

Date: August 16, 2023

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra Kurla Complex, Bandra
(East), Mumbai - 400 051.
Symbol: SYRMA

Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 543573

Subject: Notice of 19th Annual General Meeting and Annual Report for FY 2022-23

Reference: Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Ma'am,

We wish to inform you that 19th Annual General Meeting of **Syrma SGS Technology Limited** ("the Company") will be held on **Friday, September 08, 2023 at 11:00 A.M IST** through **Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")** and the deemed venue of the meeting shall be the Registered Office of the Company situated at Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East) Mumbai-400093, Maharashtra, India.

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI Listing Regulations**") read with General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circulars No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, issued by the Securities and Exchange Board of India ("**SEBI Circulars**"), the AGM will be held through VC/OAVM without the physical presence of the Shareholders at a common venue.

Accordingly, in pursuance of Regulation 30 and Regulation 34(1) of the SEBI Listing Regulations, as amended from time to time, please find enclosed Notice of the AGM and the Annual Report of the Company for the Financial Year 2022-23, which will be sent to the Members through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants.

In terms of Regulation 46 of the SEBI Listing Regulations, the said Notice of 19th AGM and the Annual Report is also available on the website of the Company and can be accessed at <https://www.syrmasgs.com/investor-relations/43-2/>.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the notice convening the 19th Annual General Meeting of the Company, through remote e-Voting (as well as e-Voting during the AGM) services of Link Intime India Private Limited. The e-Voting instructions and the process to join meeting through VC/ OAVM is set out in the AGM Notice.

Further, in accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM along with the Annual Report is being sent by electronic mode today i.e., August 16, 2023, to only those Shareholders whose email addresses are registered with the Company/ Depository Participants.

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Information at glance:

Particulars	Details
Mode	Video conference and other audio-visual means
Day, Date and Time of AGM	Friday, September 08, 2023, at 11:00 A.M IST
Remote e-Voting website	https://instavote.linkintime.co.in
Helpline number for VC participation	Tel. No.: 8108116767 / 022 4918 6270
Video recording and transcripts	https://www.syrmasgs.com/investor-relations/disclosure/
Dividend record date	Friday, September 01, 2023
Dividend payment date	Within 30 days from date of AGM
Cut-off date for e-Voting	Friday, September 01, 2023
Remote e-Voting start date and time	Tuesday, September 05, 2023, at 9:00 A.M
Remote e-Voting end date and time	Thursday, September 07, 2023, at 5:00 P.M

You are requested to take the above information on record.

Yours sincerely,
For **Syrma SGS Technology Limited**

Rahul Sinnarkar
Company Secretary & Compliance Officer
Membership No: A39709

Place: Gurgaon

Encl: As above.



Building For
Tomorrow
Innovative • Reliable • Responsive

Contents

Corporate Overview 03-36

Building For Tomorrow	03
Who We Are	04
Our Geographical Footprint	06
Message from the Chairman's Desk	08
Message from the Managing Director	10
Operating Environment	12
Robust Financials	14
Our Offerings	16
Our Core Competencies	22
Operational Excellence	24
Innovation enabling sustainable growth	25
Delivering Excellence	27
Our People Approach	28
Our ESG Approach	30
Board of Directors	34
Management Team	35
Awards and Recognition	36

Statutory Reports 37-126

Management Discussion and Analysis	37
Directors' Report	48
Report on Corporate Governance	80
Business Responsibility Report	106

Financial Statements 127-301

Standalone	127
Consolidated	209

Notice of Annual General Meeting	302
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Performance highlights*

Total revenue
₹ 20,921 million

63% YoY

EBITDA
₹ 2,315 million

61% YoY

PBT
₹ 1,787 million

61% YoY

PAT
₹ 1,231 million

61% YoY

*YoY growth rates are calculated basis Proforma Consolidated Financials for Fiscal Year 2022 ending March 2022.

For more information visit



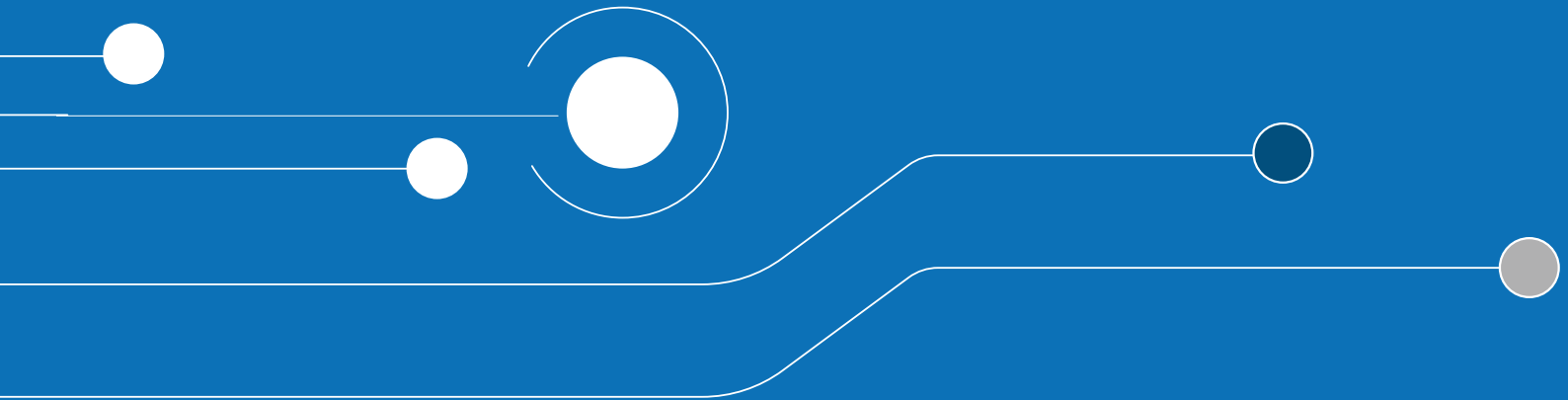
www.syrmasgs.com



or scan QR code

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as 'believe,' 'plan,' 'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.





Building For Tomorrow

Innovative. Reliable. Responsive.

For over four decades, we have been the preferred value creator for our clients through innovative and efficient Electronic System design and manufacturing.

Building for tomorrow, as our organisation grows and scales to become a leader and meet the surging demand for Electronic Manufacturing Services (EMS) in India. Our advanced solutions are designed to address the changing requirements of Original Equipment Manufacturers (OEMs) in more than 20 countries.

Innovation lies at the heart of Syrma SGS. Through our engineering-led diverse range of electronics manufacturing services (EMS), we offer high-mix, flexible volume and precision OEM manufacturing. We have a proven track record of technical innovation which involves collaboration with the engineering teams of our marquee clients.

Reliability is the cornerstone of our success. Valuing the trust that our clients have in us, we harness our capabilities to deliver remarkable results. To sustain our position as their reliable partner, we adhere to stringent quality standards and leverage our intensive industry expertise. This helps ensure that each product leaving our facilities meets industry benchmarks.

Responsiveness is yet another attribute that sets us apart. In a fast-paced world, we understand the urgency and dynamism of the needs of our clientele. To this end, we follow a responsive and agile approach and adapt swiftly to market changes and emerging technologies, enabling our clients to stay ahead of the technology curve.

Who We Are

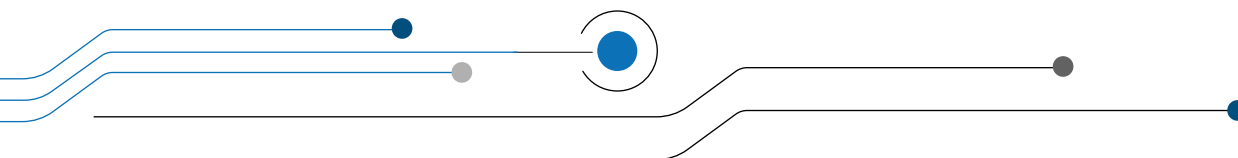
With over four decades of experience in precision electronics manufacturing, we are enabling global innovation through our technology-focused engineering capabilities in turnkey Electronics Manufacturing Services (EMS).

As one of the fastest growing Indian-headquartered ESDM companies, serving both global and Indian Original Equipment Manufacturers (OEMs), our comprehensive EMS range encompasses everything from product design to quick prototyping, PCB assembly to Box build. Additionally, we offer customised end-to-end solutions for RFID tags and inlays, high-frequency magnetic components, repair, rework and automatic tester development services.



VISION

Our vision is to Build an organisation around entrepreneurial freedom and unleash the potential of our people to innovate and define the future of ESDM. We will inspire and lead by being the catalyst for economic and social upliftment through enterprise



People first

We prioritise the well-being and development of our people, as we believe they are the foundation of our success and growth.



Entrepreneurial accountability

Each member of our team acts as an entrepreneur, owning their responsibilities fully and taking accountability for both successes and areas for improvement.



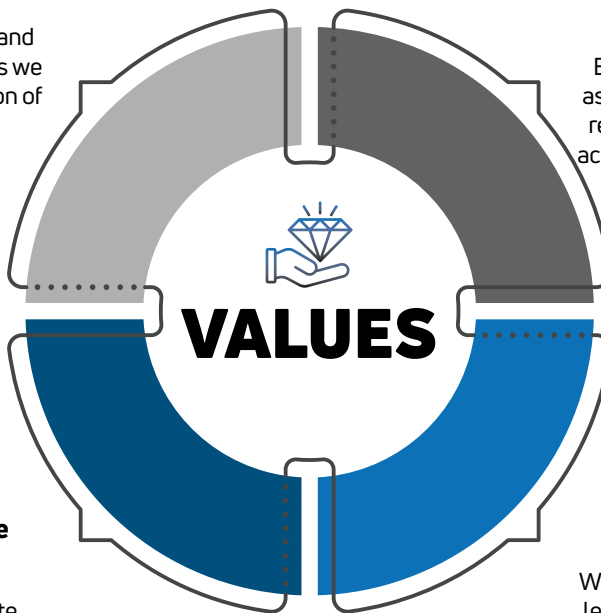
Customer centric value creation

Our ultimate goal is to create maximum value for our customers, always placing their needs and preferences at the heart of our strategies and actions.



Iterative innovation

We foster a culture of continuous learning and adaptability, where innovative ideas are tested, refined and implemented in an iterative process for optimal results.



Quick look at our numbers

40+ years

Group legacy

25

Surface Mount Technology lines

825,000+ sq. ft.

Total plant area

12

Facilities

270+

Customers

750+ Mn.

OEM units shipped in last decade

20+

Exporting countries

3

R&D facilities

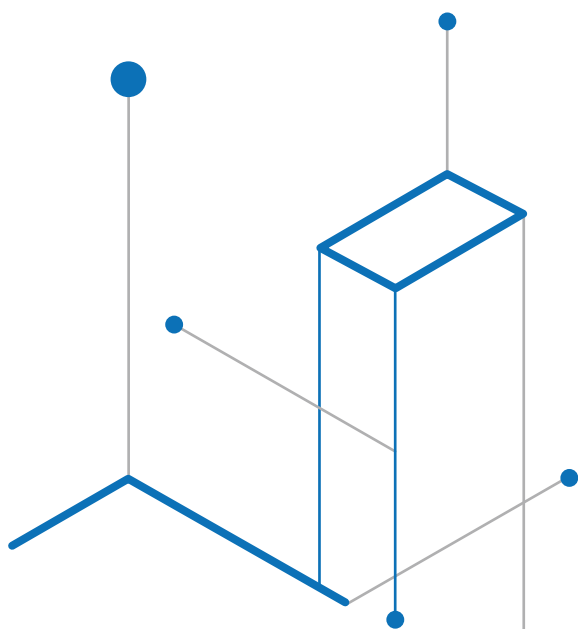
7,000+

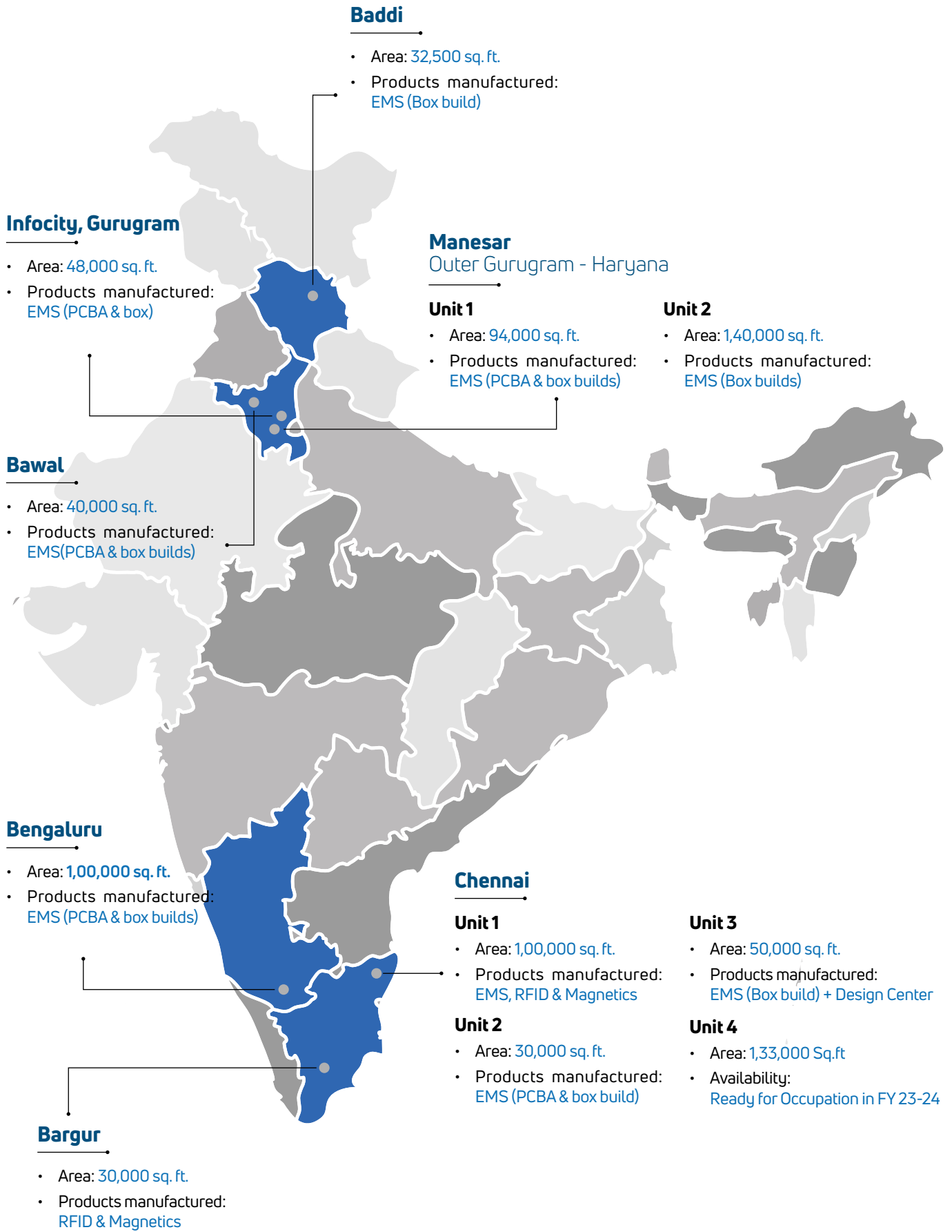
Employees

Our Geographical Footprint

Our strategically located manufacturing facilities in Tamil Nadu, Karnataka and Haryana, aid us in meeting our export demands efficiently.

This is largely due to the close proximity of these facilities to major transportation hubs such as city airports and the Chennai port. The uniformity in manufacturing capabilities across all our facilities offers us the flexibility to transfer our products conveniently between different sites during emergency situations.





Message from the Chairman's Desk



“Our design-led manufacturing approach remains our guiding principle and we are thrilled with the increasing customer interest in sustainable solutions. The demand for efficient and eco-friendly designs and power systems presents us with ample opportunities to add value and meet evolving needs”.

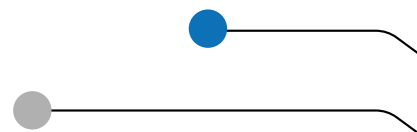
Dear Shareholders,

Following our successful initial public offering (IPO) and listing on the stock exchanges, it is my pleasure to present our maiden annual report to you. My heartfelt gratitude goes out to our investors and shareholders for believing in our vision and investing in our capabilities with unwavering faith. It is your support that has propelled us forward and fortified our position in the market.

SyrmaSGS is a design-led manufacturing company with deep domain expertise in Mobility, Hi-Tech, Healthcare, Consumer, Industrial and other solutions. Flexibility is built into our operating model, so we can cater to small and large-scale production requirements. Working with leading startups and established industry leaders, we have harnessed our innovative electronic system design and manufacturing capabilities, thus becoming their preferred value creator. At the heart of it, we believe it is our commitment to collaboration, innovation and customer success that gives us a distinct edge over our peers.

The big picture

Despite the challenges posed in the past and some that continue, including a prolonged pandemic, geopolitical unrest, soaring inflation and supply chain constraints, we remain optimistic about our prospects and that of the Indian economy. At SyрмаSGS, we believe in



turning threats into opportunities and that approach is why we continue to experience steady demand from all our clients. Our industry diversification and new products and application efforts, have enabled us to sustain our growth momentum amidst adversity.

Bourgeoning electronics manufacturing landscape

Another element of SyrmaSGS's differentiation is our strong presence in both domestic and export markets. As India witnesses unprecedented demand from global companies seeking manufacturing bases outside China, we are well-positioned to cater to this nascent, burgeoning electronics manufacturing landscape. Our nation's favorable economic climate, government support for manufacturing, industry maturity and skills set us apart from other economies. The increasing need for electronic equipment across products, driven by the push for e-mobility, smart metering, energy efficiency, connected health and 5G, presents abundant opportunities for SyrmaSGS to excel.

Making responsible choices

Our business strategy prioritises sustainability and ethical practices. Environmental, Social and Governance (ESG) principles are enshrined in all our endeavors, aligning with the UN's Sustainable Development Goals to contribute positively to the environment

and society at large. To reduce our environmental footprint, we have set organisation-level targets for GHG emission reductions and actively adopt renewable energy sources and efficient waste management practices. Our product, design, operations and sustainability teams work collaboratively to develop greener manufacturing methods, while cutting waste across our value chain.

Inclusivity and sustainability are integral to our corporate values. We are committed to grooming women leaders and ensuring adequate representation within our workforce, where women currently account for approximately 50% of our work force. Our 'Great Place to Work' designation attests to the healthy, conducive and safe work culture at SyrmaSGS, which fosters employee growth and success. Our CSR spends reinforce our inclusivity and sustainability foundations.

To sustain our growth momentum, we will continue to invest in technology infrastructure. We are excited by the increasing customer interest in sustainable solutions. Embracing the integration of sensors and IoT devices, we will empower our customers with valuable insights, enabling them to make informed decisions.

Our expansion into geographical and vertical markets with promising growth potential, combined with strategic acquisitions and investments, will diversify our portfolio and consolidate our position as a preferred global supplier.

Aligning priorities

Our ethical approach, global vision, design-led manufacturing, flexibility in production, sustainability, industry specific approaches, innovation and customer-centricity define as well as differentiate us.

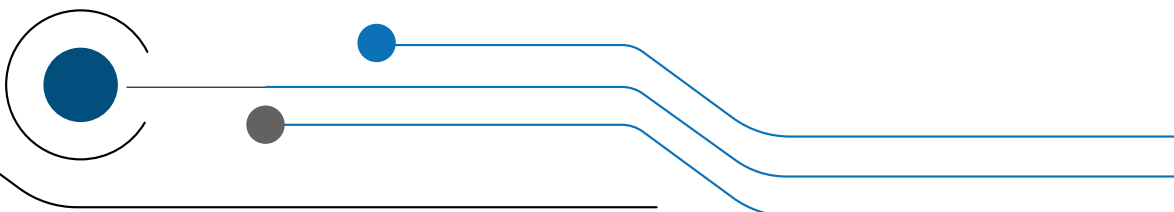
As we look ahead, we are thus confident about our ability to be agile, seize opportunities, enhance efficiencies, drive profitable growth and create value for shareholders in this dynamic operating environment.

To our customers, business partners, shareholders, investors and communities, we count on your partnership as we unlock the next phase of development and growth for our organisation. Together, we will continue to make clear, firm and positive strides.

We look forward to the years ahead with utmost confidence.

Regards,

Sandeep Tandon
Executive Chairman



Message from the Managing Director



“I would like to reiterate our chairman’s sentiments and emphasise that the current environment for the electronic manufacturing industry has presented us with unprecedented opportunities. We are fortunate to be at the cusp of this industry-wide transformation and have expansion plans to meet our customers’ growing demands.”

Dear Shareholders,

I am delighted to be addressing you for the first time since our successful listing on the stock exchanges. This milestone marks a significant achievement for our Company and reflects the hard work and dedication of our entire team.

For us, this year has been a great one, with incredible revenue growth. Our team’s commitment and tenacity, together with our strategic objectives, have resulted in this outstanding financial performance. The expanding market demand for domestic business across company verticals, as well as the effectiveness of our sales and marketing efforts have led to our growth.

Cost and quality are critical in the business in which we operate. In contrast to the software sector, where updates may be sent over the cloud, our industry expects us to deliver products that perform flawlessly every time. At Syрма SGS, we recognise this. As a result, we have consistently placed a strong emphasis on both cost-effectiveness with exceptional quality.

Our commitment to customer satisfaction goes beyond product development. We take full responsibility for monitoring the entire supply chain for our products. Given the number of constraints impacting the global supply chains during the last two years, I must praise our team’s extraordinary efforts in overcoming the challenges and meeting the demands of our clients. Importantly, we were able to do this with near zero defects, which says volumes about our customer-focused culture.

At Syрма SGS, we are dedicating our significant efforts towards building up a sustainable, profitable, socially responsive organisation. To this end, we have taken significant steps during the fiscal year, some of which include:

- We have set up a subsidiary to focus solely on design and development. We were conducting design and development tasks as part of our business until recently, when we saw that they were being diffused as manufacturing took precedence. As a result, we established a fully owned subsidiary called ‘Syrma SGS Engineering and Technology Services Limited’ to handle design and development.

It is encouraging to see the early customer response and we expect that in another couple of years, this initiative will not only be a significant contributor to our business but will also increase customer stickiness. These baby steps in the present shall support us in staying ahead of the competition in the future.

- We have strengthened our marketing teams by having representations both in the East and West Coast of the US, further bolstering our marketing team in Germany and strengthening our teams in the domestic markets in India.
- We are particularly focused on our subsidiary company's R&D centre in Germany. To achieve this goal, we are in the process of commissioning a prototype line that will allow us to better serve our new customers through batch supplies before serving them from India for bulk volumes.
- During the fiscal year, we have on-boarded 8 to 10 major customers, including some formidable names. These customers are spread across the automotive sector, catering to both combustion and EV segments. We have also added customers in the HVAC sector, which includes refrigeration and air conditioning. Besides we have added customers in the industrial power, electric charging infrastructure and infrastructure electronics segments. We believe addition of several prominent clients will undoubtedly give us a competitive advantage towards our future growth.
- We have received RDSO permission for one of our facilities, which is a significant step forward in our partnership with the railways. While the railways sector's present contribution to our overall revenue may be limited due to early stages of our engagement, we anticipate a considerable growth in revenue from the railways sector.
- We acknowledge that attracting and retaining top talent is essential to our Company's long-term success and growth. To this end, during the fiscal year we have hired a number of highly experienced

people who will contribute to our strategic goals thereby propelling our growth.

- Building a long-term, sustainable, financially successful and socially responsible organisation is our main priority. In the last quarter of FY23, we have made some big strides in this direction. We have also created a dedicated subsidiary with a sole focus on design and development. Through strategic acquisition, we are also pursuing inorganic growth to make Syrma future-ready.
- I am pleased to share with you that our company received several prestigious awards in the financial year, recognising our excellence in innovation, sustainability and customer satisfaction. These awards are a testament to our hard work, dedication and commitment to delivering value to our stakeholders.

We are recognised among the 'Most Preferred Workplaces in 2023-2024' based on an industry-wide consumer study conducted by LeadCap Ventures. We are the first and only EMS company to have received the honour. We now belong to the cohort of some of the finest companies in India

With all of this in place, we will thrive to grow superior to the industry growth rates in the following year. This aligns with industry growth and our long-term aim of maintaining superior returns in the coming years.

Financial performance

Coming to our financial numbers, during the fiscal we have recorded a growth of 63% in revenues. This is on the back of 42% growth recorded in the previous financial year. Our EBIT, PBT and PAT have all grown by about 61% in the current year. Our continued efforts to work with marquee customers across the globe, anchored by the auto and consumer industries, have been a major factor in our performance over the past fiscal year. Our order book now stands at almost ₹ 3,000 crores, up from ₹ 1,200 crores in the previous fiscal year.

In keeping with our excellent fiscal performance, I am glad that the Board has proposed a 15% dividend, or ₹ 1.50 per equity share, to shareholders.

As we go forward, I would like to reiterate our chairman's sentiments and emphasise that the current environment for the electronic manufacturing industry has presented us with unprecedented opportunities. We are fortunate to be at the cusp of this industry-wide transformation and have expansion plans to meet our customers' growing demands.

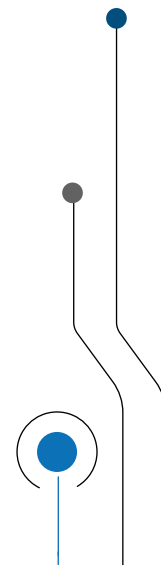
We have been looking forward to commissioning all our new expansion plans by 2025 which is a strategic response to the increasing demands of our products. Besides, in order to stay ahead of the curve, we are prioritising robust corporate governance and stepping up our investments in technology and our people.

To conclude, I would like to thank our shareholders for your support and trust in our vision. This is an exciting time for us, as we expect robust growth ahead.

We remain committed to building an organisation that anticipates and embraces change and leverages inherent strengths to drive innovation, efficiency and expansion.

