Total	934.66	1,162.73
Less: Allowance for expected credit losses	-	-
Total	934.66	1,162.73

Refer Note No. 12 for Ageing Schedule

Note No. 8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets at amortized cost		
Security Deposits	173.28	188.19
Unbilled Revenue*	418.78	995.06
Total	592.06	1,183.25

* Unbilled revenue represents revenue from projects in respect of performance obligations completed in accordance with IndAS 115 but customers are yet to be billed pending receipt of certification from independent agency.

Note No. 9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance for capital expenses	493.95	501.52
Total	493.95	501.52

Note No. 10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Material (including goods in transit)	11,058.65	8,333.58
Packing Materials	227.33	210.06
Trading Materials	165.71	237.55
Work in progress	11,656.86	9,161.70
Finished Goods	3,896.48	4,427.22
Total	27,005.03	22,370.11

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 11 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Amount	No.	Amount
INVESTMENTS				
Measured at Fair value through Other Comprehensive Income				
In Mutual Funds, quoted				
Aditya Birla Frontline Equity Fund Growth	7,807	26.40	5,128	17.30
Aditya Birla Sun Life Flexi Cap Fund - Growth	2,071	22.55	1,524	17.31
Aditya Birla Sun Life Flexi Cap Fund -Idcw Payout	13,541	15.59	13,541	17.29
Canara Rebeco Equity Hybrid Fund	3,009	7.33	3,009	7.32
Canara Robeco Capital Protection Oriented Fund	-	-	1,00,000	13.01
Hdfc Top 100 Fund Growth	3,238	23.86	1,977	13.72
Hdfc Top 100 Fund Regular Plan Growth -Lump Sum	549	4.05	550	3.81
ICICI Prudential Discovery Fund Growth	4,907	13.43	4,907	12.44
ICICI Prudential Flexicap Fund - Growth	1,84,782	20.58	75,925	8.07
ICICI Prudential Midcap Fund - Growth	12,655	19.93	5,093	8.07
IDFC Sterling Fund Growth	12,819	11.70	4,719	4.17
IDFC Sterling Fund Growth - Regular Plan - Lump Sum	3,569	3.26	3,569	3.15
IDFC Sterling Value Fund - Idcw Regular Plan	71,464	21.31	71,464	21.71
Kotak Emerging Equity Fund Regular Plan Growth	6,949	5.16	6,949	4.96
Kotak Emerging Equity Fund Regular Plan Growth - System Trans	20,598	15.30	4,208	3.00
Kotak Flexicap Fund - Idcw - Regular Plan-Lump Sum	4,712	2.50	2,128	0.67
Kotak Flexicap Fund - Idcw - Regular Plan-Lump Sum	2,128	0.68	4,712	2.45
Kotak Flexicap Fund - Idcw - Regular Plan-Sysm	61,710	19.76	61,710	19.37
Kotak Flexicap Fund Regular Growth-Sysm Transactions	38,844	20.59	27,330	14.20
Nippon India Large Cap Fund	87,373	16.69	87,373	17.08
Nippon India Large Cap Fund Growth	39,432	21.29	27,860	14.12
Nippon India Multi Cap Fund - Growth	13,842	22.55	9,216	13.95
Pgim India Flexi Cap Fund Regular Plan Growth	79,167	19.48	30,409	7.82
State Bank Of India Mutual Fund	61,288	35.75	61,288	34.13
State Bank Of India Flexicap Fund - Regular Plan Growth	26,746	19.73	10,583	8.06
State Bank Of India Magnum Midcap Fund Growth	10,669	15.23	8,134	11.09
Sundaram Mid Cap Fund Regular Growth	2,535	18.09	1,694	11.79
Nippon India ETF Liquid Bees	1	0.01	-	-
Total		422.80		310.06

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Amount	No.	Amount
Aggregate value of quoted investments		422.80		310.06
Market value of quoted investments		422.80		310.06

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	27,686.09	20,951.22
Doubtful	-	-
Sub Total	27,686.09	20,951.22
Less: Allowance for expected credit losses (Refer Note No. 45)	123.43	99.35
Total	27,562.66	20,851.87

Trade Receivables ageing schedule for the year ended as on 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables- considered good	26,304.46	774.20	887.67*	443.19	92.57	28,502.09
Undisputed trade receivables- considered doubtful	-	-	3.84	-	-	3.84
Disputed trade receivables- considered good	0.58	2.30	13.46	0.22	23.09	39.65
Disputed trade receivables- considered doubtful	-	-	-	-	75.17	75.17
TOTAL	26,305.04	776.50	904.97	443.41	190.83	28,620.75

* Amount due from the Corporations and Municipalities, pending certifications from the Agencies.

Trade Receivables ageing schedule for the year ended as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables- considered good	19,967.99	952.82	624.44	463.12	-	22,008.37
Undisputed trade receivables- considered doubtful	-	11.01	-	-	-	11.01
Disputed trade receivables- considered good	-	19.40	-	-	-	19.40
Disputed trade receivables- considered doubtful	-	-	-	75.17	-	75.17
TOTAL	19,967.99	983.23	624.44	538.29	-	22,113.95

Note No. 13 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	255.09	114.78
Deposits(with original maturity of 3 months or less)	337.06	5.00
Cash on hand	10.93	8.44
Total	603.08	128.22

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 14 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
Earmarked Balances		
- In Unpaid Dividend Accounts	21.57	23.28
- In Margin money and Bank Guarantee	431.99	423.72
Others		
- Deposit (with original maturity of more than 3 months)	208.40	228.60
Total	661.96	675.60

Note No. 15 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans and Advances to related parties (Refer Note No. 48)	-	92.85
Loans and Advances to employees	188.74	209.36
Loans-Others	831.89	755.84
Total	1,020.63	1,058.05

Note No. 16 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets at amortized cost		
Security Deposits	-	-
Windmill Income receivable	0.20	0.93
Energy Saver Deposit Receivable	42.50	33.89
Total	42.70	34.82

Note No. 17 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) Advances other than capital advances		
Advances to Suppliers	837.27	674.56
(b) Others		
Prepaid expenses	102.08	59.27
Balances with statutory/government authorities	1,911.72	1,184.27
Other Receivables - Statutory	564.74	716.85
Total	3,415.81	2,634.95

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 18 EQUITY SHARE CAPITAL
Authorized Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
1,90,00,000 equity shares of ₹ 10/- each	1,90,00,000	1900.00	1,90,00,000	1900.00
10,00,000 non-cumulative convertible preference shares of ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
Total	2,00,00,000	2000.00	2,00,00,000	2000.00
Issued and Subscribed Capital				
Equity Share Capital	1,61,82,737	1618.27	1,59,82,737	1598.27
Total	1,61,82,737	1618.27	1,59,82,737	1598.27

a. Reconciliation of shares outstanding at the beginning and at the end of the period

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the period	1,59,82,737	1,598.27	1,59,82,737	1,598.27
Add: Shares issued during the period	2,00,000	20.00		
Less: Shares bought Back	-	-	-	-
Outstanding at the end of the period	1,61,82,737	1,618.27	1,59,82,737	1,598.27

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,598.27	-	-	20.00	1,618.27

b. Terms/ Rights attached to the Equity Shares

- Only Equity Shares of Rs. 10/- are outstanding and each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees and
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders
- There are no restrictions attached to equity shares except 2,00,000 shares allotted to the Promoters upon conversion of warrants during the year which have been subjected to lock-in in accordance with SEBI (Issue of Capital and Disclosures Requirements) Regulation 2018

c. Shareholders holding more than 5% shares

Particulars	Class of Shares	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	%	No. of Shares	%
HMG Globetrotter	Equity	7,20,000	4.45%	8,92,935	5.59%
Saradha Investments Limited	Equity	8,01,472	4.95%	8,01,472	5.01%
SRVE Industries Limited	Equity	8,21,733	5.08%	7,21,733	4.52%

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

d) Shares held by Promoters at the end of the year 31-03-2023

Particulars	Class of Shares	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	1.97%	3,19,139	2.00%	-0.02%
D. RAJESH KUMAR	Equity	2,62,420	1.62%	2,62,420	1.64%	-0.02%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.00%	4,86,044	3.04%	-0.04%
VISHNU RANGASWAMY	Equity	7,83,289	4.84%	7,83,289	4.90%	-0.06%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	25,800	0.16%	-
SARADHA INVESTMENTS LTD	Equity	8,01,472	4.95%	8,01,472	5.01%	-0.06%
SRVE INDUSTRIES LIMITED	Equity	8,21,733	5.08%	7,21,733	4.52%	0.56%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.37%	7,06,847	4.42%	-0.05%
K R HEALTH CARE PRIVATE LTD	Equity	5,04,987	3.12%	4,04,987	2.53%	0.59%
SALZER EXPORTS LTD	Equity	3,84,761	2.38%	3,84,761	2.41%	-0.03%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.66%	1,07,007	0.67%	-0.01%
SALZER MAGNET WIRES LTD	Equity	1,05,254	0.65%	1,05,254	0.66%	-0.01%
TOTAL		53,68,675	33.18%	51,68,675	32.34%	0.84%

Shares held by Promoters at the end of the year 31-03-2022

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	2.00%	3,13,528	1.96%	0.04%
D. RAJESH KUMAR	Equity	2,62,420	1.64%	2,50,966	1.57%	0.07%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.04%	4,57,255	2.86%	0.18%
VISHNU RANGASWAMY	Equity	7,83,289	4.90%	7,54,500	4.72%	0.18%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	13,300	0.08%	0.08%
SARADHA INVESTMENTS LTD	Equity	8,01,472	5.01%	7,48,968	4.69%	0.33%
SRVE INDUSTRIES LIMITED	Equity	7,21,733	4.52%	6,37,966	3.99%	0.52%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.42%	6,54,842	4.10%	0.33%
K R HEALTH CARE PRIVATE LTD	Equity	4,04,987	2.53%	3,52,783	2.21%	0.33%
SALZER EXPORTS LTD	Equity	3,84,761	2.41%	3,45,725	2.16%	0.24%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,07,007	0.67%	-
SALZER MAGNET WIRES LTD	Equity	1,05,254	0.66%	10,30,000	6.44%	-5.79
TOTAL		51,68,675	32.34%	57,26,762	35.83%	-3.49%

e) Information regarding issue of shares in the last five years

- Details of Shares issued without payment being received in cash.
In pursuance of Business Transfer Agreement dated March 08,2018, the Company issued 10,30,000 Shares of Rs.10/- each credited as fully paid-up at an issue price of Rs.197 per share for a total value of Rs.20.29 Crs on March 16,2018 to Salzer Magnet Wires Limited as a consideration for acquisition of its whole of its business undertaking
- On December 07,2022, The Company allotted 17,00,000 shares warrants convertible into equity over the period of 18 months on preferential basis to the Promoters' bodies corporate at an issue price of Rs.278.50 per share. During the year, 2,00,000 warrants have been converted into equity shares
- The Company has not issued any Bonus Shares or undertaken any buy back of Shares

f) Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2023.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 19 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Money received against share warrants	1,253.32	-
Capital Reserve	80.67	80.67
Securities Premium	13,167.14	12,630.14
General Reserve	2,108.46	2,058.46
Retained Earnings	21,913.55	18,615.05
Other Comprehensive Income	147.98	163.92
Total	38,671.12	33,548.24

Note No. 20 BORROWINGS (NON-CURRENT)

(₹ in Lakhs)

Particulars	Effective Interest Rate	As at March 31, 2023	As at March 31, 2022
Term Loans			
Secured			
a. From Banks			
i) HDFC Bank	6.2(9.85-3.65)	75.00	255.00
ii) Union Bank of India	9.20	703.06	985.68
Total		778.06	1,240.68

Notes

* Security : Assets purchased under the Term Loans, Extension of the equitable mortgage of Land and Building of the Company (Unit III) and guaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 5 EMIs of ₹15,00,000.00

** Building, Plant and Machinery Term Loan

Secured by the First Charge on Land and Building, Plant and Machinery of Unit IV and Gunaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 29 EMIs of ₹ 23,55,128.00 and 1 EMI of ₹ 20,07,752.00

Note No. 21 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability towards LIC Group Gratuity Scheme	16.19	-
Provision for Premium payable	-	-
Total	16.19	-

Note No. 22 DEFERRED TAX LIABILITES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
- On Fixed Assets	2,892.49	2,634.90
- On Revenue Recognition	20.79	20.79
- On Employee Benefit Expenses	39.28	32.29
Less: Deferred tax Asset		
- On Employee Benefit Expenses	37.86	37.86
- On Fixed Assets	660.80	660.80
- On Revenue Recognition	30.37	28.76
Total	2,223.53	1,960.56

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 23 BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2023	As at March 31, 2022
Secured			
a. Secured Loan from Banks			
i) Canara Bank			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-I	8.35	2,017.29	1,741.91
ii. HDFC Bank			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	8.30	2,515.30	802.34
Pre-shipment Loan: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	S+1.70	5,619.82	5,140.47
Post-shipment Loan: Secured by: Hypothecation of Inventories of Unit-II		-	657.57
iii. HDFC Bank			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-III	8.30	928.94	848.96
iv) Union Bank of India			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.05	5,049.27	4,753.41
Letter of Credit : Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	7.60	1,391.86	1,319.43
vi) ICICI Bank			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	-	-	-
vii) IDFC Bank			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.95	1,300.89	2,604.74
Letter of Credit : Secured by: Hypothecation of Inventories and Book Debts of Unit-V	7.60	233.95	1,603.95
WCDL: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.85	4,723.00	1,614.42
Sub Total		23,780.32	21,087.20
(B) Unsecured Loan From Banks			
Loans repayable on demand HDFC	8.27	750.00	750.00
Loans repayable on demand Loan from ICICI	7.20	-	1,703.09
Loans repayable on demand Loan from Axis Bank	8.10	1,947.00	-
Sub Total		2,697.00	2,453.09
Total	Sub Total	26,477.32	23,540.29