Sincerely,

Jasbir Singh Gujral
Managing Director



Operating Environment



We thrive in the dynamic landscape of the Electronics Manufacturing Services (EMS) industry, characterised by growing content of electronics across industries led by technological advancements, increasing digitisation and shifting industry needs.

Our operations span diverse sectors, from automotive and industrial to healthcare and Railways & IT, where the integration of advanced electronics is transforming conventional paradigms. Navigating trends such as the rise in IoT devices, the global EV revolution and the explosion of telehealth, we are strategically positioned to leverage these opportunities for growth and innovation.



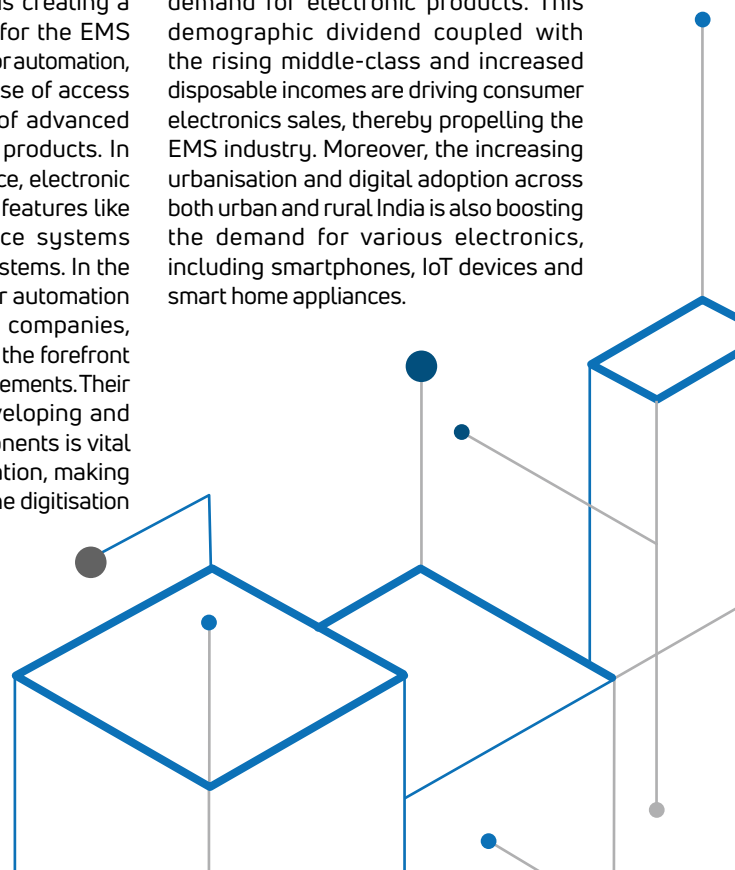
Integration of advanced electronics across various industries

The ongoing trend of embedding electronics into a broad range of products, from automobiles to consumer goods and industrial machinery, is creating a high-growth environment for the EMS industry. The rising demand for automation, improved efficiency and ease of access is leading to the infusion of advanced electronics into traditional products. In the auto industry, for instance, electronic components are integral to features like advanced driver-assistance systems (ADAS) and infotainment systems. In the industrial sector, they power automation and IoT applications. EMS companies, including Syрма SGS, are at the forefront of these technological advancements. Their expertise in designing, developing and manufacturing these components is vital for this industry transformation, making them a key driving force in the digitisation of these sectors.



Strong domestic demand and demographic dividends in India

India, with its demographic advantages, including a large, young and tech-savvy population, presents significant domestic demand for electronic products. This demographic dividend coupled with the rising middle-class and increased disposable incomes are driving consumer electronics sales, thereby propelling the EMS industry. Moreover, the increasing urbanisation and digital adoption across both urban and rural India is also boosting the demand for various electronics, including smartphones, IoT devices and smart home appliances.





Explosion of IoT and smart devices in consumer electronics

There has been an exponential growth in the demand for Internet of Things (IoT) devices and smart consumer electronics worldwide. With our capability to provide services like PCB assemblies, magnetic products and RFID tags, we find ourselves at the nexus of this technological explosion. This increased demand has led to a pressure on supply chains and the need for high-precision, small scale manufacturing.



The revolution of digitisation and automation in industrial sector

The global Industrial sector is witnessing a transformative phase with the advent of digitisation and automation technologies. The integration of advanced electronic systems in traditional industrial operations has become a necessity for enhanced operational efficiency and productivity. Our expertise in designing and manufacturing these systems is important in catering to this surging demand, shaping its strategic focus and operational scaling.



Geopolitical shifts and government initiatives

The ongoing geopolitical shifts, particularly the 'China+1' strategy, have prompted global companies to diversify their supply chains and seek alternative manufacturing hubs. India, with its strong manufacturing capabilities, skilled workforce and improving infrastructure, is becoming a viable option. This shift is creating new opportunities for Indian EMS companies. Moreover, the strong focus of the Indian government on promoting local manufacturing and its initiatives like the 'Make in India' campaign and the Production-Linked Incentive (PLI) scheme are providing an impetus to the EMS industry. These supportive policies are encouraging both domestic growth and foreign investments in the sector, fostering an environment conducive to the growth and expansion of EMS companies.



Rising EV Demand

The EMS industry is witnessing transformative growth due to the rapid expansion of the global Electric Vehicle (EV) market. According to the International Energy Agency, the number of electric cars on the road is projected to reach 145 million by 2030. We will leverage this demand, with our expertise in designing and manufacturing electronic components integral to EVs. Additionally, increasingly favourable regulatory environments worldwide promote clean energy and reduce carbon emissions, creating a surge in the production and ownership of EVs. Consequently, opportunities are opening for EMS companies to collaborate with traditional automakers transitioning to EVs. Moreover, technological advancements, particularly in battery technology, are evolving the EV landscape, necessitating specialised electronic components and systems.

49%
CAGR (2022-2030)
estimated for Indian
EV market

(Source: Economic survey 2023)



Surge in telehealth and remote monitoring in healthcare

The pandemic has spurred an unprecedented surge in telehealth and remote patient monitoring services, significantly transforming healthcare delivery models worldwide. With expertise in medical electronic devices, we are perfectly poised to capitalise on this shift. Our proficiency in creating components that are integral to telehealth technologies, like sensors and connectivity solutions, make it a vital player in this evolving landscape. Moreover, its capability to adapt and innovate ensures it stays abreast of the continually changing health tech field, catering to emerging trends like AI-integrated healthcare and personalised medicine. As healthcare providers increasingly adopt digital platforms, our role in shaping this new frontier of medical care becomes even more crucial.

Robust Financials

Operational and financial highlights

In terms of financial performance, we experienced strong growth from FY22 to FY23. Our total revenue increased by 63%, reaching ₹ 20,921 million. Alongside, gross profit grew by 41%, owing to enhanced cost management.

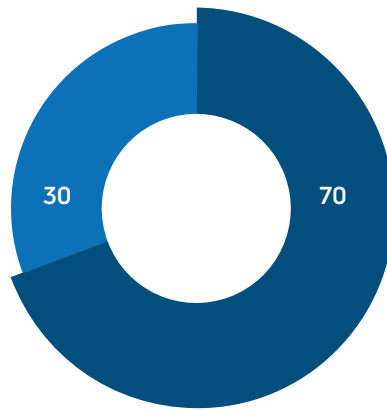
Operational efficiency is illustrated by a 61% rise in Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), reaching ₹ 2,315 million. Profit Before Tax (PBT) and Profit After Tax (PAT) also increased by 61%, reflecting robust profit generation.

Return on Equity (ROE) stood at 11.6% in FY23, while Return on Capital Employed (ROCE) reached 16.0%, indicating effective capital utilisation.

Geographically, our revenue is mainly domestic, with 70% sourced from the domestic market and 30% from exports. Industry-wise, our revenue is diversified, with the consumer sector contributing 32% of total revenue.

Geographic distribution of revenue

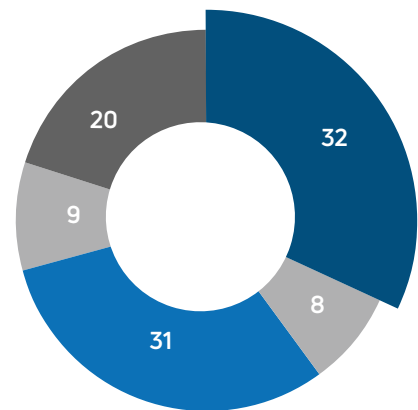
In %



- Export
- Domestic

Industry-wise revenue distribution

% of revenue from operations



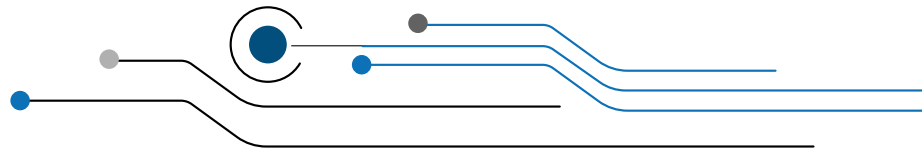
- Automotive
- Consumer
- Healthcare
- Industrial
- IT & Railways



Revenue from exports over the years* (in ₹ million)



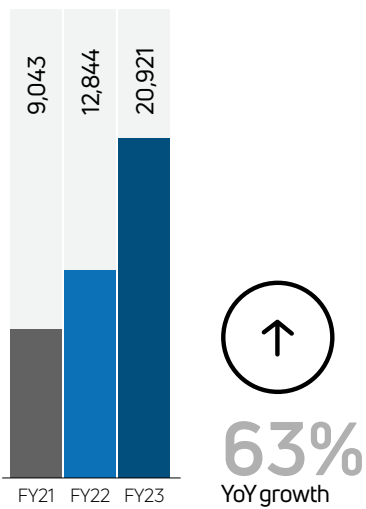
*FY21 and FY22 financials are based on proforma consolidated financials.



Financial highlights*

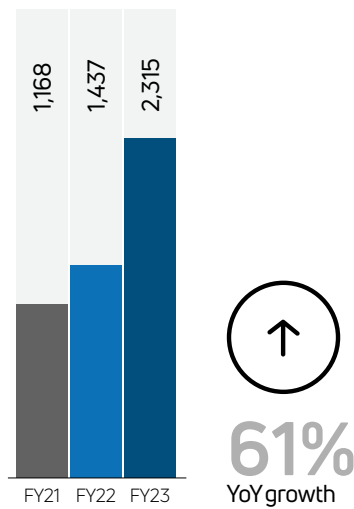
Company Revenue

(in ₹ million)



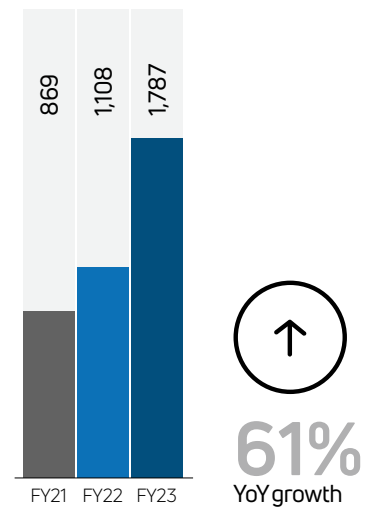
EBITDA

(in ₹ million)



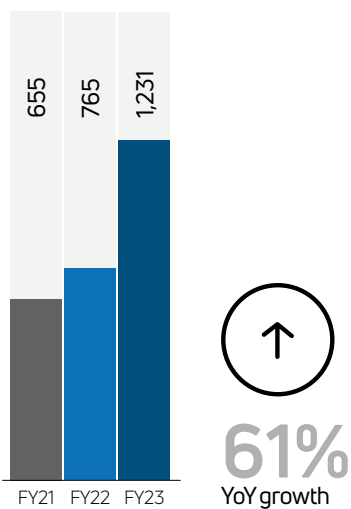
Profit Before Tax

(in ₹ million)



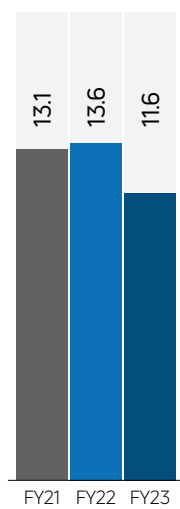
Profit After Tax

(in ₹ million)



ROE

(in %)



ROCE

(in %)



*FY21 and FY22 financials are based on proforma consolidated financials.

Our Offerings

As a technology-focused engineering and design company engaged in turnkey electronics manufacturing services, we specialise in precision manufacturing for diverse end-use industries. Being one of the fastest growing Indian-headquartered ESDM companies, we also streamline the product lifecycle.

Our products

PCB Assembly (PCBA)

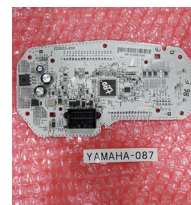
Leveraging numerous Fuji SMT lines, we offer extensive PCBA services across multiple facilities. We employ advanced electronic product assembly equipment for optimal capacity use, ensuring cost and time efficiency for our clients. Our PCBA capabilities include:

- Fine-pitch placement upto 12 mil
- Through-hole component assembly and dedicated product assembly line for volume builds
- Placement accuracy of ± 25 microns
- SMT assembly in a class 10k and dust-free environment



Box Build

Our comprehensive box build solutions encompass electromechanical assembly, firmware and software loading, validation, testing and packing. We collaborate with our supplier network to provide precision components and custom solutions.



RFID Tags and Inlays

Our robust product line of RFID Tags and Inlays is designed to withstand extreme conditions. We design custom-made RFID readers compatible with standard tags and mobile devices.

End-of-line Tester Development

Our in-house end-of-line tester development services provide customised Automatic Test Equipment (ATE) that meets client specifications. We specialise in hardware, software and firmware development for various sectors.

Magnetics

As an OEM manufacturer, we produce high-frequency transformers, chokes, coils and inductors. Our magnetic components are designed to function optimally across various frequencies and power ranges.

Electro-Mechanicals

We provide comprehensive turnkey manufacturing assistance through

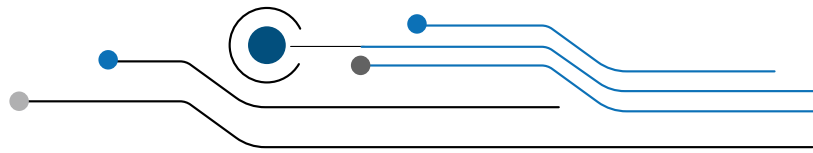
specialised sheet metal manufacturing services. Our processes include precision-crafted components, high-precision machining, a variety of welding techniques and quality surface treatments.

BLDC Modules for Fans

Our BLDC motor modules for fans comprise of superior efficiency, enhanced lifespan, quieter operation and greater control over speed and torque.



For more detailed information, refer to the weblink : <https://syrmags.com/products/>



Industries we serve



Automotive and EV

We offer a comprehensive suite of electronic solutions for both combustion engines and the burgeoning electric vehicle (EV) segment. Our partnership with large Original Equipment Manufacturers has been instrumental in our significant growth in this area.

EV Mobility

Our product portfolio in this space includes

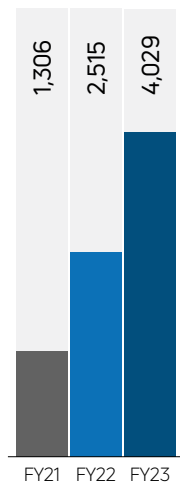
- Automotive & EV Light Controllers
- Dashboard & Infotainment
- Battery Management System
- Motor Controller Unit
- Charging Infrastructure
- Display Controller

Combustion & Accessories

For traditional combustion vehicles, our offerings are:

- Light Controllers
- Beacon
- Engine /Fuel Control Unit
- Clusters Electronics.

Revenue*
(in ₹ million)



76%
3 year CAGR

Macro trends and Opportunities

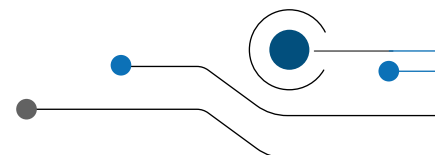
Rising Demand for EVs

The global surge in electric vehicle (EV) demand and the favourable regulatory environment for EVs presents immense opportunities for us to expand our suite of electronic solutions in this space.

Advanced Electronics Integration

With an increasing number of electronic components being integrated into automobiles for advanced driver-assistance systems, infotainment systems and EV-related functionalities, we are poised to leverage this trend with their expertise in designing, developing and manufacturing these components.

*FY21 and FY22 financials are based on proforma consolidated financials.



Our Offerings contd...

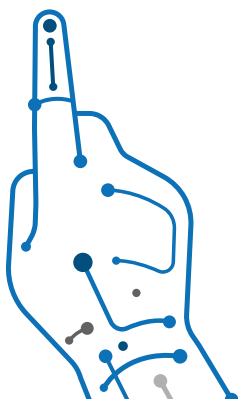


Consumer



As a leading EMS provider, we tap into the growing consumer electronics market with an array of smart solutions and products. We specialise in sectors such as:

- Smart Consumer Electronics & BLDC Systems
- FASTag & RFID Applications
- 5G Subscriber Devices
- Water Purification & Cleaning



Revenue* (in ₹ million)



78%
3 Year CAGR

*FY21 and FY22 financials are based on proforma consolidated financials.

Macro trends and Opportunities

• IoT and Smart Devices

The rising demand for Internet of Things (IoT) devices and smart consumer electronics worldwide opens a wide array of opportunities for Syрма's expertise in PCB assemblies, magnetic products and RFID tags.

• Growing Domestic Demand in India

The increasing middle-class, increased disposable incomes and digital adoption across India are driving consumer electronics sales, benefiting Syрма's growth in this sector.



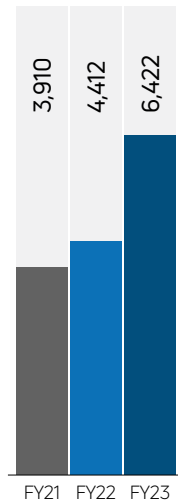
Industrials

We offer a wide range of industrial solutions designed to meet the evolving needs of various sectors. Our industrial offerings cater to the demands of industries seeking cutting-edge technologies and efficient solutions.

- Smart Energy Meters
- 5G Infrastructure & Smart Cities
- Industrial Cleaning & Printing
- Industrial Power Supplies
- Solar Controllers

*FY21 and FY22 financials are based on proforma consolidated financials.

Revenue*
(in ₹ million)



28%
3 year CAGR



Macro trends and Opportunities

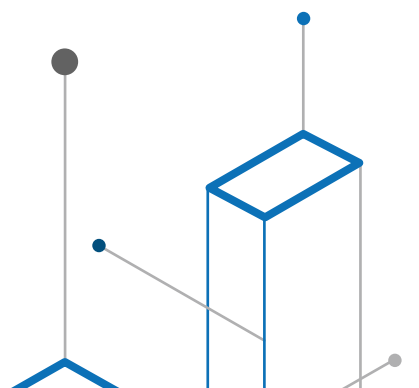
Digitisation and Automation

In an era where Industry 4.0 reigns supreme, the industrial sector is witnessing a revolution like no other, primarily driven by the powerful convergence of digitisation and automation technologies. The application of these innovative tools has revamped the traditional industrial landscape, transforming factories into smart, integrated hubs of efficiency. This surge in digitisation and automation has instigated an increased demand for sophisticated electronic systems that can seamlessly interconnect and streamline operations. Our expertise in designing and manufacturing these advanced systems perfectly positions us at the forefront of this transformation.

5G Infrastructure and Smart Cities

Around the globe, cities are harnessing the power of technology to become more efficient, sustainable and livable. These smart cities rely on 5G technology, a critical enabler for the Internet of Things (IoT), artificial intelligence (AI) and other digital technologies, to transform urban spaces into digital ecosystems.

Our strategic offerings in the areas of 5G infrastructure and smart city solutions are ideally poised to benefit substantially from this global shift. Recognising the pivotal role of 5G and smart technologies in shaping the future, we have invested heavily in research and development, creating top-tier solutions that support the establishment and operation of intelligent urban environments.



Our Offerings contd...



Healthcare

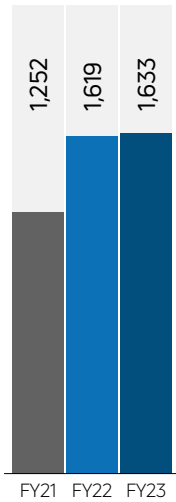
In the healthcare domain, we play a pivotal role in supporting the industry’s transformative shift towards digitisation and personalisation. We offer a diverse range of products to assist in the delivery of efficient healthcare services.

Our product offerings include:

- Personal Healthcare Devices
- Power Supplies for Medical Devices
- High-Precision Dispensers
- Digital X-Ray
- Smart Canes

*FY21 and FY22 financials are based on proforma consolidated financials.

Revenue*
(in ₹ million)



14%
3 year CAGR

Macro trends and Opportunities

- **Surge in Telehealth and Remote Monitoring**

Since the pandemic, there has been increased the reliance on telehealth and remote patient monitoring services. With our expertise in medical electronic devices, we are in a strong position to capitalise on this trend.

- **AI-Integrated Healthcare**

The emerging trend of AI-integrated healthcare and personalised medicine creates a new demand for advanced electronic components, a sector in which we hold considerable expertise.



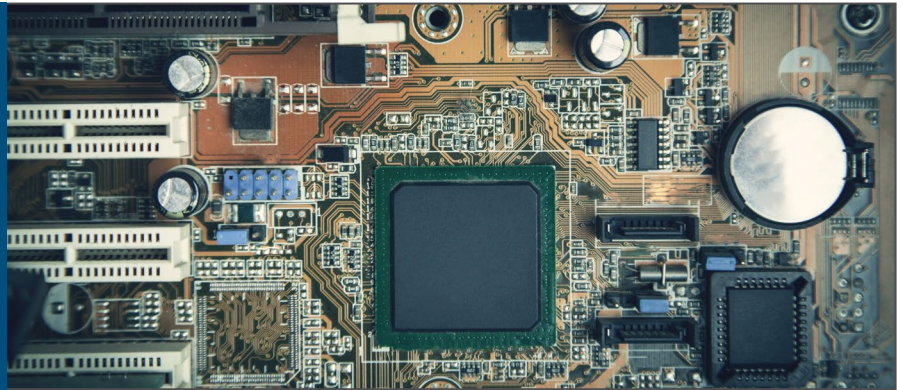


Railways and IT



Did You Know?

We recently received approval from the Research Designs and Standards Organisation (RDSO), a significant recognition that further strengthens our position in the Railways and IT sector.

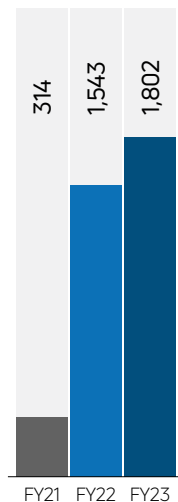


In the Railways and IT sector, we are partnering with leading laptop manufacturers and locomotive companies. Our state-of-the-art offerings serve their stringent requirements, fuelling their technology solutions.

Our key product offerings include:

- Signalling Systems, Door Controllers, Braking Systems
- Railway Cab Equipment
- Memory Modules
- Motherboards & Assemblies

Revenue*
(in ₹ million)



140%
3 year CAGR

*FY21 and FY22 financials are based on proforma consolidated financials.

Macro trends and Opportunities

- **Railway Modernisation**

The modernisation of railway infrastructure, including signaling systems, door controllers and braking systems, offers growth opportunities for Syrma.

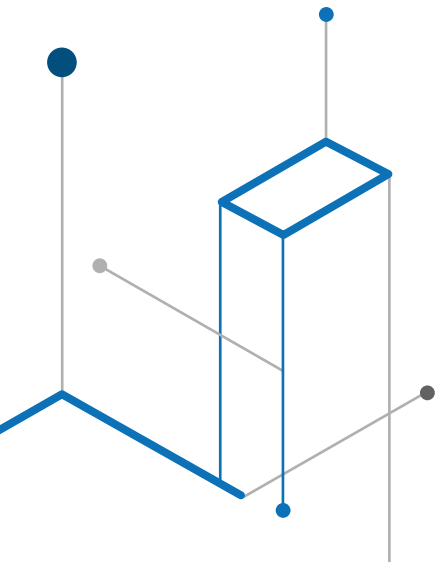
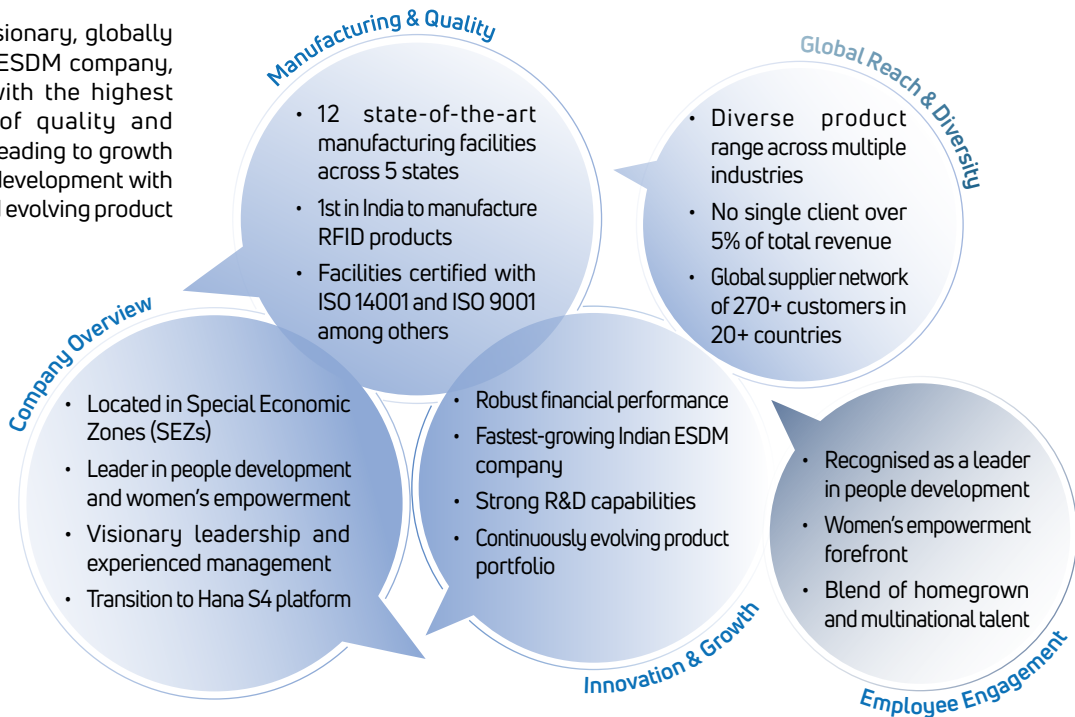
- **IT and Computer Hardware**

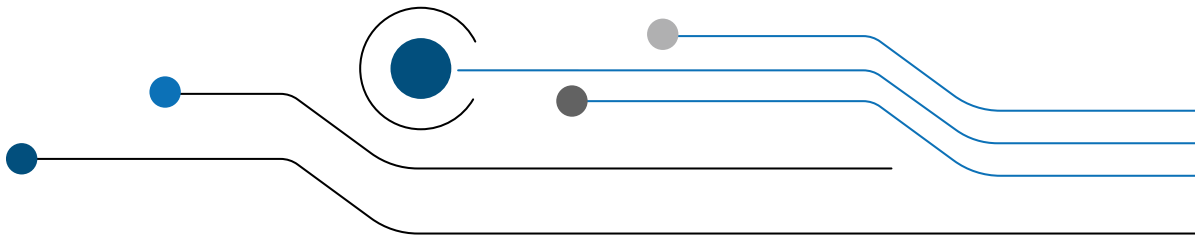
The partnership with leading laptop manufacturers together with government push for indigenisation for memory modules, motherboards and assemblies provides a solid base for Syrma to leverage growth in the IT industry.