Note No. 24 TRADE PAYABLS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Current	Current
Trade payable - Micro and small enterprises *	223.43	251.44
Trade payable - Other than Micro and small enterprises	10,734.11	7,125.11
Total	10,957.54	7,376.55

* Dues were less than 45 days

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Trade Payable Ageing schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	223.43*	-	-	-	223.43
Others	10,734.11	-	-	-	10,734.11
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
TOTAL	10,957.54	-	-	-	10,957.54

* Dues were less than 45 days

Trade Payable Ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	251.44*	-	-	-	251.44
Others	7,112.15	12.96	-	-	7,125.11
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
TOTAL	7,363.59	12.96	-	-	7,376.55

* Dues were less than 45 days

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

Note No. 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long- term debt	462.62	462.62
Unclaimed dividends	21.56	23.27
Total	484.18	485.89

Note No. 26 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	538.11	402.98
Advance from Customers	49.24	70.12
Creditors for capital goods	356.10	413.06
Creditors for expenses	5,243.78	3,372.55
Total	6,187.23	4,258.71

Note No. 27 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits - Gratuity (Refer Note No. 39)	-	-
Provision for Warranty	219.87	169.53
Total	219.87	169.53

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 28 CURRENT TAX LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax Liability - [Net of Advance Tax IT]	-	-
Total	-	-

Note No. 29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of products (excluding GST)		
Sales - Domestic	86,311.07	66,788.74
Sales - Exports	12,448.59	9,214.66
Sales - Scrap	2,010.28	2025.14
Sub Total	1,00,769.94	78,028.54
(b) Sale of Services		
Technical Services	194.99	2.77
Engineering Services & Mfg Products (Exports Services)	39.70	-
Sub Total	234.69	2.77
Gross Revenue from Sale of Products and Services	1,01,004.63	78,031.31
(c) Other operating revenue		
Conversion Charges Received	9.99	132.15
Income by Power Generation	65.80	69.80
Duty Drawback Income	167.11	130.04
MEIS License Sales	69.15	-
Sub Total	312.05	331.99
TOTAL	1,01,316.68	78,363.30

Note No. 30 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest from Bank Deposits	40.81	34.79
Foreign Exchange Rate Differences	-	83.99
Dividend received against short term investments	3.70	6.72
Dividend received against Investments (Kaycee)	23.77	14.26
Net gain/loss on sale of investment	38.97	43.53
Insurance Claim Received	2.60	0.45
Profit on Sale of Assets	0.25	1.50
Rental Income Received	4.88	4.10
Other Non-operating income (net of expenses) (Incl. of gain on Key Men policy insurance Matured.)	22.28	28.54
TOTAL	137.26	217.88

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 31 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials Consumption		
Opening Stock	8,333.58	5,446.29
Add: Purchases	77,651.62	62,304.47
Less: Closing Stock	11,058.65	8,333.58
Sub Total	74,926.55	59,417.18
Trading Materials Consumption		
Opening Stock	237.55	115.31
Add: Purchases	4,952.18	3,170.25
Less: Closing Stock	165.72	237.55
Sub Total	5,024.01	3,048.01
Packing Materials Consumption		
Opening Stock	210.06	172.43
Add: Purchases	1,894.53	1,337.11
Less: Closing Stock	227.33	210.06
Sub Total	1,877.26	1,299.48
TOTAL	81,827.82	63,764.67

Note No. 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Work-in-progress	9,161.70	7,680.36
Finished Goods	4,427.23	4,323.15
Sub Total	13,588.93	12,003.51
Less: Closing Stock		
Work-in-progress	11,656.86	9,161.70
Finished Goods	3,896.48	4,427.23
Sub Total	15,553.34	13,588.93
Net (increase)/decrease in inventory	-1,964.41	-1,585.42

Note No. 33 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages including Bonus	2,985.69	2,487.51
Contribution to Provident and other funds	162.81	139.86
Workmen and Staff Welfare Expenses	311.59	233.76
Gratuity	54.64	78.86
TOTAL	3,514.73	2,939.99

Note No. 34 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest Expenses	122.44	139.58
(b) Interest on Working cost	1,446.56	1,131.09
(c) Other Borrowing cost	1,036.69	709.87
TOTAL	2,605.69	1,980.54

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 35 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation on Property, Plant and Equipment	1,579.65	1,558.73
(b) Amortisation on Other Intangible Assets	31.73	41.86
TOTAL	1,611.38	1,600.59

Note No. 36 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumptions of Store and Spares	286.44	197.89
Freight and Forwarding Charges	1,729.56	1,469.96
Power and Fuel	1,108.61	879.30
Repairs & Maintaince		
Buildings	56.51	24.79
Machinery	472.52	397.03
Others	191.92	127.95
Subcontracting Expenses	2,310.58	1,854.47
Contract Labour Expenses	709.04	674.32
Advertisement Expenses	5.43	2.68
Audit Fees (Refer Note No.36.1)	25.50	21.75
Director's Sitting Fees	22.95	17.10
Donation	10.65	30.85
Energy Saver Project Expenses	53.62	20.20
General Expenses	45.27	42.15
Insurance	67.36	56.08
Foreign Exchange Realisation Difference	7.51	-
Management system Expenses (ISO9000 & OSHAS)	3.85	3.18
Postage, Telephone & Telegram	18.58	32.01
Printing & Stationery	53.46	36.28
Rates and Taxes	40.16	58.31
Rent	98.55	60.58
Research & Development Expenses	315.41	168.62
Warranty Expenses	50.35	39.52
Sales Promotional Expenses	636.69	312.61
Subscription & Periodicals	25.74	34.80
Technical/Professional Fee	164.23	131.90
Travelling and Conveyance	119.37	57.18
CSR Expenses (Refer Note No.43)	58.22	49.00
Expected Credit Loss	33.54	28.05
Royalty	3.46	37.34
Impairment on Goodwill	44.49	-
Bad Debts	54.88	-
Total Other Expenses	8,824.47	6,865.90

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 36 1. AUDITOR REMUNERATION

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) For Statutory Audit	11.00	9.50
(b) For Tax Audit	3.00	2.50
(c) For Other Services	11.50	9.75
TOTAL	25.50	21.75

Note No. 37 TAX EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Current Tax		
Current tax on profit for the year	1,140.47	688.22
Change/ (Credit) in respect of current tax for earlier years	-	-
TOTAL (A)	1,140.47	688.22
B. Deferred Tax		
Origination and reversal of temporary differences	257.60	78.55
Change in respect of deferred tax for earlier years	-	-
TOTAL (B)	257.60	78.55
Tax expense recognized in Statement of Profit and Loss	1,398.07	766.77
TOTAL (A)+(B)		
Tax expense recognized in Other Comprehensive Income	5.36	-8.48
Total Tax Expense	1,392.71	775.24

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
Taxable profit for the year	5,034.26	3,014.91
Applicable income tax rate	25.17%	25.17%
Expected income tax	1,267.12	758.85
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-173.33	-130.00
Expenses disallowed in determining the tax profit	23.10	19.39
Investment allowances	-	-
Unrecognized deferred tax assets	-	-
Others	281.18	118.53
Tax expense recognised in Statement of Profit and Loss A/c	1,398.07	766.77

Note No. 38 EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders of the Company for basic and diluted EPS	3,636.19	2,248.14
Weighted average number of equity shares for basic EPS	159.88	159.82
Add: Potential Equity Shares on conversion of warrants	16.83	-
Weighted average number of shares for diluted EPS	176.71	159.82
Basic Earnings per equity share (in ₹)	22.74	14.07
Diluted Earnings per equity share (in ₹)	20.58	14.07

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note No. 39 GRATUITY

The details of various employee benefits provided to employees are as under:

(₹ in Lakhs)		
A. Defined Contribution and other plans	March 31, 2023	March 31, 2022
Particulars	March 31, 2023	March 31, 2022
Employer's Contribution to PF	156.31	143.95
Employer's Contribution to ESIC	11.63	10.44
Employer's Contribution to Superannuation fund	10.68	5.80
TOTAL	178.62	160.19

B. Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

Investment Risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)		
Particulars	March 31, 2023	March 31, 2022
Discount Rate	7.66% / 7.55%	7.48%/7.12%/7.52%
Expected Return on Assets	7.66% / 7.55%	7.48%/7.12%/7.52%
Salary Escalation	6.50%	6.50%
Attrition Rate	5.00%	5.00%

Amount recognized in Profit and Loss for the year

(₹ in Lakhs)		
Particulars	March 31, 2023	March 31, 2022
Current Service Cost	58.36	50.72
Net Interest on Defined Benefit Obligations	-3.72	-2.93
Expenses recognized in the statement of profit and loss	54.64	47.79

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Recognized in Other Comprehensive Income for the year

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-
Actuarial gains/losses arising from changes in financial assumptions	-20.34	-	-35.85	-
Actuarial gains/losses arising from experience adjustments	48.08	-	21.17	-
Amount recognized in OCI for the current period	27.74	-	-14.68	-

Change in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Present value of obligations as at the beginning of the year	877.32	-	813.67	-
Current Service Cost	58.36	-	50.71	-
Interest on Defined Benefit Obligations	65.47	-	50.42	-
Actuarial (gain)/loss on plan obligation	25.68	-	17.77	-
Benefits paid	-22.84	-	-55.25	-
Present value of obligations as at the end of the year	1,003.99	-	877.32	-

Change in fair value of plan assets

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Fair value of plan assets as at the beginning of the period	909.06	-	814.58	-
Return on plan assets	69.19	-	53.35	-
Contributions	34.45	-	93.29	-
Benefits paid	-22.84	-	-55.25	-
Actuarial gain/(loss) on plan assets	-2.05	-	3.08	-
Fair value of plan assets as at the end of the period	987.81	-	909.05	-

Net Asset/ Liability recognized in Balance Sheet

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Present value of obligations	1,003.99	-	877.32	-
Fair Value of Plan Assets	987.80	-	909.05	-
Amount recognized	16.19	-	-31.73	-

The Statement of actuarial valuation by the LIC of India with whom the plan assets are maintained was not provided to the Company by LIC of India till the finalisation of accounts and adoption by the Board and the amounts recognised in P&L A/c, OCI and Balance sheet were based on past experience, indicators and the present contribution to the plan

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	-14.08	16.10	-50.34	56.33
Salary Escalation rate by 1%	15.57	-13.83	53.77	-49.11
Attrition rate by 1%	-0.04	0.03	-0.74	0.83
Mortality rate by 10%	-0.01	-	-0.06	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 40 DIVIDENDS MADE

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Dividend for	FY 2021-22	FY 2020-21
Dividend paid	287.69	255.75

In respect of the current year, the directors proposed that a dividend of ₹. 2.20 per share be paid on equity shares within the stipulated time after declaration of Dividend by the shareholders in the ensuing 38th AGM on September 09, 2023. Accordingly, the equity dividend for the Financial year 2022 -23 has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on August 25, 2023.

Note No. 41 COMMITMENTS AND CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Towards Import Obligations under EPCG	686.71	613.50
Letter of Credit for import and purchase of Raw Materials	3,080.55	2,820.21
Obligation towards Bank Guarantee	394.03	1,985.55
Excise Protest Fund Liability	85.68	85.68

Note No. 42 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	223.43	251.44

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Also, the Company has not received any claim for interest from any supplier as at the balance sheet date. The aforesaid dues to MSME were less than 45 days.

Note No. 43 CSR EXPENDITURE

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Gross amount required to be spent by the company during the year	56.70	47.10
Amount spent during the year	57.98	49.00

NOTE No. 44 FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2023 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	1,762.55	422.80	-	2,185.35	2,185.35
Trade Receivables	7, 12	28,497.32			28,497.32	28,497.32
Cash and Cash equivalents	13	603.08			603.08	603.08
Other bank balances	14	661.96			661.96	661.96
Loans	15	1,020.63			1,020.63	1,020.63
Other financial assets	8, 16	634.76			634.76	634.76
Financial Liabilities						
Borrowings	20, 23	27,255.38			27,255.38	27,255.38
Trade payables	24	10,957.54			10,957.54	10,957.54
Other financial liabilities	25	484.18			484.18	484.18

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
The carrying value of financial instruments by categories as at 31 March 2022 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	1744.41	311.12	-	2,055.53	2,055.53
Trade Receivables	7, 12	22,014.60			22,014.60	22,014.60
Cash and Cash equivalents	13	128.22			128.22	128.22
Other bank balances	14	675.60			675.60	675.60
Loans	15	1,058.05			1,058.05	1,058.05
Other financial assets	8, 16	1,218.07			1,218.07	1,218.07
Financial Liabilities						
Borrowings	20, 23	24,780.97			24,780.97	24,780.97
Trade payables	24	7,376.55			7,376.55	7,376.55
Other financial liabilities	25	485.89			485.89	485.89

ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) 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).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2023

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income		422.80	-	-	422.80
Investments					
Investments - Non - current - Quoted	6	-	1,638.19	-	1,638.19
Investments - Non - current - Unquoted	6	-	-	124.36	124.36
At fair value through Profit and Loss					
Investments	11	-	-	-	-
Financial Liabilities					
At amortised costs					
Borrowings	20, 23	-	27,255.38	-	27,255.38

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income		311.12	-	-	311.12
Investments					
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
Investments - Non - current - Unquoted	6	-	-	84.59	84.59
At fair value through Profit and Loss					
Investments	11	-	-	-	-
Financial Liabilities					
At amortised costs					
Borrowings	20, 23	-	24,780.97	-	24,780.97

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

iii. Valuation technique used to determine fair value

- The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.
- The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values. The cost of unquoted investment approximate the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range.
- The estimated fair value amounts as at March 31, 2023 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTE No. 45 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit Risk Management

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets Group	Description of category	Particulars	Provision for expected credit loss *
Low credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counterparty where the capacity to meet the obligations is not strong	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

* Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Classification of Financial assets among risk categories:

(₹ in Lakhs)

Credit rating	Particulars	March 31, 2023	March 31, 2022
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	33,603.10	27,150.06
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2023 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	19,782.12	6,522.91	2,315.71	28,620.74
Loss allowance provision	-	-	-123.42	-123.42
Net	19,782.12	6,522.91	2,192.29	28,497.32

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31st March 2022 are as follows: (₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	13,544.92	6,423.07	2,145.96	22,113.95
Less : allowance provision	-	-	-99.35	-99.35
Net	13,544.92	6,423.07	2,046.61	22,014.60

Reconciliation of loss allowance for trade receivables

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	99.34	74.87
Additions during the year	33.56	27.05
Amounts written off during the year	132.90	101.92
Amounts recovered during the year	9.48	2.58
Balance at the end of the year	123.42	99.34

Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
SCHNEIDER	2,039.01	2,340.55
EUROPA COMPONENTS	1,665.35	1,210.31
SALZER EXPORTS LTD	1,946.66	1,819.10
TOTAL	5,651.02	5,369.96

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of Financial Liabilities as at 31 Mar 2023 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	26,477.32	778.06	-	27,255.38
Trade Payables	10,957.54	-	-	10,957.54
Other financial Liabilities	462.62	16.36	5.20	484.18

Maturities of Financial Liabilities as at 31 Mar 2022 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	23,540.29	1,240.68	-	24,780.97
Trade Payables	7,376.55	-	-	7,376.55
Other financial Liabilities	462.62	13.70	9.58	485.90

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Interest rate Risks

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The following table provide the break-up of the co. fixed and floating rate borrowing

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fixed Rate Borrowings	-	-
Floating Rate	27,718.00	25,243.59
Total Borrowings	27,718.00	25,243.59

Interest Rate Sensitivity analysis:

The Sensitivity Analysis below have been determined based on the exposure to interest rate for Floating RateLiabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the company's profit for the year ended 31.03.2023 would decrease/increase by ₹.277.18 Lacs. (for the year ended 31st March 2022: decrease /increase by ₹.252.44 Lacs.). This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

Foreign Currency Risk

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in a currency other than the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2023 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	54,26,354.15	6,42,532.93	5,31,231.85
Financial Liabilities	53,59,798.35	11,72,597.60	21,60,216.54
Net exposure	66,555.80	-5,30,064.67	-16,28,984.69

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2022 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	34,05,602.72	6,08,021.32	3,66,939.32
Financial Liabilities	68,46,175.00	12,22,380.00	2,30,040.27
Net exposure	34,40,572.28	-6,14,358.68	1,36,899.05

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant.

Particulars	Impact on profit before tax			
	March 31, 2023		March 31, 2022	
USD	-	-	-0.17	0.17
GBP	-1,164.11	1,164.11	-1,251.86	1,251.86
EURO	-0.08	0.08	0.01	-0.01

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE No. 46 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt).

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Non-Current Borrowings (Refer Note : 20)	778.06	1,240.68
Current Borrowings (Refer Note : 23)	26,477.32	23,540.29
Current Maturities of Long term Debt (Refer Note : 25)	462.62	462.62
Total Borrowings (a)	27,718.00	25,293.59
Cash and Cash equivalents (Refer Note : 13)	603.08	128.22
Other Bank Balances (Refer Note : 14)	661.96	675.60
Current Investments (Refer Note : 11)	422.80	310.06
Total Cash (b)	1,687.84	1,113.88
Net Debt (c) = (a)-(b)	26,030.16	24,129.71
Equity (Refer Note : 18)	1,618.27	1,598.27
Other Equity (Refer Note : 19)	38,671.12	33,548.24
Total Equity (d)	40,289.39	35,146.51
Total Capital (e) = (c)+(d)	66,319.55	59,276.22
Gearing Ratio = (c)/(e)	0.39	0.41

NOTE No. 47 RELATED PARTY DISCLOSURES

i) Related party transactions

Related Party Relationships

ii) Key Management Personnel

- Mr. R. Doraiswamy - Managing Director
- Mr. D. Rajeshkumar - Joint Managing Director & Chief Financial Officer
- Mr. P. Ramachandran - Whole Time Director and
- Mr. S. Baskarasubramanian - Director (Corporate Affairs) & Company Secretary

iii) Subsidiary Company

- Kaycee Industries Limited
- Salzer EV Infra Private Limited

iv) Post-employment benefit plans

- Salzer Electronics Limited Employees Gratuity Trust

(v) Other related Parties

i. Board Members relative to Key Management Personnel

- Dr. (Mrs.) Thilagam Rajeshkumar - Non Executive & Non Independent Director - Spouse of Mr. D Rajesh Kumar, Jt MD and CFO

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives

- | | |
|------------------------------------|--|
| 1. Salzer Exports Limited | 6. K R Pharmacy |
| 2. Salzer Spinners Limited | 7. Quebec Information Services India Ltd |
| 3. SRVE Industries | 8. Salzer Kostad EV Charges Private Limited and (Associate Entity) |
| 4. K R Health Care Private Limited | 9. Salzer Emarch Electromobility Private Limited (Step Down Subsidiary Entity) |
| 5. S R V E Industries Limited | |

iii) Trust under Common Control

- a. Salzer Educational Medical Research Trust

Related Party Transactions

(₹ in Lakhs)

Particulars	Other Related Parties		Key Management Personnel		Subsidiary Company	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022	March 31,2023	March 31,2022
Purchase of goods	98.79	2.27	-	-	5.87	3.48
Sale of goods	3781.67	3501.76	-	-	1,776.99	950.53
Sale of Fixed Assets	-	-	-	-	5.19	-
Purchase of Fixed Assets	56.94	116.85	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Receiving of Services	2.96	743.81	-	-	-	-
CSR spent through Trust	-	-	-	-	-	-
Voluntary Contribution to trust	4.95	23.80	-	-	-	-
Managerial remuneration	-	-	219.39	186.36	-	-
Outstanding Receivables	-	-	-	-	-	-
Director Sitting Fees	22.95	17.10	-	-	-	-
Equity Investments	39.75	19.50	-	-	-	-

NOTE No. 48 SEGMENT INFORMATION

The Company is engaged in manufacture of Electrical Insatillation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

NOTE No. 49 KEY FINANCIAL RATIOS

Particulars	March 31, 2023	March 31, 2022	Variance
Current Ratio	1.37:1	1.34:1	0.03
Debt-Equity Ratio	0.02:1	0.04:1	-0.02
Debt Service Coverage Ratio	9.18	7.40	0.24
Return on Equity Ratio	9.03	6.39	0.41
Inventory turnover ratio/Days	88	92	-0.04
Trade Receivables turnover ratio,/Days	75	89	-0.16
Trade payables turnover ratio/Days	39	36	0.08
Net capital turnover ratio,-Times	62	48.82	0.27
Net profit ratio	3.59 %	2.87%	0.25
Return on Capital employed *	17.65 %	17.20%	0.35
Return on Investment	0.70	0.30	1.33

* ROCE : EBITDA / Total assets - Current Liabilities

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE No. 50 LEASES AS A LESSEES :

The Company, which entered into Lease Agreements with various Parties during the previous financial years for hiring the premises at different locations for manufacturing activities, has modified those agreement with the term of 11 Months with an option to extend further period with mutual consent of the parties to the agreement and the agreement has no clauses of controlling the let out of assets

During the financial year 2022-23, the Company has also taken out lease of Land and Buildings for Rent from two more parties and the Rental Agreements have been executed for a period of 11 months with an options for extending further periods with mutual consent of the parties . The Agreement don't have any clauses enabling the tenant to have control over the Property The Company does not have any lease within the purview of IND AS 116

Details of the properties taken on Rent :-

S. No.	Lesser and Address of the Property taken on Lease	Rent paid during the Year (in ₹)	Rent Advance (in ₹)	Tenancy Period
1.	SALZER EDUCATIONAL MEDICAL RESEARCH TRUST, SF,NO647/3A,3B&3D NO.2, Gudalure Village, Periyanaickenpalayam, Coimbatore -641047	19,10,000	1,00,00,000	11 Months
2.	VTD ENTRPRISES CBE P LTD. S.F NO - 91/A , Idikarai ,Kovilpalayam Road, Maniyakarampalayam,Idikarai,Coimbatore -641022	17,01,000	8,40,000	11 Months
3.	MURUGESHAN.K.P, S.F NO - 209H4 , Varatharaj.M Samichettipalayam, Coimbatore -641047	1,56,000	45,000	11 Months
4.	SIVAPRAKASAM.A, S.F NO -10/1 Thenral Nagar Samichettipalayam, Coimbatore -641047	89,283	30,000	11 Months
5.	RANGAMMAL.M, S.F NO - 209 H, Varatharaj.M Samichettipalayam, Coimbatore -641047	84,200	20,000	11 Months
6.	PALANISWAMY, S.F NO - 407/408 , HP Bunk Thottam, Vannankovil, Coimbatore -641047	2,40,640	3,00,000	11 Months
7.	TAMIL SELVI.R, S.F NO -393, Samichettipalayam Coimbatore -641047	56,000	40,000	11 Months
8.	SATHYABAMA. J, S.F NO -62/1 Samichettipalayam Coimbatore -641047	1,60,000	25,000	11 Months
9.	GOVINDARAJ.V. Pricol Backside, Ranga Nagar, Periyanaickenpalayam, Coimbatore -641020	3,24,000	3,00,000	11 Months
10.	BAPUSAHEB NANABHAU BENKAR AND OTHERS, hivshambho Industrial Estate, Gat 311 Khed shivapur, Gaudara Road,Haveli Taluk, Pune - 412205	6,82,625	6,00,000	12 Months
11.	SALZER SPINNERS LIMITED, SF no 6/684,685 Chikkarampalayam, Annur Road, Karamadai Coimbatore - 641104	30,78,400	10,00,000	11 Months
12.	LAKSHMI RING TRAVELLERS COIMBATORE PRIVATE LTD, Athimugam Main Road,Moranapalli Village, Hosur, Krishnagiri 635109	12,82,054	25,00,000	11 Months
13.	ANAND AND REVEENDERNATHA, # 135, S.C Road , Seshadripuram Circle, Bangalore - 560020	90,504	32,790	11 Months
	GRAND TOTAL	98,54,706		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE No. 51 Other Notes

- The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
- No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2023.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2023.
- The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- 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:
 - a) 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
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- The Company have 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:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company has not operated in any crypto currency or Virtual Currency transactions
- During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- Previous year figures have also been reclassified, regrouped, recast to conform to current year classification.

In terms of our report attached

N. RANGACHARY

Chairman
(DIN :00054437)

R. DORAISWAMY

Managing Director
(DIN :00003131)

For: **JDS ASSOCIATES**

Chartered Accountants
FRN: 008735S

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

B. JAYARAM

Partner
Memb.No. 028346

Coimbatore – 47
May 24, 2023

Consolidated Financial Statement 2022 - 23

FORM NO. AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A : Subsidiaries

(Information in respect of subsidiary to be presented with amounts)

(₹ in Lakhs)

S. No.	Particulars	Kaycee Industries Limited	Salzer EV Infra Private Limited	Salzer Emarch Electromobility Private Ltd
1.	Date on which subsidiary was acquired	July 11,2019	July 11,2021	Sep 02, 2021
2.	Reporting period	April 01,2022 to March 31, 2023		
3.	Reporting currency	INR	INR	INR
4.	Share Caapital	63.47	34.75	32.75
5.	Reserves & Surplus	1,914.12	-	-
6.	Total assets	2,915.80	35.26	51.68
7.	Total liabilities	2,915.80	35.26	51.68
8.	Investments	0.10	35.25	-
9.	Turnover	4,177.56	-	-
10.	Profit before taxation	479.05	-	-
11.	Provision for taxation	129.62	-	-
12.	Profit after taxation	349.44	-	-
13.	Proposed Dividend	60 %	-	-
14.	Extent of shareholding [In %] as at March 31,2023	73.86 %	100 %	98.47 %

Names of subsidiaries which are yet to commence operations : Salzer EV Infra Private Limited and Salzer Emarch Electromobility Private Ltd Names of subsidiaries which have been liquidated or sold during the year : NIL

FORM NO. AOC-1 - (Continued)

Statement containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part B : Associates

S. No.	Particulars	Salzer Kostad Ev Chargers Private Limited
1.	Latest audited Balance Sheet Date	31.03.2023
2.	Date on which the Associate was acquired	July 27, 2021
3.	Shares of Associate held by the company on the year end	
(i).	No. of shares	2,45,000
(ii)	Amount of investment in Associates/Joint Venture	0.5
(iii)	Extent of holding %	37.40 %
4.	Description of how there is significant influence	Holding more than 20% of share capital
5.	Reason why the associate/joint venture is not consolidated	Not applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	2.45. Lakhs
7.	Profit / Loss for the year:	NA
(i)	Considered in consolidation	2.45. Lakhs
(ii)	Not considered in consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations - SALZER KOSTAD EV CHARGERS PRIVATE LIMITED

2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Date : May 24, 2023

Place : Coimbatore

N RANGACHARY

Chairman

DIN :00054437

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

"To
the Members of **SALZER ELECTRONICS LIMITED**
Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited accompanying consolidated Ind AS financial statements of Salzer Electronics Limited (**"the Company"**) and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise of the Balance Sheet as at March 31, 2023, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and notes to the Consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Ind AS Financial Statements:)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 their consolidated state of affairs of the Company as at March 31, 2023, consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 independent requirement that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of this revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, this revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of adoption of the revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. It is observed that transaction price charged is exworks price and revenue is booked at the time of dispatch of the goods. The above method followed by the Group is in line with the provisions of Ind AS 115-'Revenue from contracts with customers' <p>Conclusion:</p> <p>We agree with the management's evaluation.</p>

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
2.	Accuracy of revenues and onerous obligations in respect of fixed price contracts.	<p>In the process of verifying the accuracy of recognition of revenues of fixed price contracts, we have undertaken the following audit approach</p> <ul style="list-style-type: none"> • Understood, evaluated and tested the key controls over the recognition of revenue from fixed price contracts. We selected a sample of transactions and • Agreed the applied tariff to the respective terms in the contract. • Tested revenue calculations and agreed the revenue recognized to the underlying accounting records. <p>Conclusion:</p> <p>We agree with the management's evaluation</p>
3.	<p>Allowance for credit losses</p> <p>The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Note No: 46 to the Consolidated Ind AS financial statements</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p> <p>Conclusion:</p> <p>We agree with the management's evaluation</p>
4.	<p>Assessment of carrying value of goodwill as per Ind AS 36 (Refer Note. 1 (vii) to the Consolidated financial Statements)</p> <p>The Group has a goodwill balance of ₹ 885.40 Lakhs as at March 31, 2023 relating to the acquisition of subsidiary, which is considered as a Cash Generating Unit (CGU). For the year ended March 31, 2023, the Group performed an assessment of the carrying value of goodwill as required under Ind AS 36 by:</p> <ul style="list-style-type: none"> • Calculating the recoverable amount for CGU using a discounted cash flow model (DCF model). • Comparing the recoverable amount of the respective carrying amount of assets and liabilities. The preparation of discounted cash flows requires assumptions for projections of cash flows for a specific period, typically for 5 years. A terminal 	<p>Our audit procedures in relation to assessment of carrying value of goodwill arising on consolidation of subsidiary company, included the following:</p> <ul style="list-style-type: none"> • Understood and performed procedures to assess the design and test the operating effectiveness of relevant controls related to the annual evaluation on assessment of carrying value of goodwill. • Together with auditor's valuation experts, evaluated the assumptions and methodologies used in the DCF models, in particular those relating to the cash flow projections used, discount rates and terminal growth rates applied, by: <ul style="list-style-type: none"> a. Evaluating the reasonableness of the cash flow projections by comparing with the approved budgets, previous year performance and our knowledge and understanding of current business conditions.