Our Core Competencies

Our core competitive strengths remain integral to our business growth, providing a solid foundation that consistently propels us towards future success. These strengths empower us to capitalise on emerging opportunities and navigate challenges, driving our sustained growth and prosperity.

We are a visionary, globally recognised ESDM company, operating with the highest standards of quality and innovation, leading to growth and people development with a diverse and evolving product portfolio.





Our strategies

Our business strategy, shaped by an extensive knowledge of our innate strengths, consumer demands and market trends, will help accelerate growth, inspire innovation and deliver exceptional value. By leveraging this approach, we aspire to continue our quest of positioning ourselves as a global leader, ensuring long-term growth and consistently exceeding client expectations in a dynamic operating environment.

Solidify and strengthen our core competitiveness of technology innovation

We aim to solidify our technology innovation edge, investing in infrastructure and cutting-edge technologies like IoT. Our expansion plans include new manufacturing facilities and equipment upgrades to fuel our growth.

Pursue inorganic growth through strategic acquisitions

We drive growth through strategic acquisitions, as evidenced by successful mergers with Tovya Automation and 3G Communication. This strategy boosts our manufacturing capacity, tech knowledge and market position while diversifying our product range and client base.

Expand our customer base and geographic reach

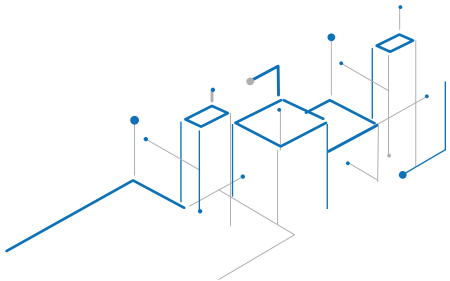
Our goal is to grow our customer base and reach, using diverse offerings and strategic partnerships. Over the years, we have increased the number of OEMs and ODMs served, aiming to continue this growth momentum.

Increase our wallet share from existing customers

We aim to boost per-customer contributions by expanding our product portfolio and leveraging our R&D efforts. We plan to exploit cross-selling opportunities with our varied product range and rely on our expanded geographic presence to consolidate our position as a preferred supplier.

Cater to more end-use industries








Our plan is to serve a wider range of industries, such as automotive and healthcare, by focusing on businesses with higher returns and adaptable volumes.



Operational Excellence

At Syrma, our operational excellence is anchored in a design-oriented manufacturing approach, deep collaboration with OEMs and a skilled team of engineers and managers. Through continuous improvement of manufacturing processes, we achieve efficiency optimisation and maintain risk mitigation with multiple facilities across India.

Our supply chain and product lifecycle management strategies, along with our focus on growth and expansion, allow us to deliver reliable products to our customers. Our commitment to technological advancements and the achievement of numerous certifications underline our pledge to superior quality and industry best practices.

Key area		
	Operational Excellence	<ul style="list-style-type: none"> • Design-oriented manufacturing approach • Collaboration with OEMs • Over 150 engineers and managers
	Manufacturing Process	<ul style="list-style-type: none"> • Continuous improvement • Efficiency optimisation • Single piece flow and end-to-end traceability
	Enhanced Manufacturing & Risk Mitigation	<ul style="list-style-type: none"> • Multiple facilities across India • Thorough testing and inspection • Effective inventory management with SAP S4 system
	Supply Chain & Product Lifecycle Management	<ul style="list-style-type: none"> • Robust supply chain • Direct communication channels • End-to-end product lifecycle management
	Growth & Expansion	<ul style="list-style-type: none"> • 60% growth from previous year • Expansion of manufacturing capacities
	Technological Advancements	<ul style="list-style-type: none"> • Cutting-edge technologies: AOI, SPI, X-ray, AI, ML • Industry 4.0 advancements: EMS, SFCS, data-driven actions
	Certifications	<ul style="list-style-type: none"> • ISO certifications: AS 9100D, ISO 9001, ISO 13485, ISO 14001, IATF 16949, ISO 45001, ISO 27001, ISO 27701 • Other Certifications: Electric Discharge Control, IEC 61340-5-1 – Electric Discharge Control, Authorised Economic Operator T2 Certificate (Green Channel for Export Import Custom Clearance), Awarded – Two Star Export House

Innovation enabling sustainable growth

Our extensive research and development (R&D) capabilities and rigorous quality control measures allow us to consistently deliver innovative, efficient and superior products.

Leveraging decades of experience, we are dedicated to maintaining high standards of reliability and quality in all our offerings, meeting and exceeding our customers' expectations.



Research and development

Our R&D facilities comprise cutting-edge infrastructure, facilitating advanced exploration and innovation. Our R&D team carry projects from initial conceptualisation to market launch, validate design efficacy and ensure regulatory compliance. Additionally, they are experts in developing state-of-the-art mechanical, hardware, firmware and software, ensuring we remain on the cutting edge of our industry.

100+
R&D team strength

3
R&D facilities, including one in Germany

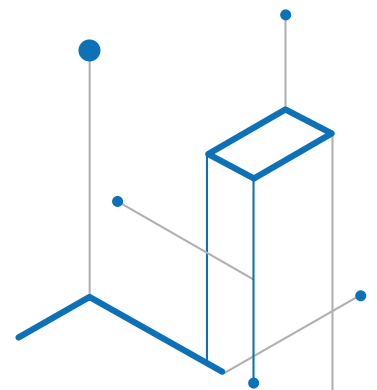
Boosting capabilities through new subsidiaries

We established two wholly-owned subsidiaries, Syrma SGS Electronics Private Limited and Syrma SGS Design and Manufacturing Private Limited to strengthen our R&D capabilities. These strategic additions will expand our capabilities and diversify our product range.

Syrma SGS Technology & Engineering Services (SETS), aims to further diversify the product range and enhance technology and engineering applications.

Syrma SGS Electronics Private Limited will focus on the design, manufacture, sale and distribution of electronic components like memory chips, smart cards and more.

Syrma SGS Design and Manufacturing Private Limited will emphasise electronic and communication equipment, components and assemblies for the computer and electronics industry



Innovation enabling sustainable growth contd...

Design and Development Services

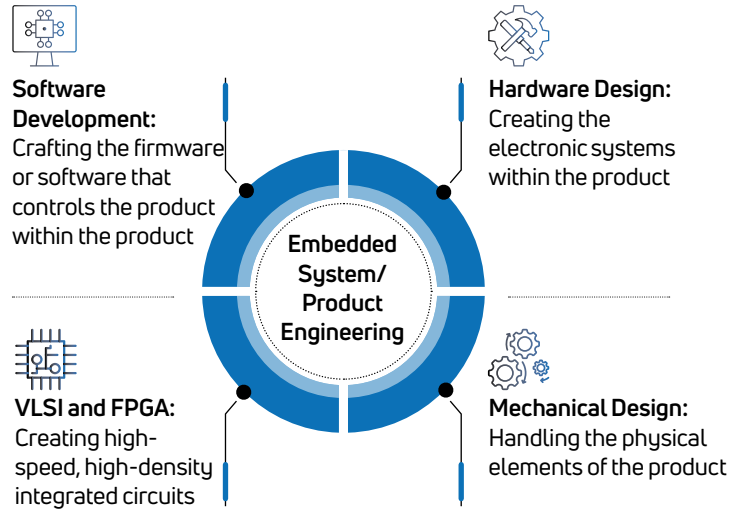
Our R&D capabilities, built over three decades, are central to the design and development services we offer. Our 'Design in India to Make in India' philosophy is reflected in our approach to these services, which include:

Engineering & Technology Services

- Product Engineering
- Original Design & Manufacturing
- Engineering Staff Augmentation
- Engineering Technology Centre
- Labs & Testing as a Service
- Prototype Manufacturing with dedicated facilities

Development Process

Our development process is a cyclical, collaborative interaction between various teams to ensure a comprehensive approach to product development.



Quality control

At Syрма SGS, we prioritise stringent quality control measures throughout the entire product lifecycle. From evaluating RFQs to implementing the NPI process, we ensure capacity and competence assessment. Our process-oriented quality systems cover procurement, incoming inspection, storage, packaging and systematic quality inspections. To oversee these aspects, we have an independent quality control department staffed by knowledgeable professionals.

Our quality control measures

Supplier quality department	Incoming supply quality department	Process quality control department	Outgoing quality control department
<p>The responsibility lies with this department to conduct periodic audits of our key suppliers through site visits. Moreover, they are tasked with maintaining a vendor and supplier rating tracker to assess the performance of the vendors and suppliers</p>	<p>The department is responsible for ensuring that the components received from suppliers match the drawings and requirements specified by our customers</p>	<p>This department holds the responsibility for ensuring that our products are constructed in accordance with the control plans that have been finalised by our clients</p>	<p>This department makes sure that the final product conforms to all the specifications and requirements set forth by our customers</p>

Delivering Excellence

Transformative client solutions

The essence of our organisation lies in our ability to adapt, innovate and solve complex issues. We have strategically planned and employed advanced technology to deliver customised solutions for our clients across diverse industries. From revitalising safety lighting systems to integrating RFID technology, we have remained committed to delivering top-notch products and services to effectively meet our clients' expectations.

Integration of RFID technology into industrial safety harness

A Fortune 100 multinational conglomerate's safety products division encountered several challenges while integrating RFID technology into their industrial safety harnesses. The initial designs were subject to supply chain disruptions and were expensive. Consequently, they sought a new OEM manufacturing partner who could collaborate with them to create cost-effective RFID tags with superior durability and equivalent read ranges.

Leveraging our team's profound expertise in RFID technology, we conducted in-person meetings, furnished competitive pricing estimates and successfully delivered prototype HF tags compliant with ISO 15693 standards. Currently, we serve as their exclusive supplier, providing them with an assortment of six distinct SKUs of these RFID tags. This accomplishment is a testament to our proficiency in developing and manufacturing cutting-edge RFID applications.

Revitalising safety lighting systems

A leading global OEM of safety lighting systems witnessed issues with their existing manufacturing vendor and was searching for a reliable contract manufacturing partner. They assessed EMS suppliers in India, considering factors such as adaptability, cost reduction, contemporary designs and durable products for extreme conditions.

We emerged as one of the two finalists and participated in a virtual contest. The client was impressed with our dedicated project manager, best-of-breed technologies and advanced manufacturing processes, which culminated in the revamping of their entire vehicle product line. We have established ourselves as their preferred choice for customised EMS services owing to our innovative designs and reasonable price points.

Launched cellular phone antennas in India

We established local supply chains and manufacturing processes to reduce costs for a US client looking to launch their mobile phone antennas in the Indian market. By refining product specifications, optimising manufacturing methods and localising the supply chain, we assisted them in achieving a considerable reduction in production costs. This enabled them to enter the highly competitive Indian market profitably and gain a substantial market share.

40%

Decrease in
production costs

Innovative solutions for compact camera assembly and packaging

A global camera development services company sought an end-to-end manufacturing solution for assembling fine-pitch camera imaging components. The Company faced various challenges, including the need to accommodate complex assemblies within limited spatial constraints and the requirement for comprehensive failure analysis. In response to this, we delivered prototypes, implemented design improvements, optimised production techniques and successfully achieved cost reduction.

Moreover, we efficiently enhanced packaging and distribution processes, solidifying our position as a reliable Electronics Manufacturing Services (EMS) partner for the client's growing range of imaging products.

Our People Approach

At Syрма SGS, we make it a priority to put our people first. As our human capital forms our most valuable asset, we strive to offer our team members with a positive work culture that inspires continuous improvement.

1,065

Permanent employees

885 million

Contractual employee cost

3,891*

Women employees

Employee engagement and training and development

Our HR policies are meticulously designed to attract the right talent, streamline their integration into our organisation and foster skill development to drive our performance and growth.

We implement targeted initiatives aimed at nurturing talents, such as the establishment of robust leadership pipelines, the provision of abundant learning opportunities and the careful management of engagement and performance.

Our skill development centres, spread across all our facilities and offices, play an instrumental role in fostering talent retention.

1,61,900

Hours of training sessions organised

'Grow from within' strategy

We adopted an internal development and promotion strategy 'Grow from Within' (GFW) to nurture and uplift our talent pool. This approach creates a progression pathway, enabling machinery operators to ascend into junior management roles. The strategy motivates our personnel employees and leverages their hands-on experience and skills to enhance our operational efficiency.

Prioritising employee well-being

Our people are the cornerstone of our sustainable development and this is evident in our organisational vision. Our primary objective is to create a workplace that is not only highly satisfying and rewarding but also instils a sense of assurance among our personnel. To this end, we have implemented policies that prioritise the well-being and growth of our workforce.

Strategic talent acquisition and retention

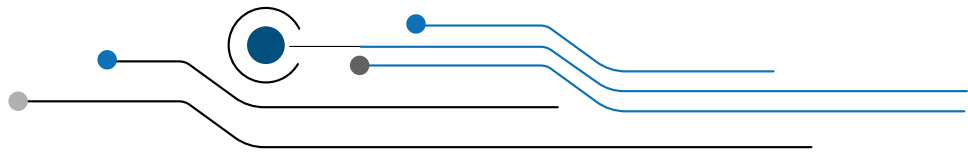
Our 'Graduate Engineer Trainee' programme helps us build a robust leadership pipeline and ensures seamless succession planning. This specialised initiative is thoughtfully designed to equip talented graduates with the requisite skill sets and knowledge to excel in their future leadership roles. During the past year, we have welcomed and nurtured several graduate engineer trainees within our organisation, further strengthening our talent pool and fostering a culture of consistent development.

263

YoY increase in permanent employees



*includes permanent and contractual women employees



Recognised as One of the Most Preferred Workplaces in India for 2023-2024

'Syrma SGS has been acknowledged among Most Preferred Workplaces, according to an extensive consumer study carried out by LeadCap Ventures. This detailed study assessed brands using seven important aspects of company culture: Employee Centricity, Organisational Purpose, Intrapreneurial Culture, Diversity, Equality and Inclusion, Safety and Trust, Growth, Recognition and Rewards and Work-life Balance.

Our focus is on the well-being and development of our employees. This focus has contributed to our recognition. We have built a working environment where the needs of the employee are central to everything we do.

We are the first and only Company in the Electronics Manufacturing Services (EMS) sector to receive this honour. Our recognition places us alongside some of the most respected companies in India, underlining our commitment to creating a positive and supportive working environment.'



Our ESG Approach

We place sustainability at the core of our business strategy, by employing a holistic approach that integrates ESG (Environmental, Social and Governance) programmes across all operational areas. Our commitment to corporate governance excellence ensures regulatory compliance and fosters transparency and effective communication.

Emphasising sustainable growth, we integrate advanced technology and methodologies into our operations and product development. This commitment manifests in to a key priority: energy conservation. Our efforts to reduce greenhouse gas emission intensity by 25% over the next five years, a 5% reduction each year, is a reflection of this priority. Moreover, our long-term strategy involves persistent dedication to decreasing GHG emissions, aligning our initiatives with the broader vision of energy efficiency and sustainability.

Three pillars of ESG



Environment	Social	Governance
<ul style="list-style-type: none"> • Energy usage and efficiency • Climate change strategy • Waste reduction • Biodiversity loss • Greenhouse gas emissions • Carbon footprint reduction 	<ul style="list-style-type: none"> • Fair pay and living wages • Equal employment opportunity • Employee benefits • Workplace health and safety • Community engagement • Responsible supply chain partnerships • Adhering to labour laws 	<ul style="list-style-type: none"> • Corporate governance • Risk management • Compliance • Ethical business practices • Avoiding conflicts of interest • Accounting integrity and transparency



Our ESG targets

Reduce GHG emissions intensity by **25%** (5% yoy) by FY28



Increase energy consumption from renewable sources to **50%** (10% yoy) by FY 28



Baselining of **Scope 3** emissions by FY 24



Conduct product life cycle assessment for top two products by FY24



Sign up for SBTi in the next 24 months, by FY 25



Maintain diversity ratio (women employment) ~ **50%**



Conduct regular ESG training to cover **80%** of entire work force



Increase sustainable sourcing to **50%** by FY28 (10% yoy)



Our ESG Approach contd...



Our responsibility towards



Environment

We adhere to environmental protection laws and regulations while diligently classifying, recycling and reusing waste materials generated in our operations. Moreover, as part of our broader environmental sustainability objectives, we implement resource conservation measures to minimise our ecological footprint.

At Syрма SGS, we are implementing carefully planned and precise initiatives aimed at reducing greenhouse gas (GHG) emissions. A vital part of this strategy involves harnessing green energy, such as capitalising on rooftop spaces available in some of our facilities for solar power generation. This transition towards a sustainable energy mix is essential. We continue to prioritise the procurement of materials that are processed with lower GHG emissions, further contributing to our emission reduction targets. To further enhance our energy efficiency, we adopt regular monitoring practices, enabling us to pinpoint areas of potential energy consumption reduction. We are also making concerted efforts to source green energy, a key tactic in controlling and reducing GHG emissions.

Integrating technology

We have digitalised our ESG data, for transparency and tracking the targets. Business Intelligence (BI) tool is used to continuously track and analyse emission trends, which aids us in making prompt informed decisions and take targeted actions to further reduce our carbon footprint.

We have set short term targets to serve as a guiding framework for our efforts and ensure a cohesive and unified approach to sustainable practices throughout our organisation.

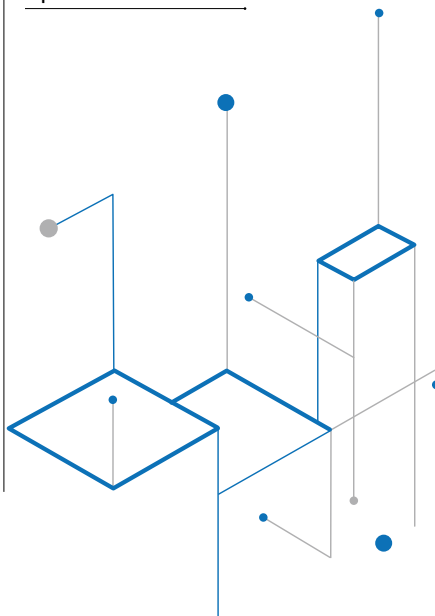


Social

As a responsible corporate entity, we implement targeted initiatives to ensure the holistic well-being of our communities.

We believe in making a lasting, positive impact on society, touching upon a multitude of areas. Our contributions extend from education and battling poverty to advancing healthcare and ensuring safe drinking water. We empower women and support senior citizens, while also preserving environmental sustainability and promoting arts and culture. We honour our veterans and their families, sponsor sports activities and foster technology incubation. Our commitment to rural development reflects our inclusive approach towards growth, and our funding initiatives are geared towards overall socio-economic development and emergency relief. In all our endeavours, we aim to enhance stakeholder interests while contributing significantly to societal well-being.

₹ 9.3+ million
Spent on CSR activities



Governance

We adhere to the highest standards of corporate governance, ensuring transparency, compliance, accountability and integrity in all that we do.

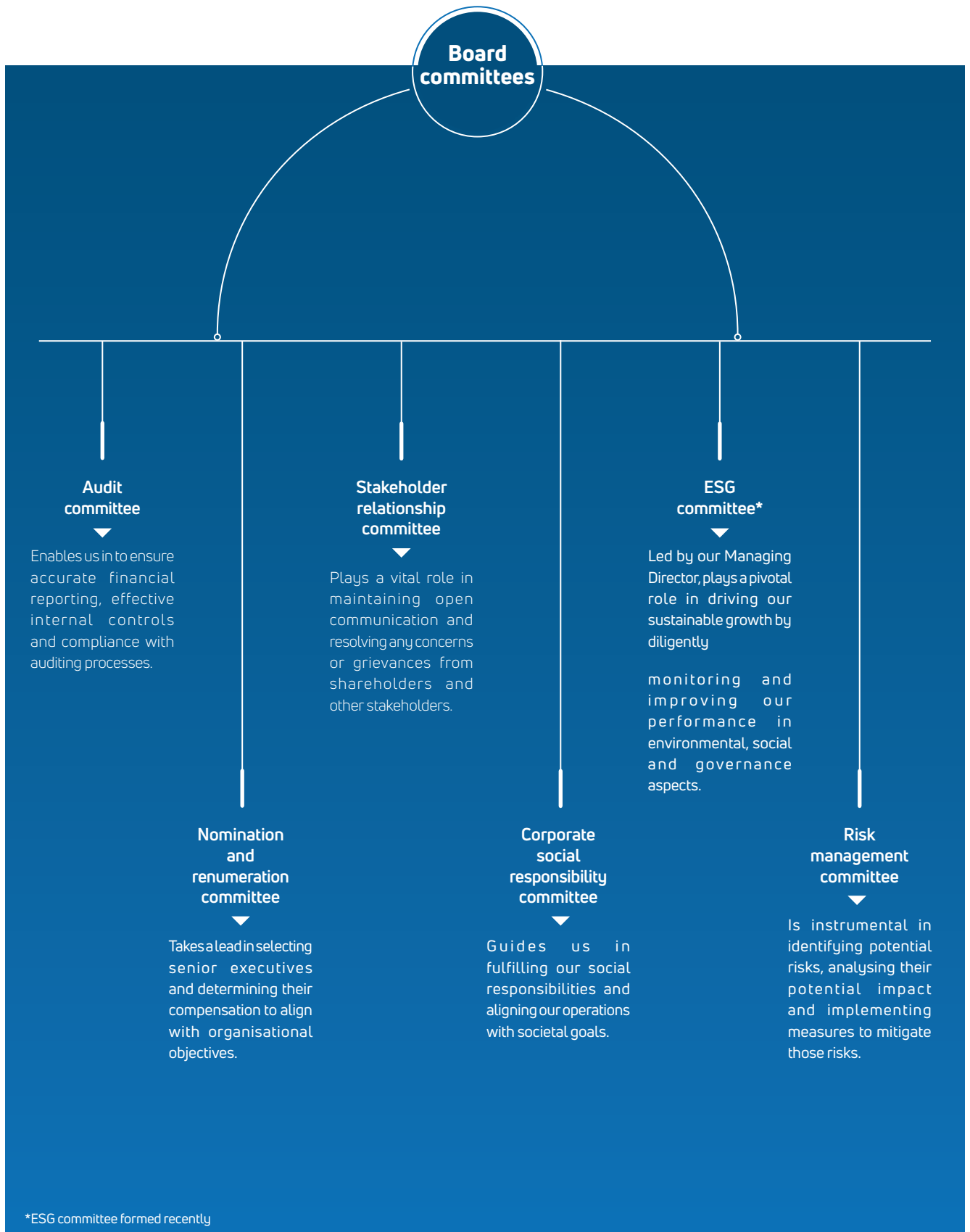
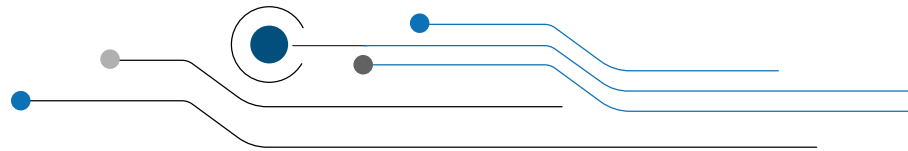
All of our operations are overseen by the Executive Board, which comprises accomplished professionals from diverse functions and is led by the Chairman. The Board is responsible for tracking the Company's operations regularly, ensuring efficient management and informed decision-making.

In accordance with the Company Act and other pertinent regulations and governance principles, we have established a Board of Directors that embodies our commitment to upholding good governance practices and principles.

Compliance with government policies, rules and regulations is of paramount importance at Syрма SGS. To ensure adherence, our Company Secretary and Compliance Officer play pivotal roles, diligently implementing corporate governance policies and practices.

Our Board and Executive Management encourage the adoption of sustainable development policies and goals. Recognising the significance of integrating sustainability across all organisational aspects, they direct our operations in order to achieve these objectives.

25+
Average years of experience of Senior management & BOD



Board of Directors

Sandeep Tandon

Executive Chairman

- A USC and Harvard Business School alumnus, Sandeep Tandon is the Executive Chairman of Syрма SGS. With an 18-year industry tenure, including a pivotal role at Celetronix Inc., USA, Tandon is recognised for his strategic foresight and technology catalyst role. Besides steering his businesses, he also supports the tech ecosystem as an angel investor

Jasbir S. Gujral

Managing Director

- Jasbir Singh Gujral, a fellow of the Institute of Chartered Accountants of India, serves as Syрма SGS's Managing Director, has 39 years in electronics manufacturing. Not only a founding promoter of SGS Tekniks Manufacturing Pvt Ltd, he is also known for his leadership and active participation in charitable causes.