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No Key Audit Matter	Auditor's Response
<p>growth rate is applied in determining the terminal value. We considered the carrying value of goodwill as a key audit matter, considering its significance to the consolidated financial statements, and where applicable, the Management judgement involved in estimating future cash flows, particularly with respect to factors such as discount rates, cash flow projections and terminal growth rates</p>	<p>b. Determining a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data, and comparing this range to the discount rates and terminal growth rates adopted by the Company.</p> <p>c. Performing sensitivity tests on the DCF Model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range.</p> <p>d. Tested the arithmetical accuracy of the calculations carried out by the Management.</p> <p>Based on above procedures performed, we found the management's assessment of carrying value of goodwill to be reasonable.</p>

Other Matters

We did not audit the Financial Statements of Kaycee Industries Limited (Subsidiary), Salzer EV Infra Private Limited (Wholly Owned Subsidiary- Investment Vehicle), Salzer Kostad EV Charges Private Limited (Associates Entity) and Salzer Emarch Electromobility Private Limited (Step down Subsidiary through Salzer EV Infra Private Limited)

The Step Down Subsidiary Company and Associate Entity, engaged in the Electric Vehicle space, did not commence any operations during the year

Kaycee Industries Limited whose Ind AS financial statements reflect total assets of ₹. 3068.94 Lakhs-as at 31st March, 2023, total turnover of ₹.4234.17 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of Profit of ₹. 263.67 Lakhs for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of the subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Information other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board's report including Annexures to Boards Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or other information obtained during the course of our audit or otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 of 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

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the Group's financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated Ind AS financial statements is included in Annexure "A". This description forms part of our auditor's report.

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 Ind AS financial statements
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated statement of change in equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of

preparation of consolidated Ind AS financial statements,

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding company, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B
- g) With respect to other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

In our opinion and 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 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) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act,

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 misstatements

- (v) (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) 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.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (1) of section 143 of the Companies Act, 2013, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the company 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.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24, 2023

B. JAYARAM
Partner

UDIN NO.: 23028346BGRPPH5653 Memb.No. 028346

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SALZER ELECTRONICS LIMITED

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism through- out the audit. We also:-

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 Group'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 consolidated Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user

of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24, 2023

B. JAYARAM
Partner

UDIN NO.: 23028346BGRPPH5653 Memb.No. 028346

ANNEXURE "B"**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON CONSOLIDATED IND AS FINANCIAL STATEMENTS OF M/s. SALZER ELECTRONICS LIMITED**

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended on 31st March, 2023).

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the

year ended March 31, 2023, we have audited the internal financial controls with reference to the financial statements of Salzer Electronics Limited (hereinafter referred to as "the Company"), the holding company and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company 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

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 is sufficient and appropriate to provide a basis for my /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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary company 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 March 31, 2023, 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.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

Place: Coimbatore
Date : May 24, 2023
UDIN NO.: 23028346BGRPPH5653

B. JAYARAM
Partner
Memb.No. 028346

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
1 Non-current Assets			
(a) Property, Plant and equipment	2	22,843.05	21,174.53
(b) Right of Use Assets	2	609.18	162.88
(c) Capital Work in progress	3	63.10	77.70
(d) Investment Property	4	0.77	0.77
(e) Intangible Assets	5	1,056.91	1,080.81
(f) Financial Assets			
i. Investments	6	91.44	84.75
ii. Trade Receivables	7	934.66	1,162.73
iii. Others	8	617.42	1,185.58
(g) Other Non-Current Assets	9	529.78	520.36
Total Non-Current Assets	(1)	26,746.31	25,450.05
2 Current Assets			
(a) Inventories	10	27,380.09	22,698.15
(b) Financial Assets			
i. Investments	11	422.80	310.06
ii. Trade Receivables	12	28,726.53	21,838.59
iii. Cash and Cash Equivalentents	13	727.93	190.21
iv. Other Bank balances	14	1,010.90	984.37
v. Loans	15	1,022.70	1,058.04
vi. Others	16	42.70	37.89
(c) Other Current Assets	17	3,447.50	2,665.89
Total Current Assets	(2)	62,781.15	49,783.19
TOTAL ASSETS	(1+2)	89,527.46	75,233.24
II. EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	18	1,618.27	1,598.27
(b) Other Equity	19	39,152.82	33,791.00
Equity attributable to the Owners of the Company		40,771.09	35,389.28
Non Controlling interest		554.60	448.76
Total Equity	(1)	41,325.69	35,838.04
2 LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
i. Borrowings	20	778.06	1,240.68
ii. Lease Liability	21	413.43	-
(b) Provisions	22	30.46	14.56
(c) Other Non Current Liabilities	23	25.08	24.54
(d) Deferred tax liabilities (net)	24	2,232.28	1,961.90
Total Non-current Liabilities	(2)	3,479.31	3,241.68
(3) Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	25	26,477.32	23,540.30
ii. Trade Payables			
a. Due to Micro Small & Medium Enterprises	26	336.02	332.92
b. Due to Others		10,865.24	7,289.52
iii. Others	27	533.64	490.13
(b) Other Current Liabilities	28	6,274.80	4,317.49
(c) Provisions	29	230.37	183.16
(d) Current Tax Liabilities (Net)	30	5.07	-
Total current Liabilities	(3)	44,722.46	36,153.52
TOTAL EQUITY AND LIABILITIES	(1+2+3)	89,527.46	75,233.24

Significant accounting Policies - Note :1. The accompanying Notes are an integral part of the financial statements.

In terms of our report attached

N. RANGACHARY

Chairman
(DIN :00054437)

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

May 24, 2023, Coimbatore – 47

R. DORAISWAMY

Managing Director
(DIN :00003131)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

For: **JDS ASSOCIATES**

Chartered Accountants
FRN: 008735S

B. JAYARAM

Partner
Memb.No. 028346

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I. INCOME			
Revenue From Operations	31	1,03,717.24	80,354.15
Other Income	32	170.10	247.62
Total Income		1,03,887.34	80,601.77
II EXPENSES			
Cost of materials consumed	33	82,694.88	64,550.68
Changes in inventories of finished goods and work-in-progress	34	-1,978.92	-1,533.96
Employee benefit expenses	35	3,936.54	3,359.63
Finance Cost	36	2,611.89	1,987.65
Depreciation and amortisation expense	37	1,660.37	1,633.48
Other expenses	38	9,474.56	7,353.53
TOTAL EXPENSES		98,399.32	77,351.01
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		5,488.02	3,250.76
Exceptional items a. Prior Period Expenses		-1.52	-
IV PROFIT BEFORE TAX		5,489.54	3,250.76
Tax Expense	39	1,527.68	830.30
V PROFIT AFTER TAX		3,961.86	2,420.46
a. Attributable to Owners of the Company (Holding Co)		3,870.50	2,259.31
b. Attributable to Non-controlling Interest		91.36	161.15
VI OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		-24.33	19.61
b. Change in fair value of FVOCI equity instruments		6.44	18.99
c. Income Tax expenses on above		4.50	-8.48
VII TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-13.39	30.12
VIII TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,948.47	2,450.58
a. Attributable to Owners of the Company (Holding Co)		3,860.16	2,288.21
b. Attributable to Non-controlling Interest		88.31	162.37
IX EARNINGS PER SHARE	40		
- Basic and Diluted Before exceptional items (in ₹)		24.21	14.14
- Basic and Diluted after exceptional items (in ₹)		21.90	14.14

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

In terms of our report attached

N. RANGACHARY

Chairman
(DIN :00054437)

R. DORAISWAMY

Managing Director
(DIN :00003131)

For: **JDS ASSOCIATES**

Chartered Accountants
FRN: 008735S

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

B. JAYARAM

Partner
Memb.No. 028346

May 24, 2023
Coimbatore - 47

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) after tax		3,961.86		2,420.46
Adjustments for:				
Tax expenses	1,527.68		820.15	
Depreciation and Amortisation	1,660.37		1,633.48	
Interest Income	-57.01		-50.05	
Finance Costs	2,611.89		1,987.65	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	7.51		-53.87	
Dividend Income	-3.72		-6.74	
Impairment of Goodwill	43.82		-	
(Profit)/Loss on Sale of Investments	10.99		-43.52	
(Profit)/Loss on Sale of Assets (Net)	-0.25		-3.13	
Fair valuation of investments	-6.44		-18.99	
Other Non-operating Income	-69.90		-	
Other Comprehensive Income	24.35	5,749.29	-19.61	4,245.37
Operating Profit before working capital changes		9,711.15		6,665.83
Adjusted for working capital changes				
Inventories	-4,681.94		-4,599.21	
Trade and Other receivables	-6,888.70		-1,818.16	
Trade and Other Payables	3,237.23		936.59	
Other Liabilities	-2,141.78	-6,191.63	-1,433.70	-6,914.48
Cash Generated from Operations		3,519.52		-248.65
Direct Taxes Paid		-1,252.24		-975.01
Net Cash Flow from Operating ActivitiesA		2,267.28		-1,223.66
B. CASH FLOW FROM INVESTING ACTIVITIES				
Investment in Subsidiary (Including Goodwill)	-		-	
Investment in Fixed Assets-Net	-3,728.49		-1,955.51	
Sale of Fixed Assets	-52.08		35.56	
Non-operating Income	69.90		61.11	
Profit/ (Loss) on Sale of Fixed assets	0.25		3.13	
Profit/ (Loss) on Sale of Fixed assets	-10.99		-	
Investment in Mutual Funds and Equities (Net)	-112.74		43.52	
Purchase / Sale of Investments	49.29		-	
Post Acquisition Profit from Subsidiary	238.93		129.22	
Dividend Received	3.72		6.74	
Interest Received	57.01		50.05	
Other Non- Current Investments	-		17.99	
Net Cash Used in Investing ActivitiesB		-3,485.20		-1,608.18
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings	2,937.02		5,212.42	
Money received against share warrants	1,253.32		-	
Increase in Share capital	20.00		-	
Increase in Share Premium	537.00		-	
Other Non Current assets	-9.42		-290.60	
Proceeds/(Repayment) from Long Term Borrowings	-48.66		83.99	
Interest and finance Charges	-2,611.89		-1,987.65	
Gain/(Loss) on Foreign Exchange Fluctuations	-7.51		83.99	
Dividend and dividend tax paid	-287.69		-19.04	
Net Cash Generated from Financing ActivitiesC		1,782.17		2,613.13
Net Increase in Cash and Cash EquivalentsA+B+C		564.25		-218.71
ADD: Opening Cash and Cash Equivalents		1,174.58		1,393.30
Closing Cash balance		1,738.83		1,174.58

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (Ind As) 7- Statement of Cash Flows.