Jaideep Tandon

Non-Executive Director

- Jaideep Tandon, with 15 years of diverse experience and a Master's in Electrical Engineering from Cornell University, serves as the Director of Infix Services Pvt Ltd and TIS International (USA) Inc. His unique blend of business acumen and technological expertise has shaped various successful projects.

Jayesh Doshi

Non-Executive Director

- Jayesh Doshi, a financial expert with over 30 years of experience, formerly served as WTD and CFO at Dalmia Bharat Limited. Holding degrees in Commerce from Jai Hind University and Law from the University of Bombay, his competencies span finance, strategy planning, legal matters and corporate governance.

Hetal Gandhi

Independent Director

- With an impressive 35+ years in financial services and consulting, Hetal's expertise spans finance and accounting, strategy and planning, risk identification, stakeholder relations and corporate governance policy development. A former IL&FS employee and CEO of ORIX, her leadership in finance brings invaluable insights to the Board.

Smita Jatia

Independent Director

- Smita Jatia, with 20+ years of experience, specialises in strategy and planning, risk identification, stakeholder relations and corporate governance policy development. Her role as the Director of Westlife Development Limited and a Bachelors in Commerce from Sydenham College of Commerce adds to her dynamic expertise.

Bharat Anand

Independent Director

- With two decades of experience in corporate law, Bharat specialises in legal and compliance matters. He is also skilled in strategy and planning, mergers and acquisitions, risk identification, stakeholder relations and corporate governance. His extensive legal background includes being a partner at Khaitan & Co.

Anil Nair

Independent Director

- Anil Nair, with over 40 years of experience in IT, services and consulting, has held MD/CEO roles at various companies including AGC Networks Ltd and Cisco APJC. His proficiency spans growth strategy, risk identification, stakeholder relations and corporate governance.

Kunal Shah

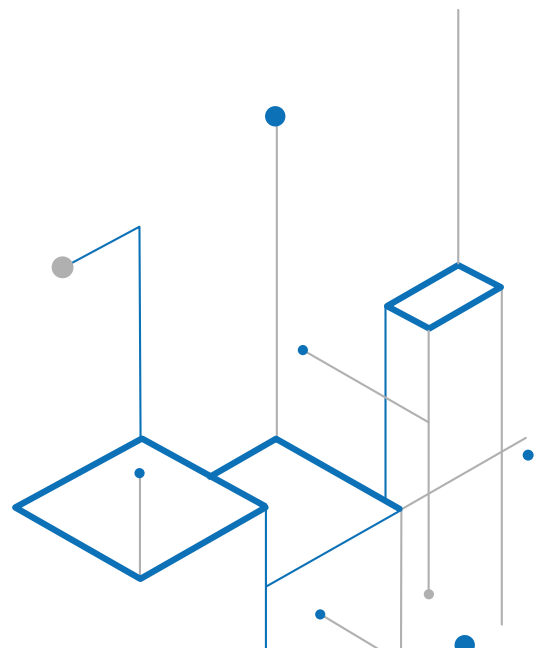
Independent Director

- A Co-founder of Dreamplug Technologies Pvt Limited, Kunal holds a Bachelor of Arts in Philosophy from Wilson College. His 15-year experience encompasses investments, strategy and planning, risk identification and stakeholder relations. His thoughtful approach to business strategy brings a philosophical and reflective dimension to the Board.

Sridhar Narayan

Non-Executive Director

- An experienced strategist with over 15 years in the field, Sridhar holds a Bachelor's of Technology in Mechanical Engineering from BHU. He is the Director of Seedworks International and Premier Energies, with key skills in strategy and planning, stakeholder relations, corporate governance and technology.



Management Team

Krishna Pant

Co-founder

- Krishna Pant, Co-founder of SyrmaSGS, leads the domestic business and has 39 years of business development and management experience. An honours graduate with a postgraduate degree in Business Management, he is known for a customer-centric approach and innovative practices that have opened numerous opportunities.

Ranjit Singh

Co-founder

- Ranjit Singh, Co-founder at SyrmaSGS, leads the Company's International Business Development and oversees export operations across the US, Europe and Pan Asian countries. A B.Tech graduate with over 39 years in the electronics industry, his expertise includes semiconductors, PC assembly lines and telecom equipment.

Chetan Walia

Operating Partner

- Chetan Walia, an Operating Partner and esteemed scholar in Creativity and Strategy, has a two-decade career improving the profitability of over 200 companies worldwide. He is recognised for his innovative thinking and problem-solving skills and has helped organisations like EY, ACC and World Bank boost their performance by implementing creative, proactive solutions.

Bijay Agarwal

Chief Financial Officer

- Bijay Agarwal, the Chief Financial Officer, possesses over 16 years of experience in his field. His specialised skills encompass Financial Analysis and Forecasting, Business Strategy Development and Risk Management and Mitigation. His expertise has enabled him to make valuable contributions throughout his career.

Sreeram Srinivasan

CEO, Syrma SGS Technology and Engineering Services Limited*

- Sreeram Srinivasan, CEO of SETS, brings over 30 years of experience to his role, with expertise in strategic planning and execution, team leadership and development, as well as process optimisation and efficiency. His leadership continues to guide the company towards achieving its goals.

Rolly Srivastava

Chief Transformation Officer

- Rolly Srivastava, Chief Transformation Officer at Syrma SGS brings with her about two decades of experience. She has worked extensively to enable business transformation, value-creation and change. Her expertise lies in change management, culture transformation, talent management, enabling growth strategies and creating collaborative C-level teams. She is also a certified Executive Leadership Coach and Design Thinking practitioner.

R. Nagraj Raghavendra

President – North

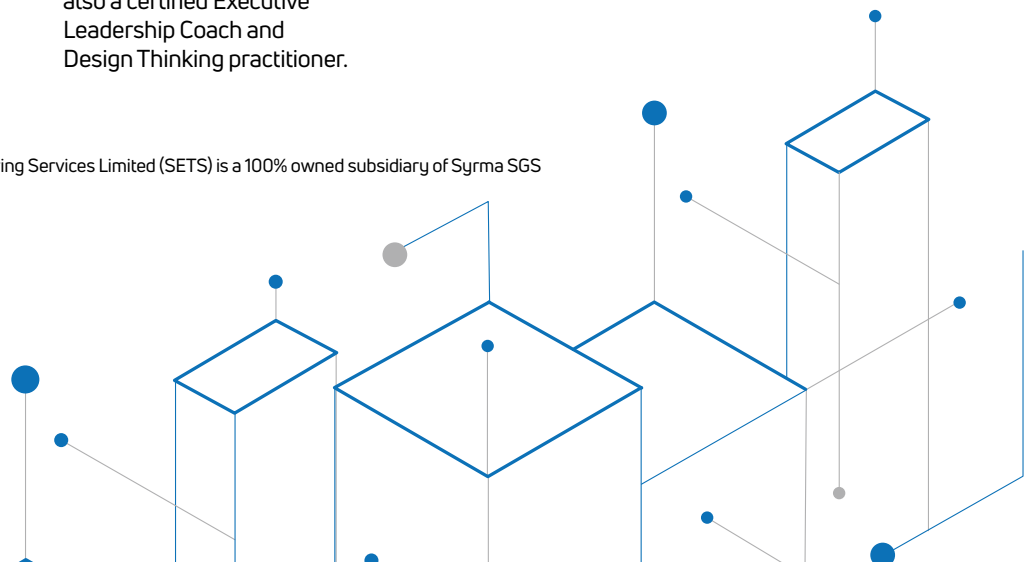
- Nagraj Raghavendra is the President and leads the North region, brings more than 35 years of experience to the table. His proficiency lies in Supply Chain and Logistics Management, Production Planning and Control and Quality Assurance and Process Improvement. His long-term dedication and expertise have positively impacted his field.

N.G. Sreedharan

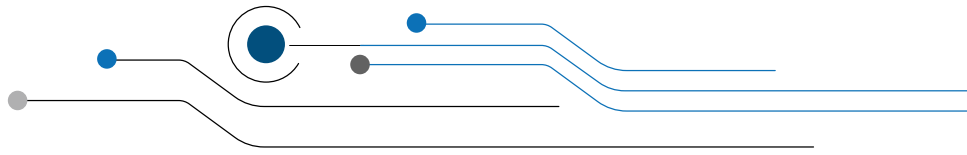
President – South

- N.G. Sreedharan, with over 30 years of professional experience, serves as the President leads the South region. His skills and expertise lie in Research and Development, understanding Innovation and Technology Trends and Project Management and Coordination. He has made significant contributions to his field throughout his career.

*Syrma SGS Technology and Engineering Services Limited (SETS) is a 100% owned subsidiary of Syrma SGS



Awards and Recognition



As a leading electronics manufacturer, we have received over 50 prestigious industrial awards



The Golden Globe Tiger Awards (Asia Edition) Award for 'Best In Training and Organisational Development' By World HRD Congress



ELCINA's Special Jury Award for 'Electronics Company of the Year' for 2021-22; Award for Exports (Large Scale Category)



Innovation & Technology Excellence Award by Wabtec Corporation



Award for Techno Visionary – Industry for the Year 2022



Best EMS Supplier 2022 Award by Pricol



Green Yodha recognition from our customer i.e., Schneider Electric On planting of 100 Trees across all units

Management Discussion and Analysis

Global economic overview

In FY23, the global economy dealt with several headwinds, including novel COVID variants, the food and energy crises in Europe and the war of attrition between Russia and Ukraine. These challenges adversely impacted global growth forecasts and might also trigger further economic upheavals. Despite these challenges, as per recent estimates by the IMF that the global economy clocked a growth rate of 3.4% in 2022.

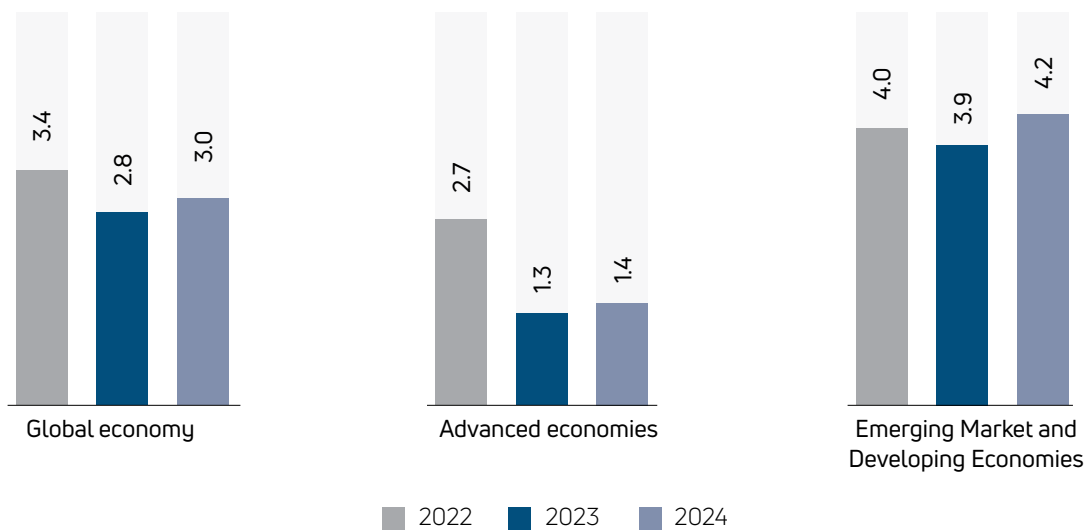
The global economy began to show signs of a soft landing in early 2023, but recent turbulence in the banking sector and persistently high prices have somewhat affected the outlook for long-term growth. As long as debt levels remain high and geopolitical tensions intensify, risks are partially skewed to the downside.

The economic downturn, on the other hand, is concentrated in advanced economies, especially in the Eurozone and the UK. China is also recovering from the pandemic-induced shocks, following the reopening of its economy and the easing of supply-chain bottlenecks.

Outlook

Going forward, monetary policies of central banks are anticipated to rein in inflation. Many emerging markets and developing economies, including India, are gaining ground, with growth rates expected to rise significantly in the current fiscal year. The efficacy of monetary policy is also expected to boost economic growth. Favourable fiscal policies will also be crucial, particularly to support businesses and individuals impacted by the pandemic.

GDP growth (%)



(Source- IMF World Economic Outlook, April 2023)

Indian economic overview

Remaining relatively shielded from the challenging global economic environment, India emerged as one of the fastest-growing major economies in the world. The domestic economy demonstrated sheer resilience to register a growth rate of 7.2% in FY23¹.

Based on sectoral analysis, this growth can be attributed to an upswing in construction activity facilitated by robust infrastructure investment both by the Central Government and state governments, which is also paving the way for large-scale employment opportunities.

A sustained hike in GST collections, electronic toll collections and the volume of E-Way bills generated during FY 2023 indicate encouraging momentum. Additionally, the indicators of the services sector (UPI transactions, high credit demand) suggest long-term expansion.

Outlook

While the post-pandemic private investment recovery is still in its early stages, there are preliminary indications that suggest India is on track for a stronger investment upcycle in both the manufacturing and services sectors.

Rising consumer demand is also expected to augur well for economic growth. Looking ahead, the Indian economy continues to be buoyed by underlying macroeconomic stability.

¹<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1928682>

GDP growth Y-o-Y (%)



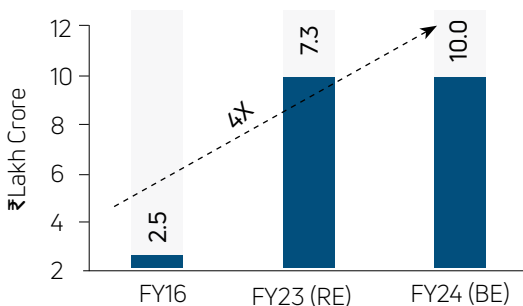
(Source- National Statistical Office)

in recent years. The global electronics manufacturing services market predominantly comprises companies that manufacture electronic products, assemble components on Printed Circuit Boards (PCBs) and caters to Original Equipment Manufacturers (OEM). The OEMs are generating more value from EMS companies as they have expanded offerings beyond manufacturing services to include product design and development, testing and aftersales services such as repair, remanufacturing, marketing and product lifecycle management.

“The long-term forecast for the EMS sector remains positive, driven by increased electronics consumption and India’s emergence as a reliable manufacturing alternative to China.”

Increased Capex of Government of India

Increasing Capital Expenditure of Union Government



[Source: Union Budget 2023]

The Semiconductor Industry Association (SIA) reported that in February 2023, the total sales for the semi-conductor industry reached USD 39.7 billion, down 4.0% from USD 41.3 billion in January 2023.² Although short-term market cyclicality and macroeconomic headwinds have impacted sales, growing demand from end users continue to create better prospects for the medium as well as long term.

The global electrical and electronics market grew from USD 3454.94 billion in CY 2022 to USD 3739.37 billion in CY 2023, at a compound annual growth rate (CAGR) of 8.2%.³ The advent of digital technologies such as the internet of things (IoT) and advanced connectivity solutions like 5G is expected to drive the demand for innovative electronic devices. Consequently, the market for electronic equipment manufacturing is projected to witness substantial growth during 2023-2027.

Industry overview

Global Electronics Manufacturing Services (EMS) industry

The Electronics Manufacturing Services (EMS) industry is responsible for the development and production of different types of electronic products. The widespread adoption of electronic devices like tablets and smartphones, along with the integration of electronic components across various sectors, driven by automation, and advancements in EV technology, introduction of 5G, Industry 4.0, and IoT, has significantly propelled the growth of the electronic industry

Key drivers of the global EMS industry

- The key growth drivers fuelling the global EMS market is the increasing demand for engineering and design of premium circuit boards, as well as it is also extensively used for testing conducted by contract manufacturers.
- The incorporation of latest manufacturing technologies and cloud networks, Internet of Things (IoT), continues to increase the demand for manufacturing superior quality products from the EMS industry.
- The auxiliary tasks are mainly outsourced, which helps the OEMs to focus on their core expertise to create a distinguished product.

²<https://www.semiconductors.org/global-semiconductor-sales-decrease-4-month-to-month-in-february/>

³<https://www.globenewswire.com/news-release/2023/04/21/2651998/0/en/Electrical-And-Electronics-Global-Market-Report-2023.html>

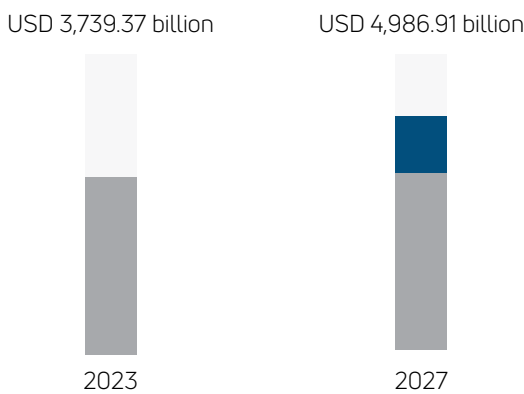
Outlook

The electronic contract manufacturing services sector is expected to experience substantial growth due to the use of these services in non-technical industries such as healthcare, automotive, industrial, aerospace, and defence. These segments currently have a relatively low adoption of electronic contract manufacturing and design services, which presents significant opportunities for contract manufacturers to establish a prominent position in these markets.

Despite facing challenges and global economic uncertainties, the electrical and electronic industry is projected to achieve a market value of USD 4,986.91 billion by CY 2027, growing at a compound annual growth rate (CAGR) of 7.5%.⁴

Global Electrical and Electronics Market

Market forecast to grow at CAGR of 7.5%



[Source- Research and Markets]

India’s Electronic Manufacturing Services (EMS) industry

India is witnessing accelerated growth to become a global leader in electronics manufacturing, as the industry is expected to play a vital role in India’s goal to become a USD 10 trillion economy.⁵ According to the Ministry of Electronics and Information Technology, electronic manufacturing in the country is projected to cross INR 1.28 trillion and mobile phone production is expected to reach INR 1 trillion, both achieving the milestones by FY24. The government aims to provide support of up to 100% to component players with the objective of boosting the local ecosystem.⁶

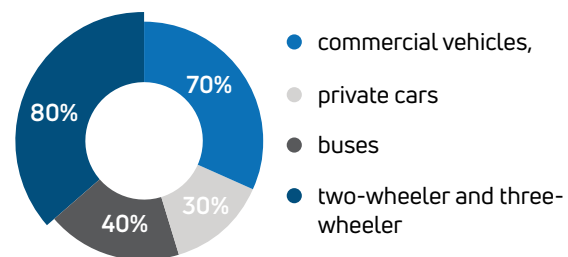
India is expected to become an electronics manufacturing hub and the sector is expected to show robust growth, which will enable the Government to promote domestic electronics manufacturing with increased investment as well as the creation of new jobs.

The government’s focus on promoting indigenous manufacturing, along with the ‘China +1’ strategy pursued by original equipment manufacturers (OEMs) looking to establish manufacturing operations in India, has further contributed to this growth. This shift to strengthen India’s position as an electronics manufacturing hub, shall extend beyond the mobile and consumer-focused sectors. Additionally, the rise in

domestic consumption and OEMs’ inclination towards India for manufacturing operations have been significant driving factors.

In India, the electric vehicle market is expected to witness significant growth in the years to come. By 2025, the market share of electric passenger vehicles is projected to exceed 6%, with the three-wheeler segment leading at 4%, followed by two-wheelers at 3.5%, and passenger vehicles at 1.3%. To support this growth, the government has implemented schemes like FAME1 and FAME2, with a focus on developing charging infrastructure. Currently, there are 2,700 public charging stations and 5,500 charging connectors, which are expected to grow to 10,000 charging stations by 2025. With the increasing adoption of electric vehicles, the country will require approximately 20.5 lakh charging stations by 2030 to meet the growing demand.⁷

Electrification aim by 2030



Moreover, with increasing emphasis on energy efficiency, BLDC motors are being adopted extensively across diverse sectors, including automotive, aerospace, robotics, consumer electronics, and industrial automation, facilitating the creation of state-of-the-art electronic devices. These motors ensure superior efficiency, reduce maintenance requirements, and enhance performance. India’s Electronics Manufacturing Services (EMS) industry is strategically positioned to leverage this trend, catering to both domestic and international markets with its capacity to deliver high-quality and cost-effective energy solutions.

Furthermore, increased adoption of 5G technology is expected to drive the industry’s growth. It will drive the demand for fibre-to-home devices as fast and reliable connectivity becomes indispensable for both households and businesses. Moreover, the proliferation of smart metering is expected to be one of the major driving forces behind the expansion of the EMS industry. Through the integration of advanced communication and data analytics capabilities into energy meters, smart metering enables real-time monitoring and optimisation of energy consumption. It empowers consumers, businesses, and utilities, facilitating informed decision-making and leads to enhanced energy efficiency and cost savings. The widespread adoption of smart metering also opens up new avenues for innovation within the EMS sector, propelling the industry forward towards the realisation of a more sustainable energy landscape.

With more emphasis on clean energy, there’s also a surge in demand for solar-powered products. Companies are adopting solar technology to ensure cost efficiency and reduce their carbon footprint, thereby attracting new consumers and creating new business opportunities.

⁴<https://www.globenewswire.com/news-release/2023/04/21/2651998/0/en/Electrical-And-Electronics-Global-Market-Report-2023.html>

⁵<https://economictimes.indiatimes.com/small-biz/sme-sector/budget-2023-india-imports-thousands-of-electronic-components-denting-modi-governments-self-reliance-push/articleshow/97431810.cms>

⁶<https://indbiz.gov.in/indian-electronics-manufacturing-to-surpass-inr-1-28-trillion-by-fy24/>

⁷<https://economictimes.indiatimes.com/industry/renewables/charging-infrastructure-needs-big-push-as-ev-adoption-grows-in-india/articleshow/97223763.cms>

Additionally, the rising adoption of remote work and digital learning has resulted in a surge in demand for IT hardware, particularly laptops and tablets, thereby fortifying the EMS sector.

Outlook

During the period between April and November 2022, there was a significant increase in the export of electronics from India, with a growth rate of 13.8%. It was the highest in the past six years. As a result of this, India has set a target of achieving USD 120 billion in electronics exports by FY26.

The domestic electronics industry in India was valued at USD 118 billion in FY20. In addition to the export target, the electronics manufacturing industry in India is expected to be worth USD 300 billion in electronics manufacturing and USD 120 billion in exports by FY26. It aligns with the government's vision of making India a USD 1 trillion digital economy by FY25.⁸

Exports

India's total exports are expected to reach new heights, with a projected growth rate of 13.84% during FY 2022-23 compared to FY 2021-22. This growth is anticipated to result in exports worth USD 770.18 billion.

Export of electronic goods (values in USD billion)

M-o-M

Increase of 57.36%



Y-o-Y

Increase of 50.52%



The export of electronics from India has attained the 6th position. Furthermore, the central government has set a target to enhance the electronics manufacturing capacity to INR 24 lakh crore by FY 2025-26.

Import of electronic goods from China also witnessed a decline of approximately USD 2 billion during the period between April 2022 and February 2023, compared to the same period last year. Additionally, the import share of electronic goods from China decreased from 48.1% in April 2021 to February 2022 to 41.9% in April 2022 to February 2023.⁹

Emerging trends for electronic manufacturing in India

The key trends that drive the growth of the EMS industry in India are mentioned below:

Emerging technologies – Rapid technological advancements and the emergence of new products or software upgrades for existing products have reduced the life cycle of existing products. Higher data speed, low latency networks such as 5G, Artificial Intelligence and the Internet of Things (IoT) further contribute to the need for the upgradation of electronic products.

Localisation of the supply chain – The establishment of a localised supply chain is crucial for the industry as it helps promote cost reduction, flexible operations and lesser reliance on imports and services. Also, a localised supply chain can assist in providing large product volumes within a shorter period of time.¹⁰

Improved sourcing capabilities – India has a competitive advantage over other countries in electronic manufacturing due to the easy availability of resources, skilled workforce, raw materials, and state-of-the-art manufacturing facilities. These manufacturing plants aid in reducing production costs and make India an attractive investment option for foreign investors. Easy sourcing also helps address global supply chain constraints.¹¹

Key drivers of India's EMS industry



Technological advancements, including the rollout of 5G network and the Internet of Things (IoT), are driving the swift adoption of electronic products. These advancements provide enhanced connectivity and enable seamless communication between devices, leading to increased demand for electronic devices in various sectors.



Government initiatives such as 'Digital India' and 'Smart City' projects have played a significant role in boosting the demand for IoT in the market for electronic devices. These initiatives aim to promote digitalisation and connectivity, creating an environment where IoT devices are increasingly integrated into daily life, industries, and urban infrastructure.



India forecasts a rise in investment in electric vehicles and establishing itself as a location for R&D with an innovation-focused business sector.



India's growth rate is larger than the global market due to enduring demand in the local market for electronics products.



The government's emphasis on domestic manufacturing, as demonstrated by initiatives like 'Make in India', has increased manufacturing investment within the country.



Under the India Semiconductor Mission (ISM) the government aims to drive the development of semiconductor design ecosystem and manufacturing facilities within the country.

⁸<https://www.indiabudget.gov.in/economicssurvey/>

⁹<https://pib.gov.in/PressReleasePage.aspx?PRID=1916220>

¹⁰https://www.bseindia.com/corporates/download/381437/DRHPSyrmaSGS_20211217163531.pdf

¹¹<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/india-a-hub-of-opportunities-for-electronic-subcontracting-in-global-markets/articleshow/97313881.cms>



Government initiatives

The government aspires to build a semiconductor ecosystem, which directly involves expansion of the electronic manufacturing industry. Several Production-Linked Incentives (PLI) schemes act as catalysts for this growth. These PLI schemes are designed to promote exports and the growth of the domestic electronic manufacturing industry. The country's large-scale electronic manufacturing (LSEM) sector was allocated ₹ 40,951 crore (approximately USD 5 billion) under this scheme. This has led to a surge in investments in the sector, with several global electronics companies, including Samsung and Apple, setting up manufacturing facilities in India.¹²

The Union Minister of State for Skill Development and Entrepreneurship and Electronics and IT stated that the establishment of the ₹ 180 crore Electronics Manufacturing Cluster (EMC), which is anticipated to generate over 18,000 jobs, at Dharwad has been approved.¹³

“FDI of up to 100% in electronics manufacturing is allowed under the automatic route.”

Company overview

Syrma SGS (Syrma), a leading Electronics System Design and Manufacturing (ESDM) Company, is dedicated to technology-based solutions and the Original Design Manufacturer (ODM) business. Unlike traditional business models followed by Original Equipment Manufacturers (OEMs) or ODMs, which concentrate on specific production stages, Syrma takes a comprehensive approach starting from product concept design and encompasses every stage of the production process. This enables the Company to provide value-added services throughout the industry value chain, prioritising high-margin and flexible operations.

The Company firmly believes that its business strategy gives it a competitive edge and positions it at the helm of the industry value chain, transforming it into a value creator and empowering it to become a catalyst for the creation of novel goods and ground-breaking technology.



Strengths

The Company's strengths define the key aspects of its business, which helps to differentiate it from its competitors.

- Syrma is recognised as one of the major players in the Electronic System Design and Manufacturing (ESDM) sector, with a substantial market share.
- With strategically located manufacturing facilities across the country, the Company caters to the needs of both domestic and international customers.
- The Company follows a diversified business model and operates in various industry verticals. It offers a range of products including PCBA, RFID, and magnetic solutions.
- The Company pioneered the manufacture of RFID products in India and it holds a leadership position in this segment.
- Strong engineering capability, enables it to deliver high-quality solutions and services.
- With its extensive domain knowledge and expertise, it is renowned as an industry leader in the memory modules segment.



Growth strategies

In the years ahead, the Company looks forward to implementing several strategies for its sustained growth. Some of these strategies are as follows:

- Bolster and consolidate the fundamental competitiveness of technology Enhance opportunities for technological innovation
- Establish a specialised facility to enhance design capabilities for emerging areas and new age technologies.
- Invest in new infrastructure and maintain lower operating expenses while sustaining quality
- Make strategic acquisitions in order to pursue inorganic growth
- Increase scale, market share and range of products
- Permit entry for new clients and seize emerging opportunities.
- Improve wallet share, geographic reach, and client base
- Increase the number of customers by adding more products

¹²<https://www.investindia.gov.in/team-india-blogs/indias-emergence-global-electronics-manufacturing-hub#:~:text=The%20country%20is%20rapidly%20becoming,the%20creation%20of%20new%20jobs.>

¹³<https://pib.gov.in/PressReleaseSelfframePage.aspx?PRID=1910454>

- Market current goods and services to new clients and undertake acquisitions
- Continue R&D projects
- Profit from cross-selling and upselling chances
- Adapt to emerging markets and industries
- Concentrate on businesses with flexible profit margins to develop products and services that use smart gadgets, electric vehicles, medical equipment, and existing manufacturing capabilities.¹⁴



Product portfolio

Printed Circuit Board Assembly (PCBA):

A circuit board is referred to as a printed circuit board (PCB) before the assembly of electronic components and as a printed circuit board assembly (PCBA) after the soldering of those components to the board.

- Solder Paste Stencilling:** Solder paste stencilling is the foundational step of PCB assembly. Irrespective of the type of PCB assembly, this step remains unaltered.
- Pick and Place Components Mounting:** Component mounting is a pick-and-place activity that can be performed manually or mechanically by an automated system in the through-hole PCB assembly.
- Soldering:** Soldering is performed to join components on the PCB. During this process, the circuit boards pass over a pan of molten solder and a pump produces an upwelling of solder that looks like a standing wave. The process is known as Wave soldering.

Inspection: Inspection and quality testing are performed at every stage of the manufacturing process and comprise a mix of automated optical inspection and manual inspections.

- Visual/Manual Inspection:** In most cases, a template is used for manual inspection to inspect the soldered connections. This method is only suitable for small batches of PCBs.
- Automatic Optical Inspection (AOI) 2d and 3d:** The AOI machine features high-resolution cameras that can be aligned in different angles to test PCBs. This type of inspection is suitable for single or double sized PCBs. This is placed in line with the other SMT machines.
- X-ray Inspection:** X-ray inspection is performed on intricate PCB designs with multi-layer component mounting. Such complex PCBs are hard to inspect manually.

Radio Frequency Identification (RFID):

RFID is a type of wireless communication that integrates the use of electromagnetic or electrostatic coupling in the radio frequency section of the electromagnetic spectrum to uniquely identify an object, animal or person. RFID tags comprise one of two types of transponders. The first has a ferrite core and the second has an air coil. RFID tags consist of an antenna and a semiconductor chip. The antenna can be etched or a copper wire antenna in the form of an air coil can be wound over ferrite.

Electromagnetic and electromechanical parts:

Standard electromagnetic components, such as chokes, inductors, magnetic filters, and transformers, are manufactured by the Company, along with high-volume manufacturing assemblies.

Financial highlights

Particular	FY 2023	FY 2022	YoY Change
Total Revenue (in millions)	20,921	12,843	63.0%
EBITDA (in millions)	2,315	1,437	61.0%
PAT (in millions)	1,231	765	61.0%
Total Debt (in millions)	3,468	1,942	
Net working Capital Days (in times)	74	75	
Interest Coverage Ratio (in times)	9.28	14.87	
Inventory Turnover (in times)	3.52	3.8	(7.0%)
Current Ratio (in times)	1.43	1.34	7.0%
Debt/Equity Ratio (in times)	0.22	0.33	(33.0%)
EBITDA Margin (in %)	11.3%	11.3%	0%
Net Profit Margin (in %)	6.0%	6.0%	0%
ROCE (in %)	16.0%	19.1%	(16.0%)

Proforma Consolidated financials for Fiscal Year 2022 ending March 2022

¹⁴https://www.syrmasgs.com/investor-relations/wp-content/uploads/2023/06/Syrma-SGS_Investor-Presentation_FY23_-_Website.pdf



Research and development

The Company emphasises the importance of R&D to retain a competitive edge in the market. Its R&D teams anticipate and identify emerging and cutting-edge technologies. The Company leverages this knowledge to develop internal proof of concepts and intellectual properties (IP) tailored to specific industry vertical applications. This approach enables the Company to accelerate new product development (NPD) timelines for their customers, providing them with a significant time-to-market advantage. The Company focuses on several key areas, including Smart-Connected-Electric Vehicles, Next Generation Telecom & Networking, Advanced Power Electronics, and Smart IoT Devices.

The Company's R&D team adopts a collaborative approach with Product OEM customers starting from the product ideation stage. They engage in a consulting capacity to define or refine the product specifications, features, architecture, and engineering approach. This collaboration is further strengthened through the development of Proof-of-Concepts to validate and demonstrate the feasibility of the proposed solutions. Additionally, the R&D team assists customers by providing technology scouting and evaluation services. They help in assessing various technology options and support customers in making informed decisions regarding the selection of specific components or solutions. The R&D team leverages its strong connections within the technology ecosystem, particularly with Semiconductor OEM companies, to identify and incorporate new technologies into their offerings.

The Research and Development (R&D) team collaborates with industry stakeholders to analyse and anticipate technology trends and shifts. This proactive approach enables the organisation to effectively adopt advanced manufacturing technologies. The R&D team is currently exploring and piloting various innovative technologies, such as System-in-Package (SiP), Low-Temperature Co-fired Ceramic (LTCC) Substrate, and 3D Printing, among others.

The R&D team plays a crucial role in enhancing manufacturing processes by driving advancements in Manufacturing Engineering. This includes the implementation of Manufacturing Automation, Material and Process Tracking based on RFID/Barcode systems, deployment of Smart End-of-Line (EoL) Testers, adoption of centralised Enterprise Resource Planning (ERP) systems, and the presence of a Strategic Sourcing Team. These initiatives improve efficiency and effectiveness of manufacturing operations.

The contributions of the R&D team have been instrumental in expanding product offerings and cross-selling to new

customers, resulting in notable business growth. For a prominent global Medical/Healthcare customer, the Company extended its services by providing Teardown & Benchmarking, Value Engineering, New Product Design & Development, and Tester Development. In the Transportation sector, the R&D team successfully introduced New Product Design & Development services for Railway applications, catering to the needs of a key customer. By showcasing Engineering & Technology Services for New Product Development, the Company secured a Joint Design Manufacturing opportunity from a large Hi-Tech Consumer/Enterprise Devices OEM. Furthermore, the R&D team facilitates seamless transitions from Engineering Proto Builds to Volume Manufacturing by offering Design for Manufacturability and Testing Services.

Moreover, the Company's R&D team engages in collaborative efforts with the global Engineering & Technology Ecosystem to establish cutting-edge infrastructure. This includes the acquisition and setup of state-of-the-art resources such as Electronic Design Automation Tools for Design, Simulation, and Verification. Additionally, the team procures Reference Systems/Development Kits for Embedded Software Development, Test & Measurement Equipment, and specialised labs dedicated to Validation and Pre-Certification activities.

The acquisition of SGS Tekniks has expanded the Company's R&D capabilities with a team based in Germany. It enables the Company to provide a near-shore interface for their European customers, enhancing their ability to cater to specific needs effectively. Additionally, the Company leverages the expertise of its R&D team in Germany for niche projects in areas such as Automotive, Industrial IoT, Medical, and Power Electronics technologies. Having a presence in Germany also benefits Syrma by providing local expertise in system integration and testing. It facilitates smoother operations and helps to meet the requirements of the European market.

The Company's R&D team works with OEMs, providing a wide range of services including turnkey product engineering, independent design house services, and contract manufacturing/electronics manufacturing services for build-to-print projects. It also collaborates as a JDM (Joint Design & Manufacturing) and ODM (Original Design & Manufacturing) partner, offering white-label products customised to meet OEM customers' specific needs.

Besides, the Company promotes industry-academia collaboration through its Engineering & Technology Centre at a leading university. Its active membership in trade associations like IESA and ELCINA highlights its commitment to industry collaboration. Leadership involvement in the national executive committees and participation in global technology forums showcase the Company's dedication to staying at the forefront of industry developments.



ESG initiatives

As a responsible corporate entity, the Company adheres to all applicable environmental, social and governance objectives. During the year under review, the Company has implemented several initiatives, which are discussed below:

- To ensure compliance to environmental norms, the Company maintains a checklist on emissions, leakage, waste management and the safety of employees.
- Syrma conducts periodic testing of emissions from its plants and machinery.
- The Company has partnered with renowned hospitals to ensure proper disposal of biomedical waste.
- To ensure smooth governance, the Company has various policies for employee grievances, equal employment opportunities and anti-corruption.
- The Company aims to reduce GHG emission intensity by 25% with a projected target of 5% Y-o-Y by FY2028.
- The Company's objective is to regularly provide ESG training to 80% of its workforce and it strives to maintain a diversity ratio of over 60% for women's employment.
- The Company's goal is to achieve 50% energy consumption from renewable sources, aiming for year-on-year growth of 10% until FY2028.



Quality control and services

The Company considers its quality control procedures a cornerstone of its business operations. It has a quality control department that regulates quality parameters across its operations.

Supplier quality department: This department is responsible for evaluating vendors and suppliers while also visiting their key suppliers and conducting audits on a periodic basis.

Incoming supply quality department: This department ensures that the parts received from the Company's suppliers match the drawings and requirements of customers.

Process quality control department: This department is responsible for making sure that ensuring adherence of Syrma's products with the control plans finalised by customers.

Outgoing quality control department: It checks the quality of the It checks the quality of the final product and helps to meet customer specifications.



Raw materials and suppliers

The raw materials required for manufacturing electronic equipment include:

- (i) **Electronic components (microcontrollers, IC, resistors, capacitors, LED, PCB and other semiconductors):** These components are purchased directly from international producers or accredited distributors.
- (ii) **Wound components:** Magnetic or wound components are either produced in-house or procured from trusted suppliers. To assure the quality of the wound components, periodic and non-periodic audits are undertaken.
- (iii) **Wiring harness:** These are essential for maintaining the long-term quality of Syrma's products as it supports the actual electrical load. While the wiring harness needed for domestic markets is purchased from recognised vendors, for export requirements it is produced in-house. The wiring harness schematics Syrma offers include information on the make and substance of the insulation tape, the make and gauge of the wires, the number of strands in each wire, the insulation strength and the make and specification of the crimping pins. To guarantee quality, periodic and infrequent audits are also carried out.
- (iv) **Plastic parts:** These are procured from dedicated plastic moulding companies. The drawings and specifications for the moulds are provided by Syrma and the moulds for these parts are also owned by the Company. Strict quality control procedures, including third-party testing, are conducted to ensure compliance with the Company's quality specifications.
- (v) **Sheet metal parts:** These are manufactured on the basis of the Company's drawings and tools.
- (vi) **Process consumables:** These are sourced from various third-party manufacturers. We rely on certified and recognised laboratories to verify the quality of these components.

The Company possesses a resilient supplier network that encompasses both domestic and international suppliers spanning 19 countries, including the United States, Singapore, and China. To ensure quality and reliability, the Company's supplier quality engineers conduct separate audits and verifications of all major suppliers. The Company follows thorough and well-documented procedures for vendor selection and certification. Additionally, regular audits are conducted to guarantee adherence to the Company's stringent quality standards and specifications.

850+

Supplier network

(As of March 31, 2023)



Sales and marketing

For the purposes of boosting demand, obtaining quotes and securing orders, obtaining NPIs and managing programmes, the Company has internal procedures in place. The senior management regularly reviews and monitors the development of new products and undertakes initiatives to expand their business. A combination of digital marketing and cold calling is employed for prospecting and lead creation. In addition, Syrma runs advertisements in India's weekly and daily periodicals, as well as numerous domestic and foreign industry-specific exhibitions.

To align Company's marketing strategies with customer needs and preferences, the Company stays up to date with the latest industry trends, technological advancements, and shifts in customer preferences. This helps to identify new customers and opportunities. The Company actively participates in various exhibitions and events to connect with potential customers. Additionally, it utilises CRM to track conversion rates and conducts market research to identify gaps in marketing strategies across locations.

Syrma SGS places high priority on marketing initiatives and ensures efficient allocation of resources by identifying and establishing marketing goals. Marketing initiatives are undertaken based on the potential of conversions in a particular domain and its ability to reach a target audience.

Additionally, the Company implements an effective monitoring system for its sales team members, specifically focusing on lead generation, nurturing, and closure. This allows them to closely track and evaluate the performance of the sales team, ensuring that they meet objectives and maximise opportunities for success.

The Company actively focuses on establishing and nurturing relationships with its existing customers, aiming to maximise cross-selling and upselling opportunities. To cater to customers with multi-site operations across the country, the Company undertakes initiatives to explore additional prospects for business development.

Regular communication is maintained with customers through status calls and review calls. The Company provides dedicated customer support through Project Managers (PMs) who address issues promptly. They also diligently handle the customers' journey with the Company.



Health, safety and environment

The Company has always placed employees' health and safety as a core priority. To this end, it has conducted the LOTO programme, which involved identifying hazards and ensuring safety of its workforce. The Company also undertook an annual Hazard Identification and Risk Assessment (HIRA) and developed an emergency preparedness and response plan. For better planning and response, the Company also has a Safety Organisation Chart.

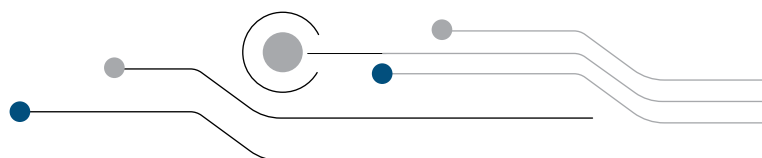
To provide a safe working environment the Company encourages accident reporting, proper use of safety equipment and maintenance of clean and hygienic work spaces.

The Company also provides its people with personal protection equipment such as safety shoes, goggles, protective nitrile gloves and aprons to ensure workplace safety. Through regular safety inspections across its manufacturing plants and daily reports on steps for risk mitigation, the Company also helps employees to map risky locations and practices.

The Company's SHE care committee, consisting of members from all levels, actively identifies potential risks, unsafe conditions and actions within the shop floor. They promptly take corrective actions to address these issues and ensure a safe working environment. As part of their commitment to safety, health and the environment, the Company emphasises the importance of training programmes to increase awareness among employees.

The Company has an Occupational Health Centre (OHC) to address employees' health concerns. They also regularly conduct inspections and audits to evaluate the effectiveness of health and safety measures. These assessments include both internal and external audits, that aim to ensure compliance and identify areas that can be improved. Furthermore, they organise frequent health awareness programmes and medical campaigns.

Syrma SGS has established various committees, including the SHE Care committee, ERT, First Aid Team, 6S, Canteen committee, grievance committee, and POSH committee, all with the aim of benefitting employees. The Company strongly encourages its employees to report safety concerns, offer feedback, and actively engage in safety committees. They follow a dedicated EHS training calendar to provide education to employees regarding workplace hazards, safe work practices, emergency response protocols, and machine safety. This proactive approach allows employees to be informed about potential risks and equips them with the necessary knowledge to respond effectively.





IT and Digitalisation

IT and Digitalisation have played a pivotal role in driving the success and growth of the Company by significantly enhancing the Company's business operations. The implementation of various IT solutions has led to notable improvements in automation and efficiency, communication and collaboration, data management and analysis, customer relationship management, as well as scalability and flexibility. These advancements have revolutionised the Company's manufacturing processes and had a profound impact on operational efficiency.

The existing IT infrastructure of the Company is robust and highly secure, incorporating advanced technologies such as firewalls, email security systems, endpoint security systems, and multi-factor authentication. These measures ensure the confidentiality, integrity, and availability of the Company's IT systems. Syрма SGS has obtained certifications such as ISO 27001 ISMS and 27701 PIMS, underscoring its commitment to maintaining a secure IT environment and meeting customer expectations.

Regarding production planning and reporting, Syрма SGS has successfully implemented critical IT solutions, including the SAP S4 HANA ERP system, the Manufacturing Execution System (MES), and the Shop Floor Control System (SFCS). These systems have enabled the Company to optimise its production processes, improve workflow efficiency, and generate accurate and timely reports, thereby enhancing decision-making and operational effectiveness.

Furthermore, technology has played a crucial role in supporting the Company's raw material purchase process, encompassing supplier selection, obtaining RFQs, comparing quotations, and releasing purchase orders. The SAP S4 HANA system seamlessly facilitates these steps, and streamlines procurement processes to ensure data consistency and accuracy.

The SAP S4 HANA platform provides real-time insights, a simplified data landscape, an enhanced user experience, advanced analytics and reporting capabilities, improved efficiency and productivity, integrated business functions, advanced planning and optimisation, scalability and flexibility, as well as the potential to leverage cloud capabilities.

The Company's centralised database for components, vendors, quality, and supply chain management has brought about remarkable transformations within its operations. This centralised approach has resulted in enhanced data consistency and accuracy, increased visibility and transparency, streamlined quality control, efficient inventory management, optimised procurement processes, improved supplier management, supply chain visibility and risk mitigation, and the ability to leverage data analytics and reporting for informed decision-making.

Recent projects at Syрма SGS have underscored the vital role played by IT solutions in the Company's success. Initiatives such as email domain migration, multi-factor authentication for email and VPN users, the establishment of a SharePoint portal, and patch management for updates have all contributed to enhancing operational efficiency, strengthening security measures, and improving productivity.

Within the realm of supply chain management, IT assumes a fundamental role at Syрма SGS. It facilitates essential aspects such as data management, demand planning and forecasting, inventory management, supplier management, logistics and transportation, warehouse management, supply chain analytics and performance monitoring, as well as collaboration and communication.

Further, the Company has outlined plans for further IT investments and upgrades. These initiatives include security enhancements for all north plants, digital transformation initiatives, enhancements in customer experience (CX), measures to ensure data security and privacy, as well as the adoption of cloud backup and Desktop-as-a-Service (DaaS) Virtual Desktop Infrastructure (VDI) environments. These endeavours will enable the Company to remain at the forefront of technological advancements, drive innovation, and consistently deliver value to its customers and stakeholders.



Human resources

The Company acknowledges outstanding achievements through the spot recognition award and recognition for leadership teams such as the Core team, Young leaders, and CFT. Syрма SGS actively engages in numerous competitions like Kaizen, Quality Circle, and Poka Yoke, both within their internal teams and external forums. These competitions provide substantial recognition and serve as a great source of motivation.

It also offers a diverse range of training programs encompassing both technical and behavioural aspects. It included Offsite Integration programs, Team Building exercises, Communication & Presentation Skills workshops, Outbound trainings like Pegasus and NTT, corporate etiquette programmes, IPC certification, VDA certification, 6 Sigma certification, lean manufacturing workshops, Mentor-Mentee programmes and POSH training. Syрма SGS prioritises the promotion of good health and hygiene practices by ensuring access to clean facilities and providing personal protective equipment (PPE) whenever necessary. The Company takes proactive measures to enhance employee well-being, and conducts annual medical camps and health check-ups for staff members aged 40 and above.

The Company actively engages with government and professional forums and organisations to attract top talent. This collaboration has earned the Company numerous awards and recognitions and achieving numerous innovations. The Company has also benchmarked employee welfare

and compensation benefits, and has been recognised as a great place to work and it has signed Memorandums of Understanding (MoUs) with the government for various developmental programmes. As part of its talent retention programmes, the Company offers Employee Stock Ownership Plan (ESOP) schemes, Performance Management Systems (PMS), Reward & Recognition initiatives, Long-Term Stability bonuses, and Individual Development Plans (IDPs). These measures contribute to retaining and nurturing talent within the Company.

To further encourage employee engagement, the Company implements a suggestion system to ensure safety and health. Employees are encouraged to provide suggestions for improvement, fostering a sense of involvement and ownership within the organisation. The Company values and appreciates input from all employees, and implements it for organisational improvement.



Insurance coverage

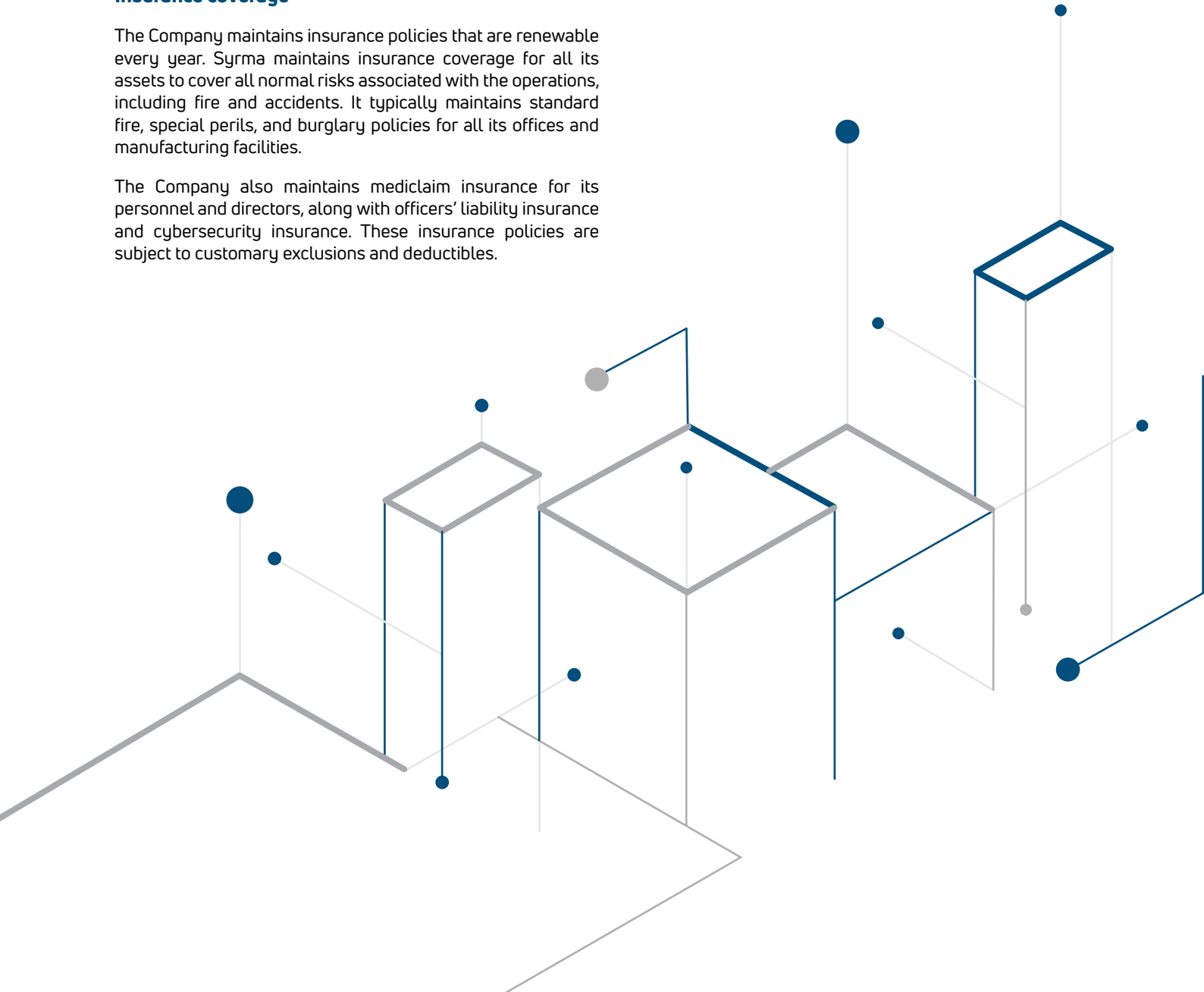
The Company maintains insurance policies that are renewable every year. Syrma maintains insurance coverage for all its assets to cover all normal risks associated with the operations, including fire and accidents. It typically maintains standard fire, special perils, and burglary policies for all its offices and manufacturing facilities.