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

N. RANGACHARY

Chairman
(DIN :00054437)

R. DORAISWAMY

Managing Director
(DIN :00003131)

In terms of our report attached

For: **JDS ASSOCIATES**
Chartered Accountants
FRN: 008735S

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

B. JAYARAM

Partner
Memb.No. 028346

May 24, 2023, Coimbatore – 47

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A) EQUITY SHARE CAPITAL	As at 31-03-2023	As at 31-03-2022
Particulars		
Balance as at 31st March, 2022	1,598.27	1,598.27
Changes in equity share capital during the year	20.00	-
Balance as at 31st March, 2023	1,618.27	1,598.27

B) OTHER EQUITY	Reserve and Surplus						Total Equity	
	Share application money pending allotment	Money Received Against Share Warrants	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		Other Items of Other Comprehensive Income
Balance as at 31/03/2022	-	-	80.67	12,630.14	2,058.46	18,857.79	163.94	33,791.00
Profit for the year ended 31/03/2023	-	-	-	-	-	3,875.12	-	3,875.12
- Other Comprehensive income:	-	-	-	-	-	-	-15.94	-15.94
Transfer to other reserves (if any)	-	-	-	-	50.00	-50.00	-	-
Appropriations (if any)	-	-	-	-	-	-	-	-
Options exercised, pending allotment of shares	-	1,253.32	-	-	-	-	-	1,253.32
Premium against the allotment of shares	-	-	-	537.00	-	-	-	537.00
Dividend paid	-	-	-	-	-	-287.69	-	-287.69
Balance as at 31/03/2023	-	1,253.32	80.67	13,167.14	2,108.46	22,395.22	148.00	39,152.81

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAIWAMY
Managing Director
(DIN :00003131)

For **JDS ASSOCIATES**
Chartered Accountants
FRN: 0087355

D. RAJESHKUMAR
Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

S. BASKARA SUBRAMANIAN
Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

B. JAYARAM
Partner
Memb.No. 028346

Coimbatore – 47
May 24, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31-03-2022		As at 31-03-2021			
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Items of Other Comprehensive Income	Total Equity
A) EQUITY SHARE CAPITAL						
Balance as at 31st March, 2021	80.67	12,630.14	2,008.46	16,785.91	138.74	31,643.92
Changes in equity share capital during the year	-	-	-	2,377.34	-	2,377.34
Balance as at 31st March, 2022	80.67	12,630.14	2,008.46	16,785.91	138.74	31,643.92
B) OTHER EQUITY						
Profit for the year ended 31-03-2022	-	-	-	2,377.34	-	2,377.34
Other Comprehensive income:	-	-	-	-	25.19	25.19
Transfer to other reserves (if any)	-	-	50.00	-50.00	-	-
Appropriations (if any)	-	-	-	0.27	-	0.27
Options exercised, pending allotment of shares	-	-	-	-	-	-
Premium against the allotment of shares	-	-	-	-	-	-
Dividend paid	-	-	-	-255.72	-	-255.72
Balance as at 31/03/2022	80.67	12,630.14	2,058.46	18,857.80	163.93	33,791.00

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

N. RANGACHARY
Chairman
(DIN :00054437)

R. DORAISWAMY
Managing Director
(DIN :00003131)

For **JDS ASSOCIATES**
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D. RAJESHKUMAR
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B. JAYARAM
Partner
Memb.No. 028346

Coimbatore – 47
May 24, 2023

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2023

Significant Accounting Policies

Note No. 1

i. Corporate Information:

Salzer Electronics Limited, incorporated in January 1985 under the provisions of Companies Act, 1956. The Group is engaged in manufacture of Electrical Installation Products and Components viz., CAM Operated Rotary switches, Selector Switches, Wiring Ducts, Voltmeter Switches, copper wires and cables and allied products addressing customers in the electrical equipment, power, medical equipment, automotive as well as renewable and uninterrupted power system spaces, in a single and unified segment. The Parent Company is listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Subsidiary Company is listed in Bombay Stock Exchange Limited only.

ii. General Information and Statement of Compliance with IND AS

These Consolidated financial statements ('financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

These financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Group's Board of Directors on May 24, 2023.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared and presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as on the exchange date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability

if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on the basis stated above. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

iv. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

a. Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. In case of loss of control of a subsidiary, any excess of fair value of consideration received over carrying amount of the assets (including any goodwill) and liabilities of the subsidiary, is recognised as gain or loss in consolidated statement of profit and loss. Additionally components of Other Comprehensive

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Income of subsidiaries are reclassified to consolidated statement of profit and loss or transferred directly to retained earnings. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

b. Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

The carrying amount of equity accounted in investments are tested for impairment. The consolidated Ind AS financial statements of the Group include subsidiary which are incorporated in India in the table below

Name of the Entity	% of Holding	Reporting Date
Kaycee industries Ltd <i>Subsidiary Company</i>	73.86%	31.03.2023
Salzer EV Infra Pvt Ltd <i>Wholly Owned Subsidiary Co</i>	100%	31.03.2023
Salzer Kostad EV Charges Pvt Ltd <i>Associate Company</i>	37.40%	31.03.2023
Salzer Emarch Electromobility Pvt Ltd <i>Step down Subsidiary Company</i>	98.47%	31.03.2023

v) Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in

future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these

Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

vi. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current, when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vii. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

(c) Forward Contract

Premium/ Discount in respect of Forward Contract are amortized as expense/income over the period of contract. Exchange differences arising on forward contracts between the exchange rate on the date of transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit and Loss.

viii) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

Property, plant and equipment are stated at historical cost net of indirect taxes, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognised as expense or income in the Statement of Profit and Loss. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets

are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes). Subsequent expenditure relates to an item of PPE is capitalised if it meets the recognition criteria.

On the date of transition to Ind AS, barring Land which has been valued at Fair value, all other items of assets have been valued as per their 'deemed cost' in accordance with Ind AS 101.

Foreign exchange gain/loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded in the cost of the asset as per Ind AS 101 Para D13AA and Ind AS 21 Para 7A and depreciated over their remaining useful life. In respect of exchange gain/loss arising from foreign currency denominated borrowings which are hedged, accounting has been done based on hedge effectiveness either as derivate/cash flow hedge as per Ind AS 109.

Depreciation:

The depreciable amount of PPE (being the Gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life.

In respect of certain classes of PPE, the Group uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the management as detailed in the following table:

Class of Assets	Useful Lives
Buildings	30 Years
Plant and Machinery	15 Years
Windmill	22 Years
Electrical Machinery solar	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

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

xi) Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

x) Intangible assets and amortization:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Group has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Internally Generated Intangible assets	3 Years

xi. Research and Development Expenditure:

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits

to the Company, is considered as Property, plant and equipment or Intangible Asset and depreciated in accordance with the policies stated above.

xii. Impairment of Non Financial assets

The Group periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

xiii) Inventories:

Inventories are carried at the lower of cost and net realizable value.

Cost includes all applicable costs incurred in bringing the properties to their present location and condition.

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

Cost of raw materials including consumables and stores & spares are determined on FIFO (First In First Out) Basis.

Cost of work-in-progress is valued at cost of materials and labor together with relevant factory overheads. The cost of work-in progress is determined on the basis of weighted average method.

The finished goods are valued at cost inclusive of excise duty (or) net realizable value whichever is less.

xiv) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Group makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Investment in Subsidiaries, Associates and Joint ventures:

The Group's investment in equity instruments of Subsidiaries, is accounted for at cost as per Ind AS 27.

2. Financial Liabilities**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months

from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

d. De-recognition of Financial Liabilities:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

xv) Impairment of Financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xvi) Fair value measurement:

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xvii) Revenue Recognition:

a. Revenue from sale of goods and services:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer, which is mainly upon delivery, the amount of revenue can be measured reliably and the recovery of consideration is probable. Revenue from the sale of goods includes excise and other duties which the Group pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax (GST) and value added tax, as applicable.

Export Benefits are recognized as revenue when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Revenue from services is recognised in the periods in which the services are rendered.

b. Revenue from Projects

Revenue from fixed Price Contracts, where the performance obligation is satisfied over the period of time and where there is no un-certainty as to measurement or collectability of consideration is recognized as per the percentage of completion method in accordance with the IND AS 115. Under the percentage of completion method, revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The amount recognised is net of goods and service tax (GST), service tax and other amounts collected from the customer in the capacity of an agent, as applicable. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Contract costs include the estimated material costs, installation costs and other directly attributable costs of the project.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion.

The estimates for contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured..

c. Dividend :

Income from dividends are recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors

d. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

a. Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the Group and are recognized when the right to receive the income is established as per the terms of the contract.

xviii) Leases:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the

relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

xix) Employee benefits

1. Short Term and other long term employee benefits:

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

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

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

2. Post-Employment Benefits

a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

xx) Share Based Payments Arrangements

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

xxi) Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

xxii) Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranty:

Provision for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligations which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidents.

xxiii) Contingent liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

xxiv) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

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

xxv) Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. 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.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**b. Deferred tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xxvi) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Business Combination under common control

Common control business combination includes transaction, such as transfer of subsidiaries or business, between entities within a Group. Business combinations involving entities or business under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amount, the only adjustment that are made are to harmonise accounting policies.

The financial information in the financial statement in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statement, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The differences, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other asset and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

xxvii) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The Company is primarily engaged in manufacturing of wide range of electrical installation products including devices for energy efficiencies services which all fall under One segment by name Electrical Installation Products for any reporting requirements.

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Group's accounting policies

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Revenue recognition, contract costs:

The Group uses the percentage of completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred to the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

c) Provision and contingent liability:

On an on-going basis, the Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities

in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

d) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

e) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

f) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

g) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)
Note No. 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Leasedhold Building	Building	Plant & Equipment	Furniture & Fixtures	Electrical Machinery Solar	Vehicles	Wind-mill	Comp-uters	Office Equip-ments	Electri-cal Fittings	Total
Deemed Cost												
As at March 31, 2022	2,973.37	220.25	4,001.27	27,337.10	1,026.07	312.57	176.19	639.56	63.31	38.09	6.02	36,793.80
Additions	-	470.47	102.33	2,920.47	198.33	0.90	28.07	12.74	2.64	1.06	6.08	3,743.09
Disposal	-	-	-	2.16	-	-	-	-	-	-	-	2.16
As at March 31, 2023	2,973.37	690.72	4,103.60	30,255.41	1,224.40	313.47	204.26	652.30	65.95	39.15	12.10	40,534.73
Accumulated Depreciation												
As at March 31, 2022	-	57.43	916.54	12,913.99	698.98	104.05	121.39	553.28	55.04	30.99	4.75	15,456.39
Additions	-	24.12	127.05	1,359.28	71.65	16.08	13.57	8.48	4.90	2.55	0.58	1,628.22
Disposal	-	-	-	2.16	-	-	-	-	-	-	-	2.16
As at March 31, 2023	-	81.55	1,043.59	14,271.11	770.63	120.13	134.96	561.76	59.93	33.51	5.33	17,082.50
Net Carrying amount												
As at March 31, 2022	2,973.37	162.82	3,084.73	14,423.10	327.09	208.52	54.80	86.27	8.27	7.10	1.27	21,337.41
As at March 31, 2023	2,973.37	609.18	3,060.01	15,984.29	453.76	193.34	69.30	90.54	6.02	5.64	6.78	23,452.23

Details of properties pledged as security - Refer Note No. 20

Note No. 3 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	63.10	77.70
Total	63.10	77.70

Capital-Work-in Progress (CWIP) as on 31.03.2023

(₹ in Lakhs)

CWIP	AMOUNT IN C. W. I. P AS ON 31.03.2023				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	63.10	-	-	-	63.10
Previous Year	77.70	-	-	-	77.70
Projects temporarily suspended	-	-	-	-	-

Capital-Work-in Progress (CWIP) as on 31.03.2022

(₹ in Lakhs)

CWIP	AMOUNT IN C. W. I. P AS ON 31.03.2022				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	77.70	-	-	-	77.70
Previous Year	134.63	-	-	-	134.63
Projects temporarily suspended	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 4 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Freehold Land	0.77	0.77
Total	0.77	0.77

Note No. 5 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Software		
Opening Balance	151.59	178.13
Add: Additions during the year	52.08	18.56
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	32.15	45.10
Closing Balance	171.52	151.59
Goodwill		
Opening Balance	929.22	929.22
Add: Additions during the year	-	-
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	43.82	-
Closing Balance	885.40	929.22
Total	1,056.91	1,080.81

Note No. 6 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	No.	Amount	No.	Amount
TRADE INVESTMENTS				
Measured at Fair value through Other Comprehensive Income				
(i) Quoted equity shares, fully paid up.				
Bank of India - Equity shares of Rs. 10/- each	2,300	1.72	2,300	1.05
Saraswat Bank (10000 of Rs. 1 each)	10,000	0.10	10,000	0.10
Total (i)	12,300	1.82	2300	1.16
(ii) Unquoted equity shares, fully paid up				
a. Salzer Technologies Ltd, (Equity Shares of ₹ 10/- each)	83,250	8.33	83,250	8.33
b. Salzer Spinners Ltd, (Equity Shares of ₹ 3/- each)	18,65,500	55.97	18,65,500	55.97
c. Jayachandar Windfarm Pvt Ltd, (Equity Shares of ₹ 10/- each)	8,210	0.82	7,960	0.79
(ii) Un Quoted equity shares (value at cost)				
a. Salzer Kostad Ev Infra P Ltd, (Equity Shares of ₹ 10/- each) (Associate Entity)	2,45,000	24.50	5,000	0.50
b. Salzer Emarch Electromobility P Ltd, (Equity Shares of ₹ 10/- each) (Step down subsidiary)	-	-	1,80,000	18.00
Total (ii)		89.62		83.59
GRAND TOTAL		91.44		84.75

* Valued at ₹ 3 Per Equity Shares

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
	Amount	Amount
Aggregate value of quoted investments	1.82	1.16
Market value of quoted investments	1.72	1.16
Aggregate value of unquoted investments	89.62	83.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	934.66	1,162.73
Doubtful	-	-
Sub Total	934.66	1,162.73
Less: Allowance for expected credit losses (Refer Note No. 46)	-	-
Total	934.66	1,162.73

Refer Note No. 12 for Aging Schedule

Note No. 8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets at amortized cost		
Security Deposits	173.28	188.19
Unbilled Revenue*	418.78	995.07
Balance with bank held as Fixed Deposit	-	1.70
Other Preliminary & Pre-Operative Expenses	25.36	0.63
Sub Total	617.42	1,185.58
Less: Allowance for Expected credit Loss (Refer Note No. 45)		
Total		

* Unbilled revenue represents revenue from projects in respect of performance obligations completed in accordance with IndAS 115 but customers are yet to be billed pending receipt of certification from independent agency.