The Company also maintains mediclaim insurance for its personnel and directors, along with officers' liability insurance and cybersecurity insurance. These insurance policies are subject to customary exclusions and deductibles.



Cautionary statement

The Management Discussion and Analysis (MDA) section may contain statements that anticipate future prospects. The risks and uncertainties in these statements, which include both known and unknown ones, might cause material differences between the actual outcomes and the forward-looking statements. The estimations in the report are predicated on the Company's assumptions, which take into account the most recent internal and external data. However, the underlying factors of these assumptions are subject to change over time, which may cause corresponding changes in the estimates. It's important to remember that forward-looking statements only apply as of the date on which they are made and reflect the Company's current intentions, beliefs, or assumptions. The Company is under no obligation to revise, or update any forward-looking statements based on new information, future events, or other factors.



Directors' Report

Dear Members,

Your Directors are pleased to present the 19th Annual Report of Syrma SGS Technology Limited ('the Company') together with the Audited financial statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS:

The Company's standalone and consolidated performance during the financial year ended March 31, 2023, as compared to the previous financial year, is summarised below:

Amounts in ₹ Cr.

PARTICULARS	STANDALONE		CONSOLIDATED	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from Operations	1135.58	646.26	2,048.39	1,019.72
Other Income	37.07	7.83	43.75	12.28
Total Income	1172.65	654.09	2,092.14	1,032.00
Less: Expenses	1086.28	606.20	1,913.41	951.10
Profit Before exceptional items and Tax	86.37	47.89	178.73	80.90
Exceptional Items	0.00	0.00	-	-
Profit before tax	86.37	47.89	178.73	80.90
Tax Expenses	31.36	17.28	55.62	26.76
Net Profit after Tax	55.01	30.60	123.08	56.67
Other Comprehensive Income	1.43	0.08	1.64	0.10
Total Comprehensive Income	56.45	30.68	124.72	56.58

STATE OF AFFAIRS OF THE COMPANY AND FINANCIAL PERFORMANCE

Your Company has carved out a niche in the Indian EMS industry. It aims at retaining and diversifying its clientele by delivering advanced solutions. Moreover, your Company received two approvals under the PLI scheme of Government of India including that for manufacturing Telecom & Networking Products and white Goods (Air Conditioners & LED Lights), which is likely to have positive influence on your Company's revenue model. With its extensive goal of mass production, your Company is emerging stronger every day.

This fiscal, most of the business verticals of the Company experienced a consistent order book. The Automotive, Consumer and Industrial segment of the Company witnessed a major traction on order booking.

LISTING OF EQUITY SHARES:

During the year under review your Company made an Initial Public Offer ('the Offer') comprising:

Offer of Equity Shares of which:	38,187,541 Equity Shares, aggregating to ₹ 840.126 Crore
(i) Fresh Issue	3,48,18,181 Equity Shares, aggregating to ₹ 766.00 Crore
(ii) Offer for Sale	33,69,360 Equity Shares, aggregating to ₹ 74.126 Crore

The offer had been authorised by a resolution of our Board dated November 13, 2021, and the Fresh Issue had been authorised by a special resolution of our Shareholders dated November 20, 2021. The offer was made in accordance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules.

During the financial year under review, the equity shares of the Company have been listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') w.e.f. August 26, 2022.

On a standalone basis, during the year ended March 31, 2023, your Company registered its revenue from Operations of Rs. 1135.58 Cr against Rs. 646.26 Cr in the previous financial year 2021-22 delivering a topline growth of 75.71% over previous financial year 2021-22. Net profit after tax of the Company also improved to Rs. 55.01 Cr as against Rs. 30.60 Cr of the previous year, thus delivering a growth of 79.77% over the previous financial year 2021-22.

On consolidated basis, during the year ended March 31, 2023, your Company registered its revenue from Operations of Rs. 2,048.39 Cr against Rs. 1,019.72 Cr in the previous financial year 2021-22 delivering a topline growth of 100.88% over previous financial year 2021-22. Net profit after tax of the Company also improved to Rs. 123.08 Cr as against Rs. 56.67 Cr of the previous year, thus delivering a growth of 117.19% over the previous financial year 2021-22.

SHARE CAPITAL

During the year under review there was no change in the authorised capital of the Company.

Paid-up capital:

During the year under review, your Company has made following allotments:

Date of Allotment	Details of Allotees / Allotment	Reason for / Nature of Allotment	No. of Equity Shares Allotted	FV (₹)	Issue price per Equity Share (₹)	Form of consideration	Cumulative No. of Equity Shares	Cumulative paid-up equity share capital (₹)
	Opening Balance	-	-	-	-	-	137,617,853	1,376,178,530
May 05, 2022	Allotment of 3793103 Equity Shares under preferential allotment	Private placement	37,93,103	10	290	Cash	141,410,956	1,414,109,560
August 26, 2022	Allotment of 34818181 Equity Shares under Initial Public Offer (IPO) – Fresh Issue	IPO – Fresh Issue	3,48,18,181	10	As per price band	Cash	176,229,137	1,762,291,370
November 05, 2022	Allotment of 548705 Equity Shares under ESOP Plan 2020	ESOP	548,705	10	As per ESOP Plan 2020	Cash	176,777,842	1,767,778,420

Accordingly, the total paid-up share capital of the Company as on March 31, 2023, is Rs. 176,77,78,420/- (Rupees One Hundred and Seventy-Six Crore Seventy-Seven Lakh Seventy-Eight Thousand Four Hundred and Twenty only) divided into 17,67,77,842 equity shares of face value of Rs. 10/- each.

EMPLOYEE STOCK OPTION PLAN

Syrma SGS Stock Option Plan 2020

The members of your Company at their general meeting held on October 19, 2021, had approved Syрма SGS Stock Option Plan 2020 (ESOP Plan 2020) for the eligible employees of your Company and its subsidiary Company (ies) and empowered the Board for allotting shares in one or more tranches to the employees of your Company and its subsidiaries in accordance with ESOP Plan 2020 and its underlying schemes. During the year under review, the Board has made an allotment of 548,705 equity shares of face value of Rs. 10/- each pursuant to exercise of employee stock options by eligible employees under ESOP Plan 2020 and its underlying Schemes I & II.

Schemes under ESOP Plan 2020 are listed hereunder:

Option Series	Grant Date	Number of Options*	Exercise price in ₹#	Vesting period	Vesting condition
Scheme I	19-Oct-21	780,326	10	1 to 3 years	Time based vesting
Scheme II	19-Oct-21	1,629,433	10	1 to 4 years	Time based vesting

*After considering Bonus issue of 1:100 approved by the members in their general meeting held on October 28, 2021.

#Adjusted effective exercise price after bonus is Rs 0.01 per share.

On October 19, 2022, your Company had applied to Stock Exchanges (NSE and BSE) for in principle approval for listing of up to 23,71,884 stock options pursuant to 'Syrma SGS Employee Stock Option Plan 2020' as approved by the members in their Extra Ordinary General meeting held on October 19, 2021. In principle approval was received from National Stock Exchange of India Limited (NSE) on October 31, 2022, and from Bombay Stock Exchange Limited on November 01, 2022.

Applications to exercise were received from the grantees and basis the vesting conditions under both the Schemes underlying ESOP Plan 2020, an allotment of 5,48,705 equity shares was made in aggregate during financial year 2022-23. Summary of which is given under:

Option Series	Grant Date	Options vested during the year	Exercise price in ₹	Options Exercised during the year	Outstanding exercisable options for the year March 31, 2023
Scheme I	19-Oct-21	3,90,158	10	2,07,702	1,82,456
Scheme II	19-Oct-21	3,97,835	10	3,41,003	56,832
Total		7,87,993		5,48,705	2,39,288

Syrma SGS Stock Option Plan 2023

The Board, in their meeting held on May 18, 2023, have also approved and recommended for members approval the Syрма SGS Employee Stock Option Plan 2023 ('ESOP Plan 2023'). The Company uses its Employees Stock Option Plans in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('the SBEB & SE Regulations') as a measure to reward and motivate employees and also to attract and retain talent.

The applicable disclosures as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided in Annexure 1 to this Report.

DIVIDEND

Considering an impressive performance of your Company, The Board of Directors of your Company have recommended a final dividend of ₹ 1.5 (i.e. 15% on face value of ₹ 10) per equity share for the financial year ended March 31, 2023, subject to approval of members at the ensuring Annual General Meeting. Once approved, the total dividend outgo for FY 2022-23 would amount to an aggregate of ₹ 26,51,66,763 only.

The final dividend, subject to approval of Shareholders, will be payable to those Shareholders whose names appear in Register of Members/Beneficiary Position statement as on Book Closure date/Record date.

There has been no transfer of unclaimed or unpaid dividends to Investor Education and Protection Fund during the year. Accordingly, the provisions of Section 125 (2) of the Companies Act, 2013 do not apply to the Company.

The Board, at its meeting held on November 20, 2021, has adopted Dividend Distribution Policy. The same can be accessed at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserve

CREDIT RATING

The details of credit ratings as provided by CARE Limited are as follows:

Type	Facility	Rating
Long-term bank facilities	Fund based and non-fund based	CARE A+; Positive
Long-term / Short-term bank Facilities	Fund based and non-fund based	CARE A+; Positive / CARE A1+
Short-term bank facilities		CARE A1+

During the year under review, the credit ratings were re-affirmed.

INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company was not required to transfer any funds to Investor Education and Protection Fund (IEPF).

PUBLIC DEPOSITS

No public deposits have been accepted or renewed by your Company during the financial year under review pursuant to the provisions of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business carried on by your Company or its subsidiaries during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with provisions of Section 129 (3) of the Act read with Companies (Accounts) Rules, 2014, your Company has prepared Consolidated Financial Statements as per the Indian Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India together with Auditors' Report thereon form part of this Annual Report.

The Financial statement as stated above are also available on the website of the Company and can be accessed at <https://www.syrmasgs.com/investor-relations/>.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company has six subsidiaries, the details of which are as follows:

i) **SGS Teknics Manufacturing Private Limited ('SGS Teknics')**

Corporate Information

SGS Teknics was incorporated as 'SGS Teknics Private Limited' as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana dated April 27, 2011. Subsequently its name was changed to 'SGS Teknics Manufacturing Private Limited' and a fresh certificate of incorporation was issued dated November 12, 2012 by the Registrar of Companies, National Capital Territory of Delhi and Haryana. It bears the corporate identification number U31501HR2011PTC044475. Its registered office is located at A-3 Infocity, Sector-34, Gurgaon, Haryana, India - 122001.

Shareholding pattern

The shareholding pattern of SGS Teknics as on March 31, 2023, is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited	1,612,784	100.00
Mr. Tiruvenkara Rajesh Chari*	1	0.00
Total	1,612,785	100.00

*Held in capacity as nominee of our Company

ii) Perfect ID India Private Limited ('Perfect ID')*Corporate Information*

Perfect ID was incorporated as a private limited company, under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Tamil Nadu at Chennai, on November 12, 2015. It bears the corporate identification number U32109TN2015PTC102955. Its registered office is situated at Ground Floor, Center Block 188, Poonamallee High Road, Kilpauk, Chennai – 600010, Tamil Nadu, India.

Shareholding pattern

The shareholding pattern of Perfect ID as on March 31, 2023, is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited [#]	22,54,549	100.00
Mr. Tiruvenkara Rajesh Chari*	1	0.00
Total	22,54,550	100.00

[#]During the year the Company acquired balance 25% stake in Perfect ID India Private Limited from Mr. Sakun Ahuja as per the terms of Investment Agreement executed on October 11, 2021, thereby making it a wholly-owned subsidiary.

*Held in capacity as nominee of our Company

iii) Syrma SGS Technology and Engineering Services Limited ('SSTESL')*Corporate Information*

SSTESL was incorporated as a public limited company, under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi, on March 23, 2023. It bears the corporate identification number U26109HR2023PLC110135. Its registered office is Plot 22, Sector 5, IMT Manesar, Gurgaon, Haryana - 122052, India.

The shareholding pattern of SSTESL as on March 31, 2023, is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited	9,994	99.94%
Nominee Shareholders	6	0.06%
Total	10,000	100.00

iv) Syrma SGS Design and Manufacturing Limited ('SSDAML')*Corporate Information*

SSDAML was incorporated as a public limited company, under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi, on March 22, 2023. It bears the corporate identification number U26109HR2023PTC110154. Its registered office is Plot 22, Sector 5, IMT Manesar, Gurgaon, Haryana - 122052, India.

The shareholding pattern of SSTESL as on March 31, 2023, is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited	9,999	99.99%
Mr. Narendra Kumar Nagori*	1	0.01%
Total	10,000	100.00

*Held in capacity as nominee of our Company

v) Syrma SGS Electronics Private Limited ('SEPL')*Corporate Information*

SEPL was incorporated as a public limited company, under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi, on March 03, 2023. It bears the corporate identification number U26109HR2023PTC109688. Its registered office is Plot 22, Sector 5, IMT Manesar, Gurgaon, Haryana - 122052, India.

The shareholding pattern of SSTESL as on March 31, 2023, is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited	9,999	99.99%
Mr. Narendra Kumar Nagori*	1	0.01%
Total	10,000	100.00

*Held in capacity as nominee of our Company

vi) **Syrma Technology, Inc. ('Syrma USA')**

Corporate Information

Syrma USA was incorporated under the laws of the United States of America, pursuant to the certificate of filing dated December 3, 2021, bearing the file number 803979714, issued by the Secretary of State, Texas. Its registered office is situated at 1701, Directors Blvd. Suite 300, Austin, Texas 78744.

Shareholding pattern

The shareholding pattern of Syрма USA as on the on March 31, 2023, is as provided below.

The issued, subscribed and paid-up equity share capital of Syрма USA is \$ 2.00 divided into 20,000 common stock of \$ 0.0001 each:

Name of the shareholder	Number of common stock	Percentage of the issued and paid-up share capital (%)
Syrma SGS Technology Limited	20,000	100.00
Total		100.00

Financial statements, in particular investments made by subsidiary companies, are reviewed by your Company's Audit Committee; Minutes of Board meetings and Committee(s) of subsidiary companies are placed before the Company's Board every quarter.

As required under Section 129(3) of the Companies Act, 2013, the salient features of financial statements of subsidiaries in Form AOC-1 is attached in Annexure II.

In accordance with Section 136 of the Act, the Audited Financial Statements including Consolidated Financial Statements and related information of your company and audited accounts of Subsidiaries are available on the website of your Company at <https://www.syrmasgs.com/investor-relations/43-2/>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans and investments made by the Company under Section 186 of the Companies Act, 2013 form part of this annual report and are given as the notes to the standalone financial statements for the financial year ended March 31, 2023.

LOAN FROM DIRECTORS OR DIRECTOR'S RELATIVE

The Company has not taken any loans from directors or their relatives during the year under review.

RELATED-PARTY TRANSACTIONS

In accordance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015, your Company has

formulated a Policy on Related-Party Transactions which can be accessed through weblink <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

All related-party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related-party transactions is placed before the Audit Committee for their noting/ approval every quarter and all the related-party transactions were at arm's length and in normal course of business.

There were no materially significant transactions with related parties (i.e. transactions exceeding 10% of the annual consolidated turnover) during the year as per the last audited financial statements. Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 are made in Form AOC-2 under Annexure II.

All related-party transactions are mentioned in the notes to the accounts. The Directors wish to draw the attention of the members to the Notes to the financial statements which sets out the disclosure for related-party transactions.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

The Board of Directors in their meeting held on August 01, 2023, had approved the acquisition and execution of definitive agreements to acquire a 51% stake in Johari Digital Healthcare Limited ('JDHL') an end-to-end design-led manufacturer of electro-medical devices, for a consideration of ₹ 2,295 Mn. Additional consideration of up to ₹ 280 Mn is to be paid on achieving certain pre-determined milestones. The acquisition will enable Syрма SGS to enter the lucrative medical devices segment, a fragmented and fast-growing market with high demand for quality and innovation.

JDHL has a strong reputation as an end-to-end design-focused manufacturer of electro-medical devices, focusing on therapeutic areas such as aesthetics, diagnostics, physiotherapy, life sciences among others. JDHL's facility is FDA / MDSAP compliant, ensuring the highest quality and safety standards, and meeting the regulatory requirements in the US, Australia, Canada, Brazil and Japan. JDHL also has multiple FDA 510(k) approvals in place for its various products.

This acquisition will enhance Syрма SGS's capabilities and offerings in the electro-medical devices segment and create business synergies across multiple areas. Syрма SGS expects the acquisition to be accretive to its earnings and cash flow.

Apart from the commitment aforementioned, there have been no other material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of your Company to which the Financial Statements relate and the date of Board Report.

CORPORATE GOVERNANCE

The Board of Directors (the 'Board') are responsible for and committed to sound principles of Corporate Governance in your Company. Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of Executive, Non-Executive and Independent Directors including one woman Director. The Board provides strategic guidance and direction to your Company in achieving its business objectives and protecting the interest of the stakeholders.

As per Regulation 34 read with Schedule V(C) of SEBI (Listing obligation Disclosure Requirements) (Amendment)

Regulations, 2018 a separate section on the Corporate Governance Report (CGR) as stipulated under the SEBI Listing Regulations forms part of the Annual Report, together with a certificate received from the Company's Secretarial Auditor confirming compliance. A Certificate from the Managing Director & Chief Financial Officer of the Company in terms of SEBI Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

Corporate Governance Report is attached as Annexure – VII.

Board of Directors & Key Managerial Personnel

The Board of Directors is duly constituted and consists of the following 10 (ten) Directors as on the close of the financial year:

Sr. No.	DIN	Name Of Director	Designation	Sr. No.	DIN	Name Of Director	Designation
1.	00054553	Mr. Sandeep Tandon	Executive Director & Chairman	6.	01653176	Mr. Kunal Shah	Independent Director
2.	00198825	Mr. Jasbir Singh Gujral	Managing Director	7.	02655564	Mr. Anil Nair	Independent Director
3.	01693731	Mr. Jaideep Tandon*	Non-Executive Director	8.	00106895	Mr. Hetal Gandhi	Independent Director
4.	00017963	Mr. Jayesh Doshi	Non-Executive Director	9.	03165703	Ms. Smita Jatia	Independent Director
5.	00137243	Mr. Sridhar Narayan#	Non-Executive Director	10.	02806475	Mr. Bharat Anand	Independent Director

*Mr. Sudeep Tandon has been appointed as Alternate Director to Mr. Jaideep Tandon from January 2023

#Mr. Sridhar Narayan has ceased to be a director w.e.f close of business hours of August 01, 2023. Since the above table is as on March 31, 2023, his name is retained.

SN	Name of Key Managerial Personnel	Designation
1	Mr. Sandeep Tandon	Executive Director & Chairman
2	Mr. Jasbir Singh Gujral	Managing Director (MD)
3	Mr. Sreeram Srinivasan [§]	Chief Executive Officer (CEO)
4	Mr. Bijay Agrawal	Chief Financial Officer (CFO)
5	Mr. Rahul N. Sinnarkar	Company Secretary & Compliance Officer (CS & CO)

Appointment and Resignation:

During the year under review, following appointments/cessations were made:

SN	Name of the Director/KMP	Designation	Date of appointment	Date of cessation
1	Mr. Sudeep Tandon	Alternate Director	09/01/23	-
2	Mr. Sreeram Srinivasan [§]	CEO (KMP)	08/12/2021	March 31, 2023

[§]Dr. Sreeram Srinivasan relinquished his responsibilities and took over the business responsibilities at Syrma SGS Technology and Engineering Services Limited, effective from April 01, 2023. The wholly-owned subsidiary has ambitious plans to meet the future growth targets envisioned by your Company and given his extensive experience in electronics design led manufacturing in sectors such as industrial, healthcare, automotive, consumer, defence, and communications, Dr. Sreeram Srinivasan was identified as the perfect leader to guide the new business. This move enables your Company to focus on emerging technologies in electronic design in industry verticals such as IoT, automotive Electronic Vehicles, industry 4.0, and telecom 5G and so on. This development while having no impact on the current operations, which continues to see robust demand across our business verticals on the back of a strong order book, shall further push our efforts to onboard new clients that are exploring design prototyping and manufacturing as a service.

During the financial year 2022-23 none of the directors ceased to be on the Board of the Company.

Independent Directors

The Independent Directors have submitted their declaration of independence, as required under section 149(7) of the Act stating that they meet the criteria of independence as provided under subsection (6) of Section 149 of the Act, as amended and Regulation 16 and 25 of the Listing Regulations, 2015, as amended. The Independent Directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

Also, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and have confirmed that they are in compliance with the Code of Conduct for Directors and Senior Management personnel formulated by the Company.

Based on the declaration received from all the Independent Directors and in the opinion of the Board, all independent Directors possess integrity, expertise, experience and proficiency and are independent of the management.

During the year under review, none of the Independent Directors of the Company has had any pecuniary relationship or transactions with the Company, other than sitting fees or commission.

The terms and conditions of appointment of Independent Directors are placed on the website of the Company at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

Familiarization Program for Independent Directors

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct for Prevention of Insider Trading and Code of Conduct applicable to Directors and Senior Management Personnel. They are also updated on all business-related issues and new initiatives. Independent Directors are also encouraged to visit the manufacturing facilities of the Company and engage with senior management.

Regular presentations and updates on relevant statutory changes encompassing important laws are made and circulated to the Directors.

The Directors appointed as members on the Corporate Social Responsibility Committee ('CSR') are also involved and briefed about CSR initiatives of the Company. Senior executives of the Company make presentations to the members of the Board on the performance of the Company and strategic initiatives.

Brief details of the familiarisation programme are uploaded and can be accessed on the Company's website at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Act and SEBI Listing Regulations one meeting of Independent Directors was held during the year i.e., on March 15, 2023, without the attendance of non-independent Directors and members of Management. For details of meeting, please refer Corporate Governance Report, forming part of this annual report.

Retirement by rotation

The Companies Act, 2013 mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation and one-thirds are liable to retire at every Annual General Meeting. Article 148 of the Articles of Association of Company provides that the Managing Director or whole-time Director so appointed shall be liable to retire by rotation. Independent directors hold office for a fixed term not exceeding three years from the date of their appointment and are not liable to retire by rotation.

Accordingly, Mr. Jasbir Singh Gujral (DIN: 0198825) and Mr. Jayesh Doshi (DIN: 00017963), being the longest in the office among the directors, are set to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Member's approval is sought for their reappointment.

Meetings of the Board

The Board of Directors met seven times during the Financial Year viz. on May 03, 2022, May 06, 2022, July 01, 2022, August 08, 2022, August 19, 2022, November 14, 2022, and February 08, 2023. For details of meeting, please refer to Corporate Governance Report, forming part of this annual report.

The necessary quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Act.

Constitution/Reconstitution of various committees

The Board had duly constituted following Committees, which are in line with the provisions of applicable laws:

A. Audit Committee B. Nomination and Remuneration Committee
C. Corporate Social Responsibility Committee D. Stakeholders' Relationship Committee E. Risk Management Committee.

A detailed update on the composition, number of meetings, attendance, and terms of reference of aforesaid Committees are provided in the section 'Committees of the Board' of Corporate Governance Report forming part of this Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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 mandated under sub section 3 of Section 178 of the Act, is available on the Company's website at : <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

The brief particulars are given in the Corporate Governance Report, forming part of the Annual Report.

BOARD EVALUATION

In terms of requirements of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors.

During the year under review, your Company has completed the Board evaluation process by maintaining confidentiality and anonymity of the responses.

The Board evaluation cycle was completed by your Company internally led by the Independent Chairman of the Nomination and Remuneration Committee ('NRC').

The parameters for performance evaluation of the Board include the composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board members, timelines for circulating Board papers, content and quality of the information provided to the Board, attention to the Company's long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions, and so on.

Some of the performance indicators for the Committees include understanding the terms of reference, the effectiveness of discussions at the Committee meetings, the information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

Performance of individual Directors was evaluated based on parameters such as attendance at the meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest.

Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Companies Act, 2013 and Listing Regulations, 2015.

The Board evaluation discussion was focused on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure,

composition, meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board's functioning.

Additionally, during the evaluation discussion, the Board also focused on the contribution being made by the Board as a whole, through its Committees and discussions on a one-on-one basis with the Chairman.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. They were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the reporting period. The Board also noted that the actions identified in the past questionnaire-based evaluations had been acted upon.

The Board noted the key improvement areas emerging from this exercise in 2022-2023 and action plans to address these are in progress. These include strengthening the succession planning for key positions, business strategy and annual plan, among others.

VIGIL MECHANISM

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) of the Listing Regulations, a Whistle-blower Policy and Vigil Mechanism was established for Directors, employees and stakeholders to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal.

The Company has framed a Vigil Mechanism policy that provides a mechanism ensuring adequate safeguards to employees and Directors from any victimisation due to raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, and so on. The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations.

For encompassing the key Company's activities and corporate actions during the financial year 2022-23 and to have adequate information in one Report, establishing proper linkages and mapping, there may be instances of reiteration of certain key information which may be already included in previous years Directors Report under 'Events occurring between end of Financial Year and signing of Boards Report'.

The Whistle Blower Policy of your Company is posted on the website of the Company and can be accessed at the weblink at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

No complaints were received during the period under review.

SIGNIFICANT MATERIAL ORDERS OF REGULATORS/ COURTS/ TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in the future.

AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company have been appointed at the Annual General Meeting held on December 27, 2019, for a term of five years and they continue to be the Statutory Auditors of the Company.

The Independent Auditors Report given by the Auditors on the financial statement (Standalone and Consolidated) of your Company forms part of this Annual Report. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Notes to the Accounts referred to in the Auditors' report are self-explanatory and therefore do not call for any further clarification under Section 134(3)(f) of the Act.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Act and rules made thereunder, by officers or employees, reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

b. Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board at its meeting held on May 18, 2023, has approved the appointment of M/s Umesh Sagta & Associates, Cost Accountants, (FRN:001801) as Cost Auditors of the Company for audit of cost accounting records for FY 2023-24 at a remuneration not exceeding Rupees 1,50,000 only plus taxes and out of pocket expenses.