Note No. 9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance for capital expenses	493.95	501.52
Net Assets in Pakistan Unit (Considered Doubtful)	8.76	8.76
Less: Provision for above	-8.76	-8.76
Sundry Deposits	14.11	16.90
Sales Tax Receivable	21.72	-
Income Tax Refund receivable	-	1.40
MAT Credit Entitlement	-	0.54
Total	529.78	520.36

Note No. 10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Material (including goods in transit)	11,233.69	8,476.12
Packing Materials	227.33	210.06
Trading Materials	165.72	237.55
Work in progress	11,695.22	9,216.11
Finished Goods	4,058.13	4,558.32
Total	27,380.09	22,698.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 11 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Amount	No.	Amount
INVESTMENTS				
Measured at Fair value through OCI				
(i) In Mutual Funds, quoted				
Aditya Birla Frontline Equity Fund Growth	7,807	26.40	5,128	17.30
Aditya Birla Sun Life Flexi Cap Fund - Growth	2,071	22.55	1,524	17.31
Aditya Birla Sun Life Flexi Cap Fund - Idcw Payout	13,541	15.59	13,541	17.31
Canara Rebeco Equity Hybrid Fund	3,009	7.33	3,009	7.32
Canara Robeco Capital Protection Oriented Fund	-	-	1,00,000	13.01
Hdfc Top 100 Fund Growth	3,238	23.86	1,977	13.72
Hdfc Top 100 Fund Regular Plan Growth - Lump Sum	549	4.05	550	3.81
Icici Prudential Discovery Fund Growth	4,907	13.43	4,907	12.44
Icici Prudential Midcap Fund - Growth	12,655	19.93	5,093	8.07
Idfc Sterling Equity Fund	12,819	11.70	4,719	4.17
Idfc Sterling Fund Growth - Regular Plan - Lump Sum	3,569	3.26	3,569	3.15
Idfc Sterling Value Fund - Idcw Regular Plan	71,464	21.31	71,464	21.71
Kotak Emerging Equity Fund Regular Plan Growth	6,949	5.16	6,949	4.96
Kotak Emerging Equity Fund Regular Plan Growth - System Trans	4,712	2.50	2,128	0.67
Kotak Flexicap Fund - Idcw - Regular Plan - Lump Sum	2,128	0.68	4,712	2.45
Kotak Flexicap Fund - Idcw - Regular Plan-Sysm Transactions	61,710	19.76	61,710	19.37
Kotak Flexicap Fund Regular Growth-Sysm Transactions	38,844	20.59	27,330	14.20
Nippon India Etf Liquid Bees	1	-	-	-
Nippon India Large Cap Fund	87,373	16.69	87,373	17.08
Nippon India Large Cap Fund Growth	39,432	21.29	27,860	14.12
Nippon India Multi Cap Fund - Growth	13,842	22.55	9,216	13.95
Pgim India Flexi Cap Fund Regular Plan Growth	79,167	19.48	30,409	7.82
State Bank Of India Mutual Fund	61,288	35.75	61,288	34.13
State Bank Of India Flexicap Fund - Regular Plan Growth	26,746	19.73	10,583	8.06
State Bank Of India Magnum Midcap Fund Growth	10,669	15.23	8,134	11.09
Sundaram Mid Cap Fund Regular Growth	2,535	18.09	1,694	11.79
Icici Prudential Flexicap Fund - Growth	1,84,782	20.58	75,925	8.07
Kotak Emerging Equity Fund Regular Plan Growth - System Trans	20,598	15.30	4,208	3.00
Total		422.80		310.06

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Amount	No.	Amount
Aggregate value of quoted investments		422.80		310.06
Market value of quoted investments		422.80		310.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)
Note No. 12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	28,840.26	21,919.76
Doubtful	14.18	51.23
Sub Total	28,854.44	21,970.99
Less: Allowance for expected credit losses (Refer Note No. 47)	127.91	132.40
Total	28,726.53	21,838.59

Trade Receivables ageing schedule for the year ended as on 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	27,395.89	836.94	895.73	443.19	92.57	29,664.32
Undisputed trade receivables-considered doubtful	-	-	3.84	-	-	3.84
Disputed trade receivables-considered good	0.58	2.30	15.81	3.99	23.09	45.77
Disputed trade receivables-considered doubtful	-	-	-	-	75.17	75.17
TOTAL	27,396.47	839.24	915.38	447.18	190.83	29,789.10

* Includes Trade Receivable under Current and Non-Current Receivable

Trade Receivables ageing schedule for the year ended as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	20,917.25	972.10	639.27	473.36	-	23,001.98
Undisputed trade receivables-considered doubtful	-	11.01	-	-	-	11.01
Disputed trade receivables-considered good	-	19.40	0.30	3.46	22.40	45.56
Disputed trade receivables-considered doubtful	-	-	-	75.17	-	75.17
TOTAL	20,917.25	1,002.51	639.57	551.99	22.40	23,133.72

Note No. 13 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	378.76	175.47
Deposits(with original maturity of 3 months or less)	337.07	5.00
Cash on hand	12.10	9.74
Total	727.93	190.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

Note No. 14 OTHER BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
Earmarked Balances		
- In Unpaid / Unclaimed Dividend Accounts	26.56	27.51
- In Margin money and Bank Guarantee	431.99	423.72
Others		
- Deposit (with original maturity of more than 3 months)	552.35	533.14
Total	1,010.90	984.37

Note No. 15 LOANS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loans and Advances to related parties (Refer Note No. 48)	-	92.85
Loans and Advances to employees	188.74	209.36
Loans-Others	833.96	755.83
Total	1,022.70	1,058.04

Note No. 16 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets at amortized cost		
Security Deposits	-	-
Windmill Income receivable	0.20	0.93
Others - Current Tax	-	3.07
Energy Saver Deposit Receivable	42.50	33.89
Total	42.70	37.89

Note No. 17 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
		(₹ in Lakhs)
Unsecured, considered good		
(a) Advances other than capital advances		
Advances to Suppliers	854.77	681.19
(b) Others		
Prepaid expenses	107.81	67.60
Balances with statutory/government authorities	1,304.16	1,192.75
Margin Receivable	-	4.52
Accrued Interest on Fixed Deposit	3.34	2.96
Other Receivables - Statutory	1,177.42	716.86
Total	3,447.50	2,665.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 18 EQUITY SHARE CAPITAL
Authorized Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
1,90,00,000 equity shares of ₹ 10/- each	1,90,00,000	1900.00	1,90,00,000	1900.00
10,00,000 non-cumulative convertible preference shares of ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
Total		2000.00		2000.00
Issued and Subscribed Capital				
Equity Share Capital	1,61,82,737	1,618.27	1,59,82,737	1598.27
Total	1,61,82,737	1,618.27	1,59,82,737	1598.27

a. Reconciliation of shares outstanding at the beginning and at the end of the period

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the period	1,59,82,737	1,598.27	1,59,82,737	1,598.27
Add: Shares issued during the period	2,00,000	20.00		
Less: Shares bought Back	-	-	-	-
Outstanding at the end of the period	1,61,82,737	1,618.27	1,59,82,737	1,598.27

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,598.27	-	-	20.00	1,618.27

b. Terms/ Rights attached to the Equity Shares

- Only Equity Shares of Rs. 10/- are outstanding and each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees and
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders
- There are no restrictions attached to equity shares except 2,00,000 shares allotted by Holding Company to its Promoters upon conversion of warrants during the year which have been subjected to lock-in in accordance with SEBI (Issue of Capital and Disclosures Requirements) Regulation 2018

c. Shareholders holding more than 5% shares

Particulars	Class of Shares	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	%	No. of Shares	%
HMG Globetrotter	Equity	7,20,000	4.45%	8,92,935	5.59%
Saradha Investments Limited	Equity	8,01,472	4.95%	8,01,472	5.01%
SRVE Industries Limited	Equity	8,21,733	5.08%	7,21,733	4.52%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)

d) Shares held by Promoters at the end of the year 31-03-2023

Particulars	Class of Shares	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	1.97%	3,19,139	2.00%	-0.02%
D. RAJESH KUMAR	Equity	2,62,420	1.62%	2,62,420	1.64%	-0.02%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.00%	4,86,044	3.04%	-0.04%
VISHNU RANGASWAMY	Equity	7,83,289	4.84%	7,83,289	4.90%	-0.06%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	25,800	0.16%	-
SARADHA INVESTMENTS LTD	Equity	8,01,472	4.95%	8,01,472	5.01%	-0.06%
SRVE INDUSTRIES LIMITED	Equity	8,21,733	5.08%	7,21,733	4.52%	0.56%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.37%	7,06,847	4.42%	-0.05%
K R HEALTH CARE PRIVATE LTD	Equity	5,04,987	3.12%	4,04,987	2.53%	0.59%
SALZER EXPORTS LTD	Equity	3,84,761	2.38%	3,84,761	2.41%	-0.03%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.66%	1,07,007	0.67%	-0.01%
SALZER MAGNET WIRES LTD	Equity	1,05,254	0.65%	1,05,254	0.66%	-0.01%
TOTAL		53,68,675	33.18%	51,68,675	32.34%	0.84%

Shares held by Promoters at the end of the year 31-03-2022

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	2.00%	3,13,528	1.96%	0.04%
D. RAJESH KUMAR	Equity	2,62,420	1.64%	2,50,966	1.57%	0.07%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.04%	4,57,255	2.86%	0.18%
VISHNU RANGASWAMY	Equity	7,83,289	4.90%	7,54,500	4.72%	0.18%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	13,300	0.08%	0.08%
SARADHA INVESTMENTS LTD	Equity	8,01,472	5.01%	7,48,968	4.69%	0.33%
SRVE INDUSTRIES LIMITED	Equity	7,21,733	4.52%	6,37,966	3.99%	0.52%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.42%	6,54,842	4.10%	0.33%
K R HEALTH CARE PRIVATE LTD	Equity	4,04,987	2.53%	3,52,783	2.21%	0.33%
SALZER EXPORTS LTD	Equity	3,84,761	2.41%	3,45,725	2.16%	0.24%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,07,007	0.67%	-
SALZER MAGNET WIRES LTD*	Equity	1,05,254	0.66%	10,30,000	6.44%	-5.79
TOTAL		51,68,675	32.34%	57,26,762	35.83%	-3.49%

e) Information regarding issue of shares in the last five years

(a) Details of Shares issued without payment being received in cash.

In pursuance of Business Transfer Agreement dated March 08,2018, the Holding Company issued 10,30,000 Shares of Rs. 10/- each credited as fully paid-up at an issue price of Rs. 197 per share for a total value of Rs.20.29 Crs on March 16,2018 to Salzer Magnet Wires Limited as a consideration for acquisition of its whole of its business undertaking

(b) On December 07,2022, The Holding Company allotted 17,00,000 shares warrants convertible into equity over the period of 18 months on preferential basis to the Promoters' bodies corporate at an issue price of Rs. 278.50 per share. During the year, 2,00,000 warrants have been converted into equity shares and

(c) Both Holding and Subsidiary Company have not issued any Bonus Shares or undertaken any buy back of Shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)
Note No. 19 OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Money received against share warrants	1,253.32	-
Capital Reserve	80.67	80.67
Securities Premium	13,167.14	12,630.14
General Reserve	2,108.46	2,058.46
Retained Earnings	22,395.23	18,857.80
Other Comprehensive Income	148.00	163.94
Total	39,152.82	33,791.00

Note No. 20 BORROWINGS (NON-CURRENT)

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Term Loans - Secured		
i) HDFC Bank	75.00	255.00
ii) Union Bank of India	703.06	985.68
Total	778.06	1,240.68

Notes

* Security : Assets purchased under the Term Loans, Extension of the equitable mortgage of Land and Building of the Company (Unit III) and guaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 5 EMIs of ₹15,00,000.00

** Building, Plant and Machinery Term Loan

Secured by the First Charge on Land and Building, Plant and Machinery of Unit IV and Gunaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 29 EMIs of ₹ 23,55,128.00 and 1 EMI of ₹20,07,752.00

Note No. 21 LEASE LIABILITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Lease Liability	413.43	-
Total	413.43	-

Note No. 22 PROVISIONS

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Liability towards LIC. Group Gratuity Scheme	30.46	14.56
Provision for Premium payable	-	2.97
Total	30.46	14.56

Note No. 23 OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Deposits		
Dealer, Distributor & Stockist	25.08	24.54
Total	25.08	24.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

Note No. 24 DEFERRED TAX LIABILITES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
- On Fixed Assets	3,022.05	2,649.43
- On Revenue Recognition	20.79	20.79
- On Employee Benefit Expenses	39.28	32.29
Less: Deferred tax Asset		
- On Employee Benefit Expenses	42.31	42.75
- On Lease Liability	115.23	-
- On Fixed Assets	660.79	660.79
On Provision for doubtful debts	1.13	8.32
On Revenue Recognition	30.38	28.76
Total	2,232.28	1,961.90

Note No. 25 BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2023	As at March 31, 2022
Secured Loan From Banks			
i) Canara Bank			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-I	8.35	2,017.29	1,741.91
ii) HDFC Bank			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-II	8.30	2,515.30	802.34
Pre-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II	S+1.70	5,619.82	5,140.47
Post-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II		-	657.57
iii) Union Bank of India			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.05	5,049.27	4,753.41
Buyer's Credit Secured by: hypothecation of Inventories and Book Debts of Unit-IV	7.60	1,391.86	1,319.43
iv) HDFC Bank			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-III	8.30	928.94	848.96
v) ICICI Bank			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 25 BORROWINGS (CURRENT) (Contd.)

(₹ in Lakhs)

Particulars	Interest Rate	As at	As at
		March 31, 2023	March 31, 2022
v) IDFC Bank			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.95	1,300.89	2,604.74
Letter of Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-V	7.60	233.95	1,603.95
WCDL: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.85	4,723.00	1,614.42
Sub Total		23,780.32	21,087.20
vi) Unsecured Loan from Bank			
Loans repayable on demand Loan from HDFC	8.27	750.00	750.00
Loans repayable on demand Loan from ICICI	7.20	-	1,703.09
Loans repayable on demand Loan from Axis Bank	8.10	1,947.00	-
Sub Total		2,697.00	2,453.10
Total		26,477.32	23,540.30

Note No. 26 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Current	Current
Trade payable - Micro and small enterprises	336.02	332.92
Trade payable - Other than Micro and small enterprises	10,865.24	7,289.52
Total	11,201.26	7,622.44

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors

Trade Payable Aging schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	335.96	0.06	-	-	336.02
Others	10,859.31	1.80	0.94	3.19	10,865.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
TOTAL	11,195.27	1.86	0.94	3.19	11,201.26

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)**Trade Payable Aging schedule as at March 31, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	332.92	-	-	-	332.92
Others	7,265.72	17.62	-2.15	8.33	7,289.52
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
TOTAL	7,598.64	17.62	-2.15	8.33	7,622.44

Note No. 27 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long- term debt	462.62	462.62
Lease Liabilities	44.45	-
Unclaimed dividends	26.56	27.50
Unclaimed amount for fractional shares	0.01	0.01
Total	533.64	490.13

Note No. 28 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	568.58	422.34
Advance from Customers	50.12	76.17
Creditors for capital goods	356.11	413.06
Creditors for expenses	5,299.99	3,405.92
Total	6,274.80	4,317.49

Note No. 29 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits - Gratuity (Refer Note No. 40)	10.50	13.64
Provision for Warranty	219.87	169.53
Total	230.37	183.17

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality

Note No. 30 CURRENT TAX LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax Liability - [Net of Advance Tax IT]	5.07	-
Total	5.07	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 31 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of products (excluding GST)		
Sales - Domestic	88,667.86	68,747.50
Sales - Exports	12,472.61	9,246.74
Sales - Scrap	2,028.93	2,025.14
Sub Total	1,03,169.40	80,019.38
(b) Sale of Services		
Technical Services	196.10	2.79
Income by EESL Project	39.70	-
Sub Total	235.80	2.79
Gross Revenue from Sale of Products and Services	1,03,405.20	80,022.17
(c) Other operating revenue		
Conversion Charges Received	9.99	132.14
Income by Power Generation	65.80	69.80
Duty Drawback Income	16.11	130.04
MEIS License Sales	69.14	-
Interest Received against Non-current Receivables - PPP	-	-
Sub Total	312.04	331.98
TOTAL	1,03,717.24	80,354.15

Note No. 32 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest from Bank Deposits	57.01	50.05
Foreign Exchange Rate Differences	-	83.99
Dividend received against short term investments	3.72	6.72
Dividend received against Investments (Kaycee)	-	-
Net gain/loss on sale of investment INCL. OF KAYCEE	38.97	43.53
Insurance Claim Received	2.60	0.45
Profit on Sale of Assets	0.25	3.13
Interest on Security Deposit	0.25	-
Interest From Income Tax Refund	-	1.12
Discount Received	40.15	23.67
Liabilities No Longer Exists Written Back	-	2.31
Rental Income Received	4.88	4.10
Other Non-operating income (net of expenses)	22.27	28.54
TOTAL	170.10	247.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Note No. 33 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials Consumption		
Opening Stock	8,465.44	5,565.14
Add: Purchases	80,328.18	63,452.32
Less: Closing Stock	11,233.69	8,465.44
Sub Total	77,559.93	60,552.02
Trading Materials Consumption		
Opening Stock	248.22	120.91
Add: Purchases	3,175.19	2,826.49
Less: Closing Stock	165.72	248.22
Sub Total	3,257.69	2,699.17
Packing Materials Consumption		
Opening Stock	210.06	172.43
Add: Purchases	1,894.53	1,337.11
Less: Closing Stock	227.33	210.06
Sub Total	1,877.26	1,299.48
TOTAL	82,694.88	64,550.68

Note No. 34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Work-in-progress	9,216.11	7,749.54
Finished Goods	4,558.32	4,490.92
Sub Total	13,774.43	12,240.46
Less: Closing Stock		
Work-in-progress	11,695.22	9,216.11
Finished Goods	4,058.13	4,558.32
Sub Total	15,753.35	13,774.44
Net (increase)/decrease in inventory	-1,978.92	-1,533.96

Note No. 35 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages including Bonus	3,361.66	2,859.21
Contribution to Provident and other funds	179.82	158.08
Workmen and Staff Welfare Expenses	340.42	263.48
Gratuity	54.64	78.86
TOTAL	3,936.54	3,359.63

Note No. 36 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest on Term Loan	123.79	139.58
(b) Interest on working Capital	1,446.55	1,131.09
(c) Other Borrowing cost	1,038.05	716.98
(d) Interest on Lease Liability	3.50	-
TOTAL	2,611.89	1,987.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)
Note No. 37 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation on Property, Plant and Equipment	1,628.64	1,591.62
(b) Amortisation on Other Intangible Assets	31.73	41.86
TOTAL	1,660.37	1,633.48

Note No. 38 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumptions of Store and Spares	286.44	197.89
Component Processing and other Charges	308.06	203.48
Freight and Forwarding Charges	1,742.40	1,482.50
Power and Fuel	1,119.59	886.88
Repairs & Maintenance		
Buildings	58.73	25.26
Machinery	475.00	398.94
Others	202.80	137.60
Subcontracting Expenses	2,310.58	1,854.47
Contract Labour Expenses	709.04	674.32
Advertisement Expenses	6.45	4.29
Audit Fees (Refer Note No.38. 1)	25.50	21.75
Director's Sitting Fees	22.95	17.10
Donation	10.65	30.85
Provision for Energy Saver Maintenance Expenses	53.62	20.20
General Expenses	95.60	96.24
Insurance	77.12	64.64
Foreign Exchange Realisation Difference	7.51	-
Management system Expenses (ISO9000 & OSHAS)	3.85	3.19
Postage, Telephone & Telegram	31.43	42.84
Printing & Stationery	62.24	46.31
Rates and Taxes	52.42	88.10
Rent	98.55	60.59
Research & Development Expenses	315.41	168.62
Warranty Expenses	50.35	39.52
Discounts	25.84	6.40
Sales Promotional Expenses	651.02	315.31
Subscription & Periodicals	31.68	42.55
Technical/Professional Fee	252.77	196.85
Travelling and Conveyance	184.80	108.56
CSR Expenses (Refer Note No.45)	58.22	49.00
Expected Credit Loss	33.54	28.05
Royalty	3.46	37.34
Provision for doubtful debts / (Written back)	-28.56	-28.91
Impairment on Goodwill	44.49	-
Bad Debts	91.01	32.80
Total Other Expenses	9,474.56	7,353.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

Note No. 38.1 AUDITOR REMUNERATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) For Statutory Audit	11.00	9.50
(b) For Tax Audit	3.00	2.50
(c) For Other Services	11.50	9.75
TOTAL	25.50	21.75

Note No. 39 TAX EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Current Tax		
Current tax on profit for the year	1,260.17	740.30
Change/ (Credit) in respect of current tax for earlier years	2.52	1.05
TOTAL (A)	1,262.69	741.35
B. Deferred Tax		
Origination and reversal of temporary differences	265.00	88.94
Charge in respect of deferred tax for earlier years	-	-
TOTAL (B)	265.00	88.94
Tax expense recognized in Statement of Profit and Loss TOTAL (A)+(B)	1,527.68	830.30
Tax expense recognized in Other Comprehensive Income	3.65	-10.13
Total Tax Expenses	1,524.04	820.17

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
Taxable profit for the year	5,511.79	3,250.75
Applicable income tax rate	25.17%	25.29%
Expected income tax	1,387.32	821.31
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-193.24	-130.00
Expenses disallowed in determining the tax profit	42.55	20.44
Investment allowances		
Unrecognized deferred tax assets		
Others	291.05	118.55
Tax expense recognised in Statement of Profit and Loss A/c	1,527.68	830.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Note No. 40 EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders of the Company for basic and diluted EPS	3,870.50	2,259.32
Weighted average number of equity shares for basic EPS	159.88	159.82
Add: Potential Equity Shares on conversion of warrants	16.83	-
Weighted average number of shares for diluted EPS	176.71	159.82
Basic Earnings per equity share (in ₹)	24.21	14.14
Diluted Earnings per equity share (in ₹)	21.90	14.14

Note No. 41 GRATUITY

The details of various employee benefits provided to employees are as under:

A. Defined Contribution and other plans

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Employer's Contribution to PF	161.79	153.17
Employer's Contribution to ESIC	14.91	10.76
Employer's Contribution to Superannuation fund	10.68	5.80
Pension Fund	8.21	8.64
TOTAL	178.62	169.73

B. Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

Investment Risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Discount Rate	7.66%/7.55%	7.02%/6.84%
Expected Return on Assets	7.66%/7.55%	7.02%/6.84%
Salary Escalation	6.5% to 5.00%	5.00% to 6.50%
Attrition Rate	5.00% to 5.00%	2.00% to 5.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)**Amount recognized in Profit and Loss for the year**

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Current Service Cost	62.43	55.31
Net Interest on Defined Benefit Obligations	-3.51	-2.11
Expenses recognized in the statement of profit and loss	58.05	53.20

Recognized in Other Comprehensive Income for the year

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gains/losses arising from changes in financial assumptions	-23.91	-36.45
Actuarial gains/losses arising from experience adjustments	48.08	21.17
Amount recognized in OCI for the current period	24.17	-15.28

Change in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Present value of obligations as at the beginning of the year	949.92	896.06
Current Service Cost	63.55	55.31
Interest on Defined Benefit Obligations	69.54	56.02
Actuarial (gain)/loss on plan obligation	22.11	17.17
Benefits paid	-36.86	-74.64
Present value of obligations as at the end of the year	1,068.26	949.92

Change in fair value of plan assets

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets as at the beginning of the period	978.66	884.95
Return on plan assets	74.16	58.14
Contributions	35.85	101.14
Benefits paid	-36.86	-74.63
Actuarial gain/(loss) on plan assets	-2.21	9.06
Fair value of plan assets as at the end of the period	1,049.60	978.66

Net Asset/ Liability recognized in Balance Sheet

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Present value of obligations	1,068.26	949.92
Fair Value of Plan Assets	1,049.60	978.66
Amount recognized	18.66	-28.74

The Statement of actuarial valuation by the LIC of India with whom the plan assets are maintained was not provided to the Company by LIC of India till the finalisation of accounts and adoption by the Board and the amounts recognised in P&L A/c., OCI and Balance sheet were based on past experience, indicators and the present contribution to the plan

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	-14.08	16.10	-50.34	56.33
Salary Escalation rate by 1%	15.57	-13.83	53.77	-49.11
Attrition rate by 1%	-0.04	0.03	-0.74	0.83
Mortality rate by 10%	0.01	-	-0.06	-

Note No. 42 DIVIDENDS MADE

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Final dividend paid	287.69	255.75

In respect of the current year, the directors of Holding Company proposed that a dividend of ₹. 2.20 per share be paid on equity shares within the stipulated time after declaration of Dividend by the shareholders in the ensuing 38th AGM on September 09,2023. Accordingly, the equity dividend for the Financial year 2022 -23 has not been included as a liability in these financial statements.

Note No. 43 COMMITMENTS AND CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Towards Import Obligations under EPCG	686.74	613.50
Letter of Credit for import and purchase of Raw Materials	3,080.55	2,820.21
Obligation towards Bank Guarantee	394.03	1,985.55
Disputed Indirect Tax Liability not Acknowledged as Debt	3.91	3.91
Excise Protest Fund Liability	85.68	85.68

Note No. 44 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	336.02	332.92

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Also, the Company has not received any claim for interest from any supplier as at the balance sheet date.

Note No. 45 CSR EXPENDITURE

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Gross amount required to be spent by the company during the year	56.70	47.10
Amount spent during the year	57.98	49.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

NOTE No. 46 FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2023 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	126.18	422.80	-	548.98	548.98
Trade Receivables	7, 12	29,661.18			29,661.18	29,661.18
Cash and Cash equivalents	13	726.70			726.70	726.70
Other bank balances	14	1,010.90			1,010.90	1,010.90
Loans	15	1,020.63			1,020.63	1,020.63
Other financial assets	8, 16	634.76			634.76	634.76
Financial Liabilities						
Borrowings	20, 23	27,255.38			27,255.38	27,255.38
Trade payables	24	11,201.26			11,201.26	11,201.26
Lease Liabilities		457.88			457.88	457.88
Other financial liabilities	25	489.17			489.17	489.17

The carrying value of financial instruments by categories as at 31 March 2022 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
Financial Assets						
Investments	6, 11	0.10	2,055.53	-	2,055.63	2,055.63
Trade Receivables	7, 12	23,001.32			23,001.32	23,001.32
Cash and Cash equivalents	13	189.58			189.58	189.58
Other bank balances	14	984.37			984.37	984.37
Loans	15	1,058.04			1,058.04	1,058.04
Other financial assets	8, 16	1,219.77			1,219.77	1,219.77
Financial Liabilities						
Borrowings	20, 23	24,780.97			24,780.97	24,780.97
Trade payables	24	7,622.44			7,622.44	7,622.44
Other financial liabilities	25	490.13			490.13	490.13

ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) 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).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2023 (₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income		422.80	-	-	422.80
Investments					
Investments - Non - current - Quoted	6	-	1.82	-	1.82
Investments - Non - current - Unquoted	6	-	-	124.36	124.36
At fair value through Profit and Loss					
Investments	11	-	-	-	-
Financial Liabilities					
At amortised costs		-	-	-	-
Borrowings	20, 25	-	27,255.38	-	27,255.38

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2022 (₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
Financial Assets					
At fair value through Other Comprehensive Income		311.12	-	-	311.12
Investments					
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
Investments - Non - current - Unquoted	6	-	-	84.59	84.59
At fair value through Profit and Loss					
Investments	11	-	-	-	-
Financial Liabilities					
At amortised costs		-	-	-	-
Borrowings	20, 23	-	24,780.97	-	24,780.97

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

iii. Valuation technique used to determine fair value

- The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.
- The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values. The cost of unquoted investment approximate the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range.
- The estimated fair value amounts as at March 31, 2023 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

NOTE No. 47 FINANCIAL RISK MANAGEMENT

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

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. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit Risk Management

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets Group	Description of category	Particulars	Provision for expected credit loss **
Low credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

** Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
Classification of Financial assets among risk categories:

(₹ in Lakhs)

Credit rating	Particulars	March 31, 2023	March 31, 2022
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	33,174.28	26,542.16
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2023 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	20,887.74	6,585.65	2,315.71	29,789.10
Loss allowance provision	-	-	-127.91	-127.91
Net	20,887.74	6,585.65	2,187.80	29,661.19