M/s Umesh Sagta & Associates, Cost Accountants, have confirmed their independent status and their non-disqualifications under section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration of the Cost Auditor for Financial Year 2023-24 will be placed before the shareholders for consideration.

c. Secretarial Auditors

Pursuant to the provisions of section 204 of the Act and Rules made thereunder, the Company has appointed, M/s. MMJB

& Associates LLP, Practicing Company Secretaries (CP No. 8968) to undertake the secretarial audit of the Company. Secretarial audit report for the financial year 2022-23 issued by them in the prescribed form MR-3 is annexed to this Report as Annexure IV.

The Secretarial Auditor's Report to the shareholders does not contain any qualification or reservation which has any material adverse effect on the functioning/going concern status of the Company.

Further, except SGS Teknics Manufacturing Private Limited, none of the wholly-owned subsidiaries of the Company as mentioned above are material unlisted subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended, do not apply to such subsidiaries. As a good governance practice, Perfect ID India Private Limited, though not required, voluntarily has conducted secretarial audit for financial year 2022-23.

d. Internal Auditors

Pursuant to Section 138 of the Act & rules made thereunder M/s. J. C. Bhalla and Associates, Chartered Accountant, are appointed as Internal Auditors of the Company and continue to be the Internal Auditors for financial year 2023-24 to review various operations of the Company and report their findings to the Audit Committee.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

M/s. Link Intime India Private Limited is the R&T Agent of the Company. Their contact details are mentioned in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) FRAMEWORK AND VISION

Your Company believes that corporates have a significant role to play in bringing about social change. And your Company has kept its social and development mandate flexible and responsive to development challenges. Your Company's Corporate Social Responsibility strategy has evolved to focus on areas it sees as key for positive change.

The CSR Policy of your Company lays down the philosophy and approach of your Company towards its CSR commitment. Your Company has chosen the grant-making route, and back the right implementation partners, leverage their sector expertise and community connect, to positively impact the lives of the end beneficiary.

The Company's CSR policy is available on its website at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

The Annual Report on CSR activities in terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure- IV** and forms a part of this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

A Business Responsibility and Sustainability Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by your Company on the environmental, social and governance front, forms an integral part of the Annual Report.

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

As required under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as **Annexure III** to this Report.

HUMAN RESOURCES AND EMPLOYEE RELATIONS

During the year, offsite meeting was held in Gurgaon, Haryana by the Executive Directors and the top Management team and was called as 'Growth Program' aimed to take the organisation forward to achieve the goals of the management. In this connection, a townhall meeting was conducted across all plants to explain all employees on mission, vision, about the recent development in the organisation, PMS, growth and challenges, and so on.

As an integral part of improvement of practices to meet the new standards, the Company embarked on implementation of HRMS package to bring all units under one umbrella with emphasis on automation for onboarding, confirmation, separation, PMS, attendance monitoring, taxation, report generation etc. Efforts are still on to digitise the process to cover a wider spectrum of services.

Under the training and engagement activities, the Company initiated a skill development center at RA Puram; technical trainings for the design engineer trainees, initiated linguistic training sessions for the employees who are all dealing with pan India clientele, outbound learning for leaders program me held in Pegasus Training Institute, Pondicherry which was a 2 - days training session held in July 2022 and where employees from Production, Quality, Manufacturing Engineering, Stores & Testing departments with a broad objective of team bonding actively participated. During the year, the Company successfully created LeadX Team and initiated outbound training session to the participants — team comprised of cross functional Managers / Senior Managers with an intent to shape them into being future leaders; Initiated 'Let's Speak Program' in July 2022 - a motivational programme to encourage employees to build their skills and confidence. Your Company has also been part of Campus placement drives and encourages skill based hiring.

In the July 2022, Dr. Sreeram Srinivasan signed the MoU with Tamil Nadu government in the presence of Hon'ble Chief Minister of Tamil

Nadu, Mr. M. K. Stalin, Hon'ble Industries Minister Mr. Thangam Thennarasu, at the State Investment Conclave. Your Company has received various awards on Innovation and Technology Excellence Award from Wabtec Corporation for outstanding performance and contribution at the India supplier conference 2022; Received an award from Wabtec Corporation for 'India Supplier Conclave'; Kaizen award 2022 from CII; Received Rainbow 'Platinum Award'; SAP S4 HANA – The best Run SAP. Besides these, we were honored to obtain 'GREAT PLACE TO WORK' certification for the second consecutive year as our employees are the core of the company and ultimately, the ones who drive us forward.

Your Company believes in investing in people to develop and expand their capability. The Company has been able to create a favourable work environment that motivates performance and customer focus. The Human Resource Department had arranged several training programmes on Safety and Emergency preparedness and Awareness and Environmental policy training.

ENTERPRISE RISK MANAGEMENT

The Risk Management Committee ('the Committee') is tasked to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks.

The Committee reviews the risks applicable on the Company at regular intervals and the necessary steps being taken by the Company to mitigate those risks. In the opinion of the Committee and the Board, there are no such risks, which may threaten the existence of the Company. The Company has a robust Risk Management Policy which is reviewed from time to time.

The details of the Committee are included in the CGR forming part of this annual report.

The Risk Management Policy of your Company is posted on the website of the Company and can be accessed at the weblink at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

INTERNAL CONTROL SYSTEMS

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation, designing and documentation of Policy on Internal Financial Control have been finalised and implemented which is being reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. This is supplemented through an extensive internal audit programme and periodic review by the management and Audit Committee.

RESEARCH AND DEVELOPMENT (R&D)

R&D details are covered under the Management Discussion and Analysis section forming part of the Annual Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

There are 11 (Eleven) employees who were in receipt of remuneration of not less than one crore and two lakh rupees if employed for the full year or not less than eight lakh and fifty thousand rupees per month, if employed for any part of the year. Details of such employees are given hereunder:

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure VI to this Report. Your directors affirm that the remuneration is as per the remuneration policy of the Company.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available for inspection at the Registered Office of your Company during working hours.

SN	Name of Employee	Designation	Remuneration received during FY23 (₹ Cr)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Age (Yrs)
1	Mr. Sandeep Tandon	Executive Chairman	3.19	Permanent	B. Sc Electronics	54
2	Mr. Sreeram Srinivasan	CEO	2.25	Permanent	Ph.D (38 yrs)	60
3	Mr. Raghavendra Nagaraj	President	1.82	Permanent	AMIE (36 years)	59
4	Mr. Sreedharan N.G	President	1.84	Permanent	B Sc (35 years)	58
5	Mr. Bijay Kumar Agrawal	CFO	1.91	Permanent	MBA (17 years)	42
6	Mr. J. S. Gujral	MD	1.48	Permanent	CA (45 years)	68
7	Mr. Tiruvenkara Rajesh Chari	General Manager	1.63	Permanent	CA (20 years)	45
8	Mr. Antony Packia Clement.A	General Manager	1.54	Permanent	BE (26 years)	51
9	Mr. Krishna Ramnath	VP - Finance	1.27	Permanent	CA (32 years)	56
10	Mr. Hariram Balasubramaniam	VP - Finance	1.15	Permanent	BE, MBA (17 years)	41
11	Mr. Sathya Narayanan E S	General Manager	1.02	Permanent	MBA, LLB (30 years)	52
12	Mr. Dennis J*	President	0.30	Permanent	ME (21 years)	46

*Mr. Dennis has joined the organisation from December 05, 2022.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The Company has also implemented several best governance practices.

As per Regulation 34 read with Schedule V (c) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate received from the Company's Secretarial Auditor confirming compliance is included in the Annual Report.

SECRETARIAL STANDARDS

Your Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 read with Schedule V(B) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, report on 'Management Discussion and Analysis' is attached and forms a part of this Report.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2022-23, is placed on the Company's website in due course and can be accessed at <https://www.syrmasgs.com/investor-relations/43-2/>

COMPLAINTS RELATING TO SEXUAL HARASSMENT

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee

has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company did not receive any complaint during the financial year 2022-23.

APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there is no application made/proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

LISTING & FEES

The equity shares of your Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE). Your Company has paid the Annual Listing fees to both the Stock Exchanges before end of March 31, 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013 and guidelines issued by SEBI. Pursuant to the provisions of Section 134(3)(c) of the Act, to the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

1. the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
2. the Accounting Policies selected and applied consistently, give a true and fair view of the affairs of the Company and of the profit for FY 2022-23;
3. sufficient care has been taken and that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. the Annual Accounts have been prepared on a going concern basis;
5. the internal financial controls laid down by the Company were adequate and operating effectively; and
6. the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
3. Neither the Managing Director nor the Executive Chairman of the Company receive any remuneration or commission from any of its subsidiaries;
4. No fraud has been reported by the Auditors to the Audit Committee or the Board;
5. Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Companies Act, 2013;
6. No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
7. Disclosure of reason for difference between valuation done at the time of taking loan from bank and at the time of one time settlement. There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and appreciation to all the employees of the Company posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the employees, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

For and on behalf of the Board of Directors

Mr. SANDEEP TANDON

Chairman

DIN: 00054553

Date: August 01, 2023

Place: Mumbai

ANNEXURE I

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER SEBI SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND SECTION 62(1)(b) OF THE COMPANIES ACT, 2013 READ WITH RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED WITH RESPECT TO EMPLOYEE STOCK BENEFIT PLANS

I. Description of each ESOP that existed at any time during the year:

Details of ESOP	Syrma SGS ESOP 2020 (Scheme 1)	Syrma SGS ESOP 2020 (Scheme 2)	Syrma SGS ESOP 2023 (ESOPL Plan 2023)
1. Date of shareholders' approval	October 19, 2021	October 19, 2021	Proposed for approval
2. Total number of options approved under ESOP	7,726	16,133	35,35,557
3. Vesting requirements	<p>Under Scheme I</p> <p>Subject to Clauses 16.1 and 16.2 of the Plan, the minimum vesting period shall be one year from the date of the grant.</p> <p>Subject to continued employment or directorship (as the case may be) and in accordance with Clause 12 of the Plan, the Options shall Vest as per the schedule set forth:</p> <p>i. 50 % of the Options shall Vest at the end of Year 1 from the Grant Date;</p> <p>ii. 25% of the Options shall Vest at the end of Year 2 from the Grant Date;</p> <p>iii. Balance 25 % of the Options shall Vest at the end of Year 3 from the Grant Date.</p>	<p>Under Scheme II</p> <p>Subject to Clauses 16.1 and 16.2 of the Plan, the minimum vesting period shall be one year from the date of the grant.</p> <p>Subject to continued employment or directorship (as the case may be) and in accordance with Clause 12 of the Plan, the Options shall Vest as per the schedule set forth:</p> <p>i. 25 % of the Options shall Vest at the end of Year 1 from the Grant Date;</p> <p>ii. 25% of the Options shall Vest at the end of Year 2 from the Grant Date;</p> <p>iii. 25 % of the Options shall Vest at the end of Year 3 from the Grant Date;</p> <p>iv. Balance 25 % of the Options shall Vest at the end of Year 4 from the Grant Date.</p>	<p>Min: 1 year</p> <p>Max: 5 Years</p>
4. Exercise price or pricing formula (₹)	₹ 10 per option	₹ 10 per option	As determined by Committee
5. Maximum term of options granted (years)	3 years (with staggered vesting)	4 years (with staggered vesting)	5 years with staggered vesting
6. Source of shares (Primary, Secondary or combination)	Primary		Combination
7. Variation in terms of options	None		None

II. Method used to account for ESOP: The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted

III. Option Movement during the year#:

	Scheme I	Scheme II	ESOP Plan 2023
1. Number of options outstanding at the beginning of the year	7,80,326	15,91,558	NA
2. Number of options granted during the year*	0	0	NA
3. Number of options forfeited/lapsed during the year@	0	42,572	NA
4. Number of options vested during the year**	3,90,158	3,97,835	NA
5. Number of options exercised during the year	2,07,702	3,41,003	NA
6. Total number of shares arising as a result of exercise of options	2,07,702	3,41,003	NA
7. Money realised by exercise of options (₹)	20,565	33,768	NA
8. Number of options outstanding at the end of the year	3,90,168	11,93,723	NA
9. Number of options exercisable at the end of the year	1,82,456	56,832	NA

Note:

#Options are considered after giving effect of Bonus 1:100 as approved by Shareholders on October 28, 2021.

*Grants were made during the financial year 2021-22 and none during the financial year 2022-23

** Vested during the year includes Vested Exercised and Vested Unexercised during the year. @Options lapsed from grant date till March 31, 2023 are considered.

IV. Weighted average exercise price of options granted during the year whose:

Details of ESOP	ESOP Plan 2020 Scheme I	ESOP Plan 2020 Scheme II	ESOP 2023
i. Exercise price equals market price	NA	NA	NA
ii. Exercise price is greater than market price	NA	NA	NA
iii. Exercise price is less than market price*	₹ 0.1 per share	₹ 0.1 per share	NA
Weighted average fair value of options granted during the year whose:			
i. Exercise price equals market price	NA	NA	NA
ii. Exercise price is greater than market price	NA	NA	NA
iii. Exercise price is less than market price	NA	NA	NA

*exercise price is adjusted after considering Bonus of 1:100

V. Employee-wise details of options granted during the financial year 2022-23 to: No options granted during financial year 2022-23

i. Senior Managerial personnel	NA	NA	NA
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	NA		
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NA		
Method and Assumptions used to estimate the fair value of options granted during the year: NA			
The fair value has been calculated using the Black Scholes Option Pricing model – NA			
The Assumptions used in the model are as follows:			

Particulars	ESOP Plan 2020 (Scheme 1)	ESOP Plan 2020 (Scheme 2)	ESOP Plan 2023
1. Risk-Free Interest Rate			
2. Expected Life			
3. Expected Volatility	No grants during the year		NA
4. Dividend Yield			
5. Price of the underlying share in market at the time of the option grant (₹)			

Details of ESOP	ESOP Plan 2020 (Scheme 1)	ESOP Plan 2020 (Scheme 2)	ESOP Plan 2023
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Weighted Average share price of options exercised during the year: ₹ 0.10 each option exercised*

Exercise price and weighted average remaining contractual life of outstanding options:

*exercise price is adjusted after considering Bonus of 1:100

Scheme Name	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Exercise Price (₹)
ESOP Plan 2020 (Scheme 1)	3,90,168	0.53	0.10
ESOP Plan 2020 (Scheme 2)	11,93,723	1.17	0.10
ESOP Plan 2023			
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; 'Earning Per Share' on the basis of Consolidated statement of profit and loss for the year ended 31 Mar 2023		7.50	

For and on behalf of the Board of Directors

Date: August 01, 2023
Place: Mumbai

SANDEEP TANDON
Chairman
DIN: 00054553

ANNEXURE II

FORM AOC-1

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

PART 'A': SUBSIDIARIES

Amt in ₹ Cr

SN	Particulars	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
1	Name of the subsidiary/ Joint Venture/ Associate Companies	SGS Teknics Manufacturing Private Limited	Perfect ID India Private Limited	Syrma Technology, Inc., USA	Syrma SGS Technology & Engineering Services Limited*	Syrma SGS Design and Manufacturing Private Limited*	Syrma SGS Electronics Private Limited*
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	₹	₹	USD (@82.16)	₹	₹	₹
4	Share capital	1.61	2.25	0.02	100,000	100,000	100,000
5	Reserves and surplus	413.65	49.93	0.19	-	-	-
6	Total Assets	686.75	58.44	3.58	-	-	-
7	Total Liabilities	686.75	58.44	3.58	-	-	-
8	Investments	31.76	25.19	0.00	-	-	-
9	Turnover	830.00	65.92	0.48	-	-	-
10	Profit before taxation	68.48	21.04	(1.30)	-	-	-
11	Provision for taxation	17.31	5.46	0.00	-	-	-
12	Profit after taxation	51.17	15.57	(1.30)	-	-	-
13	Proposed Dividend	Nil	Nil	0.00	-	-	-
14	% of shareholding	100%	100%	100%	100%	100%	100%

1. *Names of subsidiaries which are yet to commence operations:

Syrma SGS Technology and Engineering Limited, Syrma SGS Design & Manufacturing Limited, and Syrma SGS Electronics Private Limited as they have been recently incorporated in March 2023.

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013)

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**

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

PART 'B': ASSOCIATES AND JOINT VENTURES

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

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable as the Company does not have an associate or joint venture company.

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

1. Names of associates or joint ventures which are yet to commence operations: N/A

2. Names of associates or joint ventures which have been liquidated or sold during the year: N/A

For and on behalf of the Board of Directors

Date: August 01, 2023
Place: Mumbai

Mr. SANDEEP TANDON
Chairman
DIN: 00054553

ANNEXURE III

Pursuant to Clause (m) of Sub-section 3 of Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

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

1. Conservation of energy –

- (i) The steps taken or impact on conservation of energy
- (ii) The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all offices of the Company and special efforts are being made on undertaking specific energy conservation projects like.

(i) the steps taken or impact on conservation of energy	<ul style="list-style-type: none"> • LED Lighting installed on all three plants in Chennai. • VFD Air compressors are installed in plants 1 and 2 at 30% energy savings. • VFD with IE3 motor in air compressor area installed in plant 3 at 35% energy savings. • Energy efficient plug fan AHU installed in plant 2 HVAC system. • Energy-efficient VFD-type HVAC system capacity 538 HP installed in plant 3. • VFD type HVAC system capacity 456 HP installation in progress in plant 1. • A centralized IOT-based AC controller is installed in plant 3 for control functions such as temperature, on/off, etc. • Occupancy sensors are installed in the visitor room, dining area lights, and AC system. • Using natural light and ventilation • Rainwater harvesting maintaining ground water level reduces power usage. • Section-wise energy meter installation and monitoring daily to control consumption. • Automatic power factor controller and maintain PF at 0.98. • Optimum usage of Air Conditioners throughout its premises by ensuring that there is no cool air leakage. • Usage of LCD monitors (energy efficient) in place of normal CRT monitors • Turning off lights in shop floors when employees are not working areas. • Turning off the office air conditioners during lunch hours and on weekends. • ISO 50001:2018 Energy Management System (EnMS) certified in 2023
(ii) the steps taken by the company for utilizing alternate sources of energy	<ul style="list-style-type: none"> • Solar power plant • Renewable energy purchase from third party
(iii) the capital investment on energy conservation equipment's	<ul style="list-style-type: none"> • Proposal for 250KWp solar power plant for Plant 3 under progress. • Approximately Rs. 1 Cr

B. TECHNOLOGY ABSORPTION

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

(i) the efforts made towards technology absorption	<p>Your company is committed to the cause of technology absorption with the state-of-the-art facilities that caters to the best Quality and highest Customer satisfaction.</p> <p>It has dedicated lines for different segments of customers across PAN India to cater their requirements.</p> <p>It also has lines with High volume production for Optical Networking Equipment(GPONs), Power Supplies, Modems, Hybrid STB, and Wifi Routers. These lines are equipped with State of the art technology equipment to meet the highest Quality standards. Our state of the art machinery includes X-ray counters, in-line 3D X-ray machines, Nitrogen controlled reflow and wave machines.</p> <p>Company also has engineers working across Technology advancement with the able support of highly experienced Industry leaders.</p>
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<p>For technology absorption in our EMS lines and for product traceability our Engineers have developed in house State of the art traceability systems which can trace the products upto component levels.</p> <p>For our custom build RFID products we Design, engineer and manufacture industry standard tags & inlays in different form factors for applications in LF (ISO 11784), HF (ISO 14443 / ISO 15693), UHF (EPC Gen 2) and Active RFID (433 MHz / 2.4 GHz). We provide Turn-Key solutions for different RFID implementations with Tags, Readers and Customized Software. We have technology that Provides reliable automated asset management and transaction systems to reduce expenditure and waste</p>
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Not applicable
(iv) the expenditure incurred on Research and Development	Capital: NIL Revenue: 1.25 Cr
(a) the details of technology imported	
(b) the year of import;	
(c) whether the technology been fully absorbed	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

C. IMPORTED TECHNOLOGY: None

D. EXPENDITURE ON R&D: Around ₹ 1.25 Crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Amount in ₹	
	FY 22-23	FY 21-22
Foreign Exchange Outgo	6,62,55,99,428	3,99,47,05,896
Foreign Exchange Earnings	4,02,29,87,924	3,71,23,34,916

For and on behalf of the Board of Directors

SANDEEP TANDON

Chairman

DIN: 00054553

Date: August 01, 2023

Place: Mumbai

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

The Objectives of Company's CSR Policy are to demonstrate commitment to the common good through responsible business practices and good governance and to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models. The projects the company has undertaken /proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources, ecology balances, protection of natural heritage, art and culture, measures for the benefit of the armed forces, training to promote rural sports etc.

Company's CSR strategy framework is based on the principles of 'Responsible Business' and 'Shared Value'. The CSR programme framework is both in line with the Company's long-term commitment to building positive value for the communities (including key stakeholders) as well as addresses key developmental priorities as identified by Schedule VII to the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year (Entitled to attend)	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Nair	Chairman of CSR Committee	2	2
2	Mr. Sandeep Tandon	Member of CSR Committee	2	2
3	Mr. Jaideep Tandon	Member of CSR Committee	2	2

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

- Composition of CSR committee is also available on website at <http://syrmassgs.com/investors/>
- CSR Policy & Projects: Mentioned herein under and also available on website at <http://syrmassgs.com/investors/>

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

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 21-22	₹ 2,14,119	₹ 2,14,119
2	FY 20-21	NIL	NA
Total		NIL	NA

6. Average net profit of the company as per section 135(5): ₹ 46,15,94,895

7. Total obligation:

a)	Two percent of average net profit of the company as per section 135(5)	₹ 92,31,898/-
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
c)	Amount required to be set off for the financial year	₹ 2,14,119/-
d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 90,17,779/-

8. a) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 93,72,231/-	NIL	NA	-	-	-

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹)	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number

1 Not Applicable

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Promoting Education and Research & Development	Promoting education, including special education and Research & Development	Yes	Maharashtra	Mumbai	70,00,000	No	Indian Institute of Technology- Bombay	CSR000007536
I-Prabono	Promoting gender equality, empowering women, and measures for reducing inequalities faced by socially and economically backward groups and providing free legal support to victims of abuse belonging to weaker sections of society.	Yes	Delhi	Delhi	15,00,000	No	I-Prabono	CSR000004902
Contribution to the Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;	NA	NA	NA	8,72,231	NA	NA	NA
Total					93,72,231			

- d) Amount spent in Administrative Overheads : ₹ 0 crore
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 95,86,350/-
- (g) Excess amount for set off, if any : ₹ 3,54,452

SN	Particular	Amount (₹)
1	Two percent of average net profit of the company as per section 135(5)	92,31,898/-
2	Total amount spent for the Financial Year	95,86,350/-
3	Excess amount spent for the financial year [(ii)-(i)]	354,452
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	354,452

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1	FY 21-22	NA	NA	NA	NA	NA	NIL
2	FY 20-21	NA	NA	NA	NA	NA	NIL
3	FY 19-20	NA	NA	NA	NA	NA	NIL

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

Sl. No.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing.
1	NA	NA	NA	NA	NA	NA	NA

Annexure V

FORM No. MR-3

SECRETARIAL AUDIT REPORT

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)

To,
The Members,
Syrma SGS Technology Limited
Unit no. 601, 6th floor, Floral Deck,
PL MIDC, Andheri (East),
Mumbai - 400093

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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 there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment **(External Commercial Borrowings is 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Hereinafter referred as '**Listing Regulations**').

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test check basis the Company has complied with Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 to the extent applicable to the Company.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in few cases where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the company has

1. Considered and approved issuance of 37,93,103 Equity shares by way of preferential offer on a private placement basis by passing Special Resolution at the Extra Ordinary General Meeting held on May 03, 2022. Accordingly, shares were allotted.
2. Allotted 3,48,18,181 fresh equity shares by way of Initial Public Offer and 33,69,360 by Offer for Sale.
3. Allotment of 5,48,705 equity share of ₹ 10/- towards exercise of vested stock options under the ESOP Plan 2020 and its underlying scheme I & II, of the Company.

For MMJB & Associates LLP
Company Secretaries

Sd/-
Ms. Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
PR No.: 2826/2022
UDIN: F008167E000330775

Date: May 18, 2023
Place: Mumbai

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

'Annexure A'

To,
The Members,
Syrma SGS Technology Limited
Unit no. 601, 6th floor, Floral Deck
PL MIDC, Andheri (East),
Mumbai - 400093

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

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

For MMJB & Associates LLP
Company Secretaries

Deepti Joshi

Designated Partner

FCS No. 8167

CP No. 8968

PR No.: 2826/2022

UDIN: F008167E000330775

Date: May 18, 2023

Place: Mumbai

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

Secretarial Compliance Report of Syрма SGS Technology Limited

For the financial year ended March 31, 2023

To,
The Members,
Syrma SGS Technology Limited
Unit no. 601, 6th floor, Floral Deck,
PL MIDC, Andheri (East),
Mumbai – 400093

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Syrma SGS Technology Limited** (hereinafter referred as 'the listed entity'), having its registered office at Unit no. 601, 6th floor, Floral Deck, PL MIDC, Andheri (East), Mumbai – 400093. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and the reporting made hereinafter:

We, M/s. MMJB & Associates LLP, Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
 - (b) the filings/ submissions made by the listed entity to the Stock Exchanges,
 - (c) website of the listed entity,
 - (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended on March 31, 2023 ('Review Period') in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI');
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ('Listing Regulations')
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the listed entity during the Review Period)**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. **(Not Applicable to the listed entity during the Review Period)** and circulars/guidelines issued thereunder.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors / committees, as may be applicable of the listed entities. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/guidelines issued by SEBI. 	Yes	-
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website. 	Yes	-
4.	Disqualification of Director: None of the Director of the Listed Entity are disqualified under Section 164 of Companies Act, 2013.	Yes	
5.	To examine details related to Subsidiaries of listed entities: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries 	(a) Yes (b) Yes	-
6.	Preservation of Documents: As per the confirmations given by the listed entity, and on our test check basis, it is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	-
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees on an annual basis as prescribed in SEBI Regulations.	Yes	-
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee. 	(a) Yes (b) NA	(a) - (b) Please refer point no. 8(a)
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	-
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions has been taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	-
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	-

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter ; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter ; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA	No such appointment/re-appointment
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	No such event during the review period
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.	NA	No such event during the review period

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters as specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For MMJB & Associates LLP
Company Secretaries

Deepti Joshi

Designated Partner

FCS No. 8167

CP No. 8968

PR No.: 2826/2022

UDIN: F008167E000330775

Date: May 18, 2023

Place: Mumbai

ANNEXURE VI**Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for 2022-23**

The median remuneration of employees of the Company during 2022-2023 was ₹ 633,525/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

SN	Name of Director	Designation	Remuneration of Director for 2022-23 (in ₹ Cr)	Ratio of Remuneration of each Director to Median Remuneration of employees for 2022-23
1	Jasbir Singh Gujral	Managing Director	1.48	23.41
2	Sandeep Tandon	Executive Chairman	3.19	50.48
3	Jayesh Doshi*	Non-Executive Director (NED)	4.92	77.67
4	Hetal Gandhi	Non-Executive Director (ID)	0.08	1.31
5	Anil Nair	Non-Executive Director (ID)	0.07	1.12
6	Bharat Anand	Non-Executive Director (ID)	0.05	0.82
7	Smita Jatia	Non-Executive Director (ID)	0.05	0.87
8	Kunal Shah	Non-Executive Director (ID)	0.01	0.16

*Mr. Jayesh Doshi was allotted ESOPs during the financial year 2022-23 and only ESOP perquisites are included. He does not draw any remuneration otherwise from the Company.

b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:

The percentage Increase/Decrease in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2022-23 is provided in the table below:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration in 2022-23
1	Mr. Sreeram Srinivasan	CEO	NIL
2	Mr. Bijay Agrawal [#]	CFO	96%
3	Mr. Rahul Nitin Sinnarkar [#]	Company Secretary & Compliance Officer	67%

[#]includes ESOP perks during the financial year 2022-23

c. The percentage increase in the median remuneration of employees in the financial year:

In the financial year, there was an increase of 22.48% in the median remuneration of employees.

d. The number of permanent employees on the rolls of the Company:

There were 572 permanent employees on the rolls of the Company as on March 31, 2023.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was 40.40% whereas the increase/decrease in managerial remuneration for the financial year 2022-23 was 4.69% (Calculated as per Weighted Average).

Justification: Increase in remuneration of the Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Independent Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

'Median' means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. If there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors

Date: August 01, 2023
Place: Mumbai

Mr. SANDEEP TANDON
Chairman
DIN: 00054553

Report on Corporate Governance

I. Company's philosophy on Corporate Governance

Corporate Governance encompasses laws, procedures, practices, and implicit rules that determine the Management's ability to make sound decisions vis-à-vis all its stakeholders - in particular, its shareholders, creditors and employees. A company which is proactively compliant with the law and which adds value to itself through the Corporate Governance initiatives would also command a higher value in the eyes of its shareholders.

Syrma SGS Technology Limited therefore believes that, amongst other values, good Corporate Governance is a major catalyst in the process towards maximization of shareholder value. Therefore, shareholder value, as an objective, is woven into all aspects of Corporate Governance - the underlying philosophy, the development of roles and the creation of structures and continuous compliance with standard practices. Good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics.

Corporate Governance, as a concept, has gained considerable importance of late, primarily because of the proposal to enshrine many of the accepted good governance principles into corporate law. The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, ('the SEBI LODR Regulations') have strengthened the framework of Corporate Governance for India.

Your Company is committed to good governance practices by conducting its business in a transparent manner and creating long term sustainable shareholder value.

II. Board of Directors

The role of the board is to plan and strategize goals and objectives for the short and long-term good of the company and to put mechanisms in place to monitor progress against the objectives. Moreover, as a good governance your company constantly strives to develop and maintain a harmonious relationship between the board and the management.

A. Composition of the Board of Directors as on March 31, 2023:

Your Company's Board has an optimum combination of experienced Executive and Non-Executive Directors with half of the Board comprising of Independent Directors including one women independent director on Board. The Board composition is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force (hereinafter referred to as "the Act"). The Chairman of the Board is an Executive Director and accordingly one-half of the total number of Directors comprises of Non-Executive Independent Directors.

The Board of Directors of the Company comprises of:

Category	Name
Executive Directors	Mr. Sandeep Tandon (Executive Chairman)
	Mr. Jasbir Singh Gujral (Managing Director)
Non-Executive Non-Independent	Mr. Jaideep Tandon*
	Mr. Sridhar Narayan
	Mr. Jayesh Doshi
Non-Executive and Independent	Mr. Hetal Gandhi
	Mr. Anil Nair
	Ms. Smita Jatia
	Mr. Bharat Anand
	Mr. Kunal Shah

Note: *Mr. Sudeep Tandon is appointed as Alternate director (non-executive non-independent) to Mr. Jaideep Tandon.

Mr. Sandeep Tandon, Mr. Jaideep Tandon and Mr. Sudeep Tandon, being brothers, are related to each other.

Each of the Independent Director are advocates of strong governance culture. Also, during the period under review, none of the Director including Independent Director resigned from the Board of your Company.

During the year under review, 7 (Seven) Board meetings were held on May 03, 2022; May 06, 2022; July 01, 2022, August 04, 2022; August 19, 2023; November 14, 2023; February 08, 2023. The Board meetings were held within a maximum time-gap between of 120 days. The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document relevant to an agenda item, the same is tabled at the meeting.

Name of the Directors	Category of Director	No. of Directorships in other Public Limited companies incorporated in India#	No of other Committee Membership(s) / Chairmanship(s) held^		No. of Equity Shares held (including convertible instruments)	Directorship in other listed entity (Category of Directorship)
			As Chairperson	As Member		
Mr. Sandeep Tandon	Executive Director & Chairman	-	1	1	Nil	1. Aavas Financiers Limited (Chairperson & Independent Director)
Mr. Jasbir Singh Gujral	Managing Director	-	Nil	1	12,571,000	-
Mr. Jaideep Tandon	Non-Executive Director	-	Nil	Nil	Nil	-
Mr. Jayesh Doshi	Non-Executive Director	-	Nil	1	Nil	-
Mr. Sridhar Narayan	Non-Executive Director	2	Nil	Nil	Nil	-
Mr. Kunal Shah	Independent Director	-	1	Nil	Nil	-
Mr. Anil Nair*	Independent Director	-	Nil	Nil	Nil	-
Mr. Hetal Gandhi	Independent Director	-	3	1	Nil	1. Ami Organics Limited (Non -Executive Independent Director) 2. Singer India Limited (Non-Executive - Non Independent Director) 3. Chalet Hotels Limited (Chairman and Independent Director) 4. Shilpa Medicare Limited (non-Executive Independent Director) 5. Gati Limited (Additional Director)
Mr. Smita Jatia	Independent Director	-	Nil	2	Nil	1. Westlife Foodworld Limited (Managing Director) 2. Shoppers Stop Limited (Independent and Non Executive Director)
Mr. Bharat Anand	Independent Director	3	Nil	1	Nil	1. Sandhar Technologies Limited (Non - Executive Independent Director)

*Mr. Anil Nair was appointed as member of the Audit Committee of Syrma SGS Technology Limited w.e.f May 18, 2023.

^In accordance with Regulation 26 of SEBI Listing Regulations, chairmanship/committee membership of Audit Committee and Stakeholders relationship Committee of other public limited companies only has been considered.

#Only unlisted public companies considered. Directorships in non-profit Organisation, company limited by guarantee & shares and foreign companies are not considered.

None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. The maximum no. of Directorships held by all our Directors are well within the limit of 7 listed entities and none of the Directors of our Company serve as an Independent Director in more than 7 listed entities. Besides, the Managing Director of our Company does not serve as an Independent Director in any of the listed entities. All Non-Independent Directors are liable to retire by rotation. During the year under review, there is no change in the directorship of the Company.

B. Skills / expertise/ competencies of the Board of Directors:

In terms of requirement of SEBI LODR Regulations, following is the list of core skills /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Particulars	Mr. Sandeep Tandon	Mr. Jasbir Singh Gujral
Position in Organisation	Executive Chairman	Managing Director
Qualification	Bachelor of Science in Electrical Engineering, YPO Presidents' Program from Harvard Business School	Bachelor of Commerce, Chartered Accountant
Experience	25 + Years	25+ Years
Area of Skills/ Expertise/ Competence	Business know-how, Experience in EMS industry, Strategy & Planning, Identification of Risks, Technology, Stakeholder relations	Business know-how, Experience in EMS industry, Finance & Accounting, Strategy & Planning, Identification of Risks, Technology, Stakeholder relations

Particulars	Mr. Jaideep Tandon	Mr. Jayesh Doshi	Ms. Smita Jatia
Position in Organisation	Non-Executive Director	Non-Executive Director	Non-Executive Independent
Qualification	Master's degree in electrical engineering	Chartered Accountant, Bachelor of Law	Bachelor of Commerce, YPO-WPO Program from Harvard Business School
Experience	15+ Years	35 + Years	20+ Years
Area of Skills/ Expertise/Competence	Business know-how, Strategy & Planning, Technology	Finance & Accounting, Strategy & Planning, Legal, Identification of Risks, Stakeholder relations, Corporate Governance Policy Development	Strategy & Planning, Identification of Risks, Stakeholder relations, Corporate Governance Policy Development

Particulars	Mr. Hetal Gandhi	Mr. Bharat Anand	Mr. Anil Nair
Position in Organisation	Non-Executive Independent	Non-Executive Independent	Non-Executive Independent
Qualification	Bachelor of Commerce, Chartered Accountant	B.A. (Law), B.A. (Hons.) Economics, Executive Education Programme on 'Leadership in Law Firms' at Harvard Law School, 2013	Bachelor of Science in Physics, Chemistry and Mathematics, Post Graduate Diploma in Management
Experience	35+ years	20+ Years	35+ Years
Area of Skills/ Expertise/ Competence	Finance & Accounting, Strategy & Planning, Identification of Risks, Stakeholder relations, Corporate Governance Policy Development	Legal & Compliance, Strategy & Planning, M&A, Identification of Risks, Stakeholder relations, Corporate Governance	Strategy & Planning, Identification of Risks, Stakeholder relations, Corporate Governance Policy Development

Particulars	Mr. Kunal Shah	Mr. Sridhar Narayan
Position in Organisation	Non-Executive Independent	Non-Executive Director
Qualification	Bachelor of Arts in Philosophy	Bachelor of Technology in Mech. Engineering,
Experience	15+ years	15+ Years
Area of Skills/ Expertise/ Competence	Investments, Strategy & Planning, Identification of Risks, Stakeholder relations	Strategy & Planning, Stakeholders Relations, Corporate Governance, Policy Development

C. Attendance of Directors at the Board Meetings during the period April 01, 2022, to March 31, 2023, and at the last Annual General Meeting ('AGM').

During the year 2022-23, all the requisite information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

A total of 7(Seven) Board meetings were held during the financial year 2022-23.

SN	Name of Directors	Board meetings entitled to attend	Number of Meetings attended	Attendance at the last AGM held on August 10, 2022
1.	Mr. Sandeep Tandon	7	7	Yes
2.	Mr. Jasbir Singh Gujral	7	7	Yes
3.	Mr. Jaideep Tandon	7	2	-
4.	Mr. Jayesh Doshi	7	7	-
5.	Mr. Sridhar Narayan	7	7	Yes
6.	Mr. Kunal Shah	7	5	-
7.	Mr. Anil Nair	7	7	Yes
8.	Mr. Hetal Gandhi	7	7	Yes
9.	Ms. Smita Jatia	7	6	-
10.	Mr. Bharat Anand	7	5	-

D. Code of Conduct for Directors and Senior Management:

The Board has adopted a Code of Conduct (the Code) for its Directors and Senior Management, who have affirmed compliance with the Code. A declaration to this effect signed by the Managing Director forms part of this Annual Report. The Code for Board Members and Senior Management of the Company is posted on the website of the Company and may be accessed at the link <https://www.syrmasgs.com/investor-relations/disclosures-under-regulation-46-of-the-lodr/>

The adoption of the Code stems from the fiduciary responsibility which the Directors and the Senior Management have towards the stakeholders of the Company.

E. Independent Directors:

The Independent Directors of your company fulfil the criteria of Independence as specified in Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149 of the Act and rules made thereunder and they are independent of the management of the Board.

Pursuant to a notification dated October 22, 2019, issued by the Ministry of Corporate Affairs, all Independent directors of the Company have completed the registration with the Independent Directors Databank. Requisite confirmations have been received from the Independent Directors in this regard.

Pursuant to Section 149(8) read together with Schedule IV of the Act and Regulation 25(3) and 25(4) of SEBI Listing Regulations, a separate meeting of Independent Directors was held on March 15, 2023, to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole. Most of the Independent directors of your Company were present at the said meeting.

Your Company has a policy on Independent Directors, their roles, responsibilities and duties. The same are consistent with the SEBI Listing Regulations and Section 149 of the Act. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment which can be accessed at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

F. Compliance Reports:

At each quarterly meeting of the Board of Directors for approval of financial results, the Managing Director and Chief Financial Officer place a certificate covering compliance of various provisions of law, as applicable to the Company.

G. Board Effectiveness Evaluation:

Pursuant to the applicable SEBI LODR Regulations and the Act, evaluation of the Board of Directors, its Committees, individual Directors and Chairman, was conducted during

the year. For details on Board evaluation kindly refer to the relevant section under the Director's Report.

Performance of individual Directors was evaluated based on parameters such as attendance at the meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The Board Evaluation discussion was focused on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board's functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. They were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the reporting period. The Board also noted that the actions identified in the past questionnaire based evaluations had been acted upon.

H. Familiarization programme imparted to independent directors:

Your Company has in place a familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct for Prevention of Insider Trading and Code of Conduct applicable to Directors and Senior Management Personnel. They are also updated on all business-related issues, new initiatives and relevant statutory updates. Senior Executives of the Company make presentations to the members of the Board on the performance of the Company and strategic initiatives.

Brief details of the familiarisation programme are uploaded and can be accessed on the Company's website at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

(i) Composition

The composition of the Audit Committee as on March 31, 2023, is as under:

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Hetal Gandhi	Chairman	Non-Executive Independent Director	5	5
Mr. Bharat Anand	Member	Non-Executive Independent Director	5	5
Mr. J. S. Gujral	Member	Managing Director	5	5

Please note that Board in its meeting held on May 18, 2023, has also appointed Mr. Anil Nair as member of the Audit Committee w.e.f May 18, 2023. Since the above table is for committee constitution as on March 31, 2023, his name is not included.

III. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board. The Board Committees can request special invitees to join the meeting, as they find appropriate.

The Board has currently established the following Committees:

a) Audit Committee

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI LODR Regulations as amended. The composition of the Audit Committee is in compliance of Regulation 18(1) of SEBI LODR Regulations.

As on March 31, 2023, the Audit Committee comprised of three Directors and two of them being Independent Directors. All members of Audit Committee are financially literate and ensured that minimum one member has accounting or related financial management expertise.

The quorum requirement of Audit Committee as per SEBI LODR Regulations is two members or one-third of its members, whichever is higher with minimum 2 Independent Directors and was met for all the meetings held.

The Company Secretary of the Company acts as the Secretary to the Audit Committee. The minutes of each Audit Committee meeting are noted in the next meeting of the Board.

During the year under review, the Audit Committee met 5 (five) times on May 06, 2022; July 01, 2022; October 20, 2022; November 14, 2022; February 08, 2023.

All the Audit Committee meetings were held within 120 days' time gap.

(ii) Terms of Reference

The broad terms of reference includes the following as is mandated in Part C of Schedule II of SEBI LODR Regulations as amended and Section 177 of the Act:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference
- (2) to seek information from any employee
- (3) to obtain outside legal or other professional advice; and
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- a. oversight of financial reporting process and the disclosure of financial information relating to Syrma SGS Technology Limited (the "Company") to ensure that the financial statements are correct, sufficient and credible
- b. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company
- c. approval of payment to statutory auditors for any other services rendered by the statutory auditors
- d. formulation of a policy on related party transactions, which shall include materiality of related party transactions
- e. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given
- f. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- i. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
- g. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval
 - h. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company (the "Board" or "Board of Directors") to take up steps in this matter
 - i. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
 - j. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- k. scrutiny of inter-corporate loans and investments
 - l. valuation of undertakings or assets of the Company, wherever it is necessary
 - m. evaluation of internal financial controls and risk management systems
 - n. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
 - o. reviewing the adequacy of internal audit process including the structure and scope of the internal audit reporting structure coverage and frequency of internal audit
 - p. discussion with internal auditors of any significant findings and follow up there on
 - q. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
 - r. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 - s. recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services
 - t. looking into the reasons for substantial defaults in the payment payment, if any, to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
 - u. reviewing the functioning of the whistle blower mechanism
 - v. monitoring the end use of funds raised through public offers and related matters
 - w. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases
 - x. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
 - y. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision
 - z. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
 - aa. carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."
- b) Nomination and Remuneration Committee**
- The Nomination and Remuneration Committee of the Company functions in accordance with the requirement of Section 178(1) of the Act and Regulation 19 of SEBI LODR Regulations as amended. The composition of the Nomination and Remuneration Committee is in compliance of Regulation 19(1) of SEBI LODR Regulations.
- As on March 31, 2023, the Nomination and Remuneration Committee comprised of three Directors all of them being Non Executive Directors and comprising of at least two-third of the directors as Independent directors.
- The quorum requirement of Nomination and Remuneration Committee as per SEBI LODR Regulations is two members or one-third of its members, whichever is higher with minimum 1(one) Independent Directors in attendance.
- The Company Secretary of the Company acts as the Secretary of the Committee. The minutes of each Nomination and Remuneration Committee meeting are noted in the next meeting of the Board.
- During the year under review, the Nomination and remuneration Committee met (1) once on November 14, 2022;

(i) Composition

The composition of Nomination and Remuneration Committee as on March 31, 2023 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Hetal Gandhi	Chairman	Non-Executive Independent Director	1	1
Ms. Smita Jatia	Member	Non-Executive Independent Director	1	1
Mr. Jayesh Doshi	Member	Non-Executive Director	1	1

Please note that Board in its meeting held on May 18, 2023, has reconstituted the Nomination & Remuneration Committee and the new committee as on date of this report comprises of Ms. Smita Jatia (ID & Chairperson), Mr. Hetal Gandhi (ID & Member), Mr. Anil Nair (ID and member). Since the above table is for committee constitution as on March 31, 2023, the new members/reconstitution is not included.

(ii) Terms of Reference

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance with the Act and SEBI LODR Regulations, which are reviewed from time to time. The broad terms of reference of NRC are as follows:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel 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.
- b) Devising a policy on Board diversity
- c) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates
- d) Formulation of criteria for evaluation of independent directors and the Board
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management management or on Key Managerial Positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director)
- f) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors
- h) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary
- i) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time
- j) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws

- k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable
- l) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- m) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

(iii) Performance evaluation criteria for Independent Directors:

The performance of the Independent Directors was evaluated taking into account the above

(i) Composition

The composition of Stakeholders Relationship Committee as on March 31, 2023, and attendance at its meeting is as under:

Name of the Directors	Position	Category	Meetings entitled to attend	Attended
Mr. Kunal Shah	Chairman	Non-Executive Independent Director	1	1
Ms. Smita Jatia	Member	Non-Executive Independent Director	1	1
Mr. Jayesh Doshi	Member	Non-Executive Director	1	1

Details of shareholders' complaints received, resolved and pending as on March 31, 2023.

Complaints pending as on August 26, 2022 *	Nil
Number of complaints	
- received during the year	693
- resolved during the year	693
Complaints pending as on March 31, 2023	Nil

* The Company was listed on Stock exchange on August 26, 2022

factors as well as independent decision-making and non-conflict of interest.

Further the detailed performance evaluation criteria for Independent Directors forms part of the Directors' report.

c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company functions in accordance with the requirement of Section 178(5) of the Act and Regulation 20 of SEBI LODR Regulations as amended. The composition of the Nomination and Remuneration Committee is in compliance of Regulation 20 of SEBI LODR Regulations.

As on March 31, 2023, the Stakeholders Relationship Committee comprised of three Directors out of which two are Independent Director.

The quorum requirement of Stakeholders Relationship Committee as per SEBI LODR Regulations is two members or one-third of its members, whichever is higher with minimum 1(one) Independent Directors in attendance.

The Company Secretary of the Company acts as the Secretary of the Committee. The minutes of each Stakeholders Relationship Committee meeting are noted in the next meeting of the Board.

During the year under review, the Nomination and remuneration Committee met (1) once on February 08, 2023;

There are no complaints pending or unresolved to the satisfaction of shareholders.

(ii) Terms of Reference

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Stakeholders'/ Investors' grievances. The Stakeholders Relationship Committee is primarily responsible for:

- a) Resolving the grievances of the Company including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer

- / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints.
- b) review of measures taken for effective exercise of voting rights by shareholders
 - c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
 - d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
 - e) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services
 - f) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

(i) Composition

The composition of Corporate Social Responsibility as on March 31, 2023 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Anil Nair	Chairman	Non-Executive Independent Director	2	2
Mr. Jaideep Tandon	Member	Non-Executive Director	2	2
Mr. Sandeep Tandon	Member	Executive Director	2	2

(ii) Terms of Reference

The CSR committee has been constituted in accordance with the Act to:

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with provisions of the Act and the rules made thereunder;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) Approve the list of CSR projects/programmes which the Company plans to undertake during the year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same; Overseeing the implementation of CSR activities and projects and Monitor the CSR policy of the Company from time to time.
- d) Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time.

Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders Relationship Committee's composition and the terms of reference meets with the requirements of the SEBI LODR Regulations and provisions of the Act.

The Statement of Investors Complaints is placed before the Board of Directors on a quarterly basis as required under SEBI LODR Regulations as amended.

d) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee of the Company functions in accordance with the requirement of Section 135 of the Companies Act 2013.

As on March 31, 2023, the Corporate Social Responsibility Committee comprised of three Directors of which one Director is Independent Director.

The Company Secretary of the Company acts as the Secretary of the Committee. The minutes of each Corporate Social Responsibility Committee are noted in the next meeting of the Board.

During the year under review, the Corporate Social Responsibility Committee met (2) twice on November 14, 2022; March 29, 2023;

e) Risk Management Committee

The Risk Management Committee of the Company functions in accordance with the requirement of Regulation 21 of SEBI LODR Regulations.

As on the date of this report the Risk Management Committee comprises of three Directors of which two thirds of the Stakeholder Relationship Committee comprise of independent director.

The quorum requirement of Risk Management Committee as per SEBI (LODR) Regulations is two

members or one-third of its members, whichever is higher with minimum 1(one) Independent Directors in attendance.

The Company Secretary of the Company acts as the Secretary of the Committee. The minutes of each Risk Management Committee meeting are noted in the next meeting of the Board.

During the year under review, the Risk Management Committee met (2) twice on February 08, 2023; March 15, 2023.

(i) Composition

The composition of Risk Management Committee as on March 31, 2023 and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr, Kunal Shah	Chairperson	Non-Executive Independent Director	2	2
Mr. Jasbir Singh Gujral	Member	Managing Director	2	2
Mr. Jayesh Doshi	Member	Non-Executive Independent Director	2	2

(ii) Terms of Reference

The terms of reference of the Risk Management Committee (RMC) are well defined to include the matters specified for Risk Management in compliance with the provisions of the Act and Regulation 21 of the Listing Regulations as amended from time to time. The Terms of Reference of the RMC as amended up to date are given below:

- a) To formulate or take on record, with amends as deemed fit, a risk management policy already approved by the Board, which includes/shall include:
 - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.

- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees.

f) IPO Committee

During the year under review, the IPO Committee met (4) four times on May 02, 2022; August 04, 2022; August 19, 2022, and August 24, 2022.

(i) Composition

The composition of IPO Committee and attendance at its meeting is as under:

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Sandeep Tandon	Chairperson	Executive Director & Chairman	4	4
Mr. Jasbir Singh Gujral	Member	Managing Director	4	4
Mr. Sridhar Narayan	Member	Non-Executive Director	4	4
Mr. Jayesh Doshi	Member	Non-Executive Director	4	4

(ii) Terms of reference

IPO Committee was authorized to take all decisions and approve, negotiate, finalize and carry out all acts, deeds, matters and things and execute all such other documents, etc., as it may deem fit, relating to the initial public offer of equity shares of face value of Rs. 10 each (the "Equity Shares") each of the Company (the "Offer"), as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, including but not limited to:

- a) to decide in consultation with the Selling Shareholders and the Book Running Lead Managers (the "BRLMs") on the actual size, timing of the Offer, including any reservation (including any reservation for eligible employees, green shoe option, discount and any other reservations as may be permitted) on a competitive basis or firm allotments as may be permitted, and/or any private placement of certain Equity Shares to selected investors as permitted under the applicable provisions of the Companies Act, 2013 (including any amendments, modifications or re-enactment), including the applicable rules made thereunder to the extent notified (the "Companies Act, 2013"), and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company, the Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder (the "SCRA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), and other applicable regulations, guidelines, circulars and directives issued by Securities and Exchange Board of India ("SEBI"), as well as other applicable law, regulations, rules, guidelines, policies, ordinances, notifications, circulars or clarifications, directions and orders, in India or outside India (including any amendment thereto or re-enactment thereto for the time being in force) issued from time to time by the Government of India, including by the National Housing Bank ("NHB"), Department of Industrial Policy and Promotion, Government of India (the "DIPP"), the Reserve Bank of India (the "RBI"), the