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2022 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	16,310.61	4,780.99	2,145.96	23,237.56
Loss allowance provision	-	-	-103.84	-103.84
Net	16,310.61	4,780.99	2,042.12	23,133.72

Reconciliation of loss allowance for trade receivables

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	132.40	136.83
Additions during the year	33.56	27.05
Amounts written off during the year	165.96	163.88
Amounts recovered during the year	38.05	31.48
Balance at the end of the year	127.91	132.40

Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
SCHNEIDER	2,039.01	2,340.55
EUROPA COMPONENTS	1,665.35	1,210.31
SALZER EXPORTS LTD	1,946.66	1,819.10
TOTAL	5,651.02	5,369.96

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)**Maturities of Financial Liabilities as at 31 Mar 2023 are as follows:**

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	26,477.32	778.06	-	27,255.38
Trade Payables	11,201.26	-	-	11,201.26
Lease Liabilities	-	-	457.88	457.88
Other financial Liabilities	467.60	16.36	5.21	489.17

Maturities of Financial Liabilities as at 31 Mar 2022 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	23,540.29	1,240.68	-	24,780.97
Trade Payables	7,622.44	-	-	7,622.44
Other financial Liabilities	466.85	13.70	9.58	490.13

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest rate Risks

The Group uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The following table provide the break-up of the co. fixed and floating rate borrowing

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fixed Rate Borrowings	-	-
Floating Rate	27,718.00	25,243.59
Total Borrowings	27,718.00	25,243.59

Interest Rate Sensitivity analysis:

The Sensitivity Analysis below have been determined based on the exposure to interest rate for Floating Rate Liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the Group's profit for the year ended 31.03.2023 would decrease/increase by ₹ **277.18 Lacs** (for the year ended 31.03.2022- decrease/increase by ₹ **252.44 Lacs**). This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

Foreign Currency Risk

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in a currency other than the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2023 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	54,26,354.15	6,42,532.93	5,31,231.85
Financial Liabilities	53,59,798.35	11,72,597.60	21,60,216.54
Net exposure	66,555.80	-5,30,064.67	-16,28,984.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2022 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	34,05,602.72	6,08,021.32	3,66,939.32
Financial Liabilities	16,45,495.80	-	-
Net exposure	17,60,106.92	6,08,021.32	3,66,939.32

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant.

Particulars	Impact on profit before tax			
	March 31, 2023		March 31, 2022	
USD	-	-	-0.17	0.17
GBP	-1,164.11	-1,164.11	-1,251.86	1,251.86
EURO	-0.08	0.08	0.01	-0.01

NOTE No. 48 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt).

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Non-Current Borrowings (Refer Note : 20)	778.06	1,240.68
Current Borrowings (Refer Note : 23)	26,477.32	23,540.29
Current Maturities of Long term Debt (Refer Note : 25)	462.62	462.62
Total Borrowings (a)	27,718.00	25,243.59
Cash and Cash equivalents (Refer Note : 13)	603.08	190.21
Other Bank Balances (Refer Note : 14)	661.96	984.37
Current Investments (Refer Note : 11)	422.80	310.06
Total Cash (b)	1,687.84	1,484.64
Net Debt (c) = (a)-(b)	26,030.16	23,758.95
Equity (Refer Note : 18)	1,618.27	1,598.27
Other Equity (Refer Note : 19)	38,671.12	33,791.00
Total Equity (d)	40,289.39	35,389.27
Total Capital (e) = (c)+(d)	66,319.55	59,148.22
Gearing Ratio = (c)/(e)	0.39	0.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

NOTE No. 49 RELATED PARTY DISCLOSURES

Related Party Relationships

A. Key Management Personnel

i) Related party transactions

Related Party Relationships

ii) Key Management Personnel

- Mr. R. Doraiswamy - Managing Director
- Mr. D. Rajeshkumar - Joint Managing Director & Chief Financial Officer
- Mr. P. Ramachandran - Whole Time Director and
- Mr. S. Baskarasubramanian - Director (Corporate Affairs) & Company Secretary

iii) Post-employment benefit plans

- Salzer Electronics Limited Employees Gratuity Trust
- Kaycee Industries Limited Employees Gratuity Fund and provident Fund

(iv) Other related Parties

i. Board Members relative to Key Management Personnel

- Dr. (Mrs.) Thilagam Rajeshkumar - Non Executive & Non Independent Director - Spouse of Mr. D Rajesh Kumar, Jt MD and CFO

ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives

- | | |
|------------------------------------|---|
| 1. Salzer Exports Limited | 7. Quebec Informations Services India Limited |
| 2. Salzer Spinners Limited | 8. Salzer EV Infra Private Limited |
| 3. SRVE Industries | 9. Salzer Kostad EV Charges Private Limited and (Associate Entity) |
| 4. K R Health Care Private Limited | 10. Salzer Emarch Electromobility Private Limited (Step Down Subsidiary Entity) |
| 5. S R V E Industries Limited | |
| 6. K R Pharmacy | |

iii) Trust under Common Control

- Salzer Educational Medical Research Trust

Related Party Transactions

(₹ in Lakhs)

Particulars	Other Related Parties		Key Management Personnel	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022
Purchase of goods	98.79	2.27	-	-
Sale of goods	3,781.67	3,501.76	-	-
Purchase of Fixed Assets	56.94	116.85	-	-
Rendering of Services	980.89	-	-	-
Receiving of Services	2.96	743.81	-	-
CSR spent through Trust	-	-	-	-
Voluntary Contribution to trust	4.95	43.15	-	-
Managerial remuneration	-	-	219.39	186.36
Outstanding Receivables	-	-	-	-
Director Sitting Fees	22.95	33.28	-	-
Equity Investments	39.75	19.50	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Notes :

- a). Related party relationship is as identified by the management and relied upon by the auditors.
- b) No amount in respect of related parties have been written off / written back during the year or has not made any provision for doubtful debts / receivable,
- c) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- d) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2021 and 31st March 2022, the Company has not recorded any loss allowances for transactions between the related parties

NOTE No. 50 SEGMENT INFORMATION

The Company is engaged in manufacture of Electrical Insatllation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

NOTE No. 51 KEY FINANCIAL RATIOS

Particulars	March 31, 2023	March 31, 2022	Variance
Current Ratio	1.40	1.38	0.03
Debt-Equity Ratio	0.02	0.04	-0.02
Debt Service Coverage Ratio	9.64	8.32	1.32
Return on Equity Ratio	9.72	6.84	2.88
Inventory turnover ratio / Days	106	92	14.00
Trade Receivables turnover ratio, / Days	88	92	4.00
Trade payables turnover ratio / Days	40	37	3.00
Net capital turnover ratio,- Times	63.75	50.07	13.68
Net profit ratio	3.81%	3.00%	0.81%
Return on Capital employed *	18.17%	15.05%	3.12%
Return on Investment	26.67%	30.00%	-3.33%

* ROCE : EBITDA / Total assets - Current Liabilities

NOTE No. 52 LEASES AS A LESSESS :

The Holding Company, which entered into Lease Agreements with various Parties during the previous financial years for hiring the premises at different locations for manufacturing activities, has modified those agreement with the term of 11 Months with an option to extend further period with mutual consent of the parties to the agreement and the agreement has no clauses of controlling the let out of assets

During the financial year 2022-23, the Holding Company has also taken out lease of Land and Buildings for Rent from two more parties and the Rental Agreements have been executed for a period of 11 months with an options for extending further periods with mutual consent of the parties . The Agreement don't have any clauses enabling the tenant to have control over the Property The Company does not have any lease within the purview of IND AS 116.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

Details of the properties Taken on Rent by the Holding Company:-

S. No.	Lesser and Address of the Property taken on Lease	Rent paid during the Year (in ₹)	Rent Advance (in ₹)	Tenancy Period
1.	SALZER EDUCATIONAL MEDICAL RESEARCH TRUST, SF,NO647/3A,3B&3D NO.2, Gudalure Village, Periyanaickenpalayam, Coimbatore -641047	19,10,000	1,00,00,000	11 Months
2.	VTD ENTRPRISES CBE P LTD, S.F NO - 91/A , Idikarai ,Kovilpalayam Road, Maniyakarampalayam,Idikarai,Coimbatore -641022	17,01,000	8,40,000	11 Months
3.	MURUGESHAN.K.P, S.F NO - 209H4 , Varatharaj.M Samichettipalayam, Coimbatore -641047	1,56,000	45,000	11 Months
4.	SIVAPRAKASAM.A, S.F NO -10/1 Thenral Nagar Samichettipalayam, Coimbatore -641047	89,283	30,000	11 Months
5.	RANGAMMAL.M, S.F NO - 209 H, Varatharaj.M Samichettipalayam, Coimbatore -641047	84,200	20,000	11 Months
6.	PALANISWAMY, S.F NO - 407/408 , HP Bunk Thottam, Vannankovil, Coimbatore -641047	2,40,640	3,00,000	11 Months
7.	TAMIL SELVI.R, S.F NO -393, Samichettipalayam Coimbatore -641047	56,000	40,000	11 Months
8.	SATHYABAMA. J, S.F NO -62/1 Samichettipalayam Coimbatore -641047	1,60,000	25,000	11 Months
9.	GOVINDARAJ.V. Pricol Backside, Ranga Nagar, Periyanaickenpalayam, Coimbatore -641020	3,24,000	3,00,000	11 Months
10.	BAPUSAHEB NANABHAU BENKAR AND OTHERS, hivshambho Industrial Estate, Gat 311 Khed shivapur, Gauddara Road,Haveli Taluk, Pune - 412205	6,82,625	6,00,000	12 Months
11.	SALZER SPINNERS LIMITED, SF no 6/684,685 Chikkarampalayam, Annur Road, Karamadai Coimbatore - 641104	30,78,400	10,00,000	11 Months
12.	LAKSHMI RING TRAVELLERS COIMBATORE PRIVATE LTD, Athimugam Main Road,Moranapalli Village, Hosur, Krishnagiri 635109	12,82,054	25,00,000	11 Months
13.	ANAND AND REVEENDERNATHA, # 135, S.C Road , Seshadripuram Circle, Bangalore - 560020	90,504	32,790	11 Months
	GRAND TOTAL	98,54,706		

The Subsidiary Company - Kaycee Industries Limited, has adopted IND AS 116 "Leases" .

Effect of adoption of new accounting standard on Leases: IND AS 116

Existing lease-hold building :-

The existing lease contract entered by the subsidiary Company pertains to buildings taken on lease for the subsidiary company's factory at Ambarnath which is currently on a long term lease, expiring on 11/10/2099. The Right of Use Asset has been capitalised as a Lease hold building as of 31/3/2023 and depreciation is charged on a straight-line basis over the estimated useful lives of the assets (i.e. 30 years). Since there are no incremental payments, in the form of lease rentals to be made to the lessor in future, corresponding lease liability has not been disclosed as of 31/3/2023. The subsidiary Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Additions to Leasehold building during FY 22-23 :-

The subsidiary company's additions during the year were in respect of lease of factory land and building at Ambarnath West (which has been leased for a period of 7 years from Jan 2023), with a 3-year lock in period. The subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

company has discounted lease payments using the average incremental borrowing rate as at March 31, 2023 which is 9.25% p.a. for measuring the lease liability.

On measurement in accordance with IND AS 116, the subsidiary company has recognized right-of-use assets amounting to Rs. 470.48 lakhs (FY'22 Rs. NIL) and a lease liability of Rs. 456.94 lakhs during FY 22-23 (FY'22 Rs. NIL). During the period ended March 31, 2023, the subsidiary company has recognized interest expense on leases amounting to Rs. 3.50 lakhs (FY 2021-22 Rs. NIL), and amortization of right of use assets amounting to Rs. 24.12 lakhs (FY 2021-22 Rs. 7.65 lakhs) in the financial statements.

The details of right of use assets held by the subsidiary company are as follows :

Lease hold Land and Building (Rs. In Lakhs)

	FY 23 (₹ in Lakhs)	FY 22 (₹ in Lakhs)
Balance at the beginning	162.82	170.47
Additions During the year	470.48	-
Depreciation During the year	24.12	7.65
Disposals during the year	-	-
Balance at the end of the year	609.18	162.82

NOTE No. 53 Other Notes

- The Title deeds of the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
- No proceedings have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Group with such banks are in agreement with the books of accounts of the Group.
- The Group has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2023.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2023.
- The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- 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:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023 (Contd.)

- The Group have 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:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group has not operated in any crypto currency or Virtual Currency transactions
- During the year the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- Previous year figures have also been reclassified, regrouped, recast to conform to current year classification.

In terms of our report attached

N. RANGACHARY

Chairman
(DIN :00054437)

R. DORAISWAMY

Managing Director
(DIN :00003131)

For: **JDS ASSOCIATES**

Chartered Accountants
FRN: 008735S

D. RAJESHKUMAR

Joint Managing Director &
Chief Financial Officer
(DIN: 00003126)

S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &
Company Secretary
(DIN :00003152& FCS No.4605)

B. JAYARAM

Partner
Memb.No. 028346

Coimbatore – 47
May 24, 2023

The growing range....

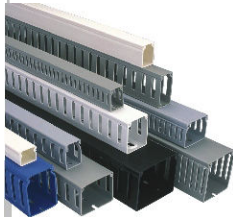
Rotary Switches



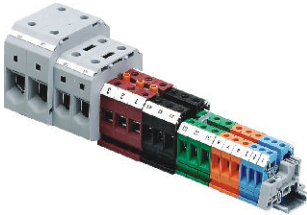
Load Break Switches



Cable Ducts



Terminal Connectors



Photovoltaic Isolator



Contactors & OLRs



MPCB's



Relays & Relay Module



Limit /Foot Switches



Transformers & Chokes/
Inductors/Reactors



Toroidal transformers
& CT's



Plug & Sockets



Modular Switches



Wires & Cables



Magnet Wires





salzer

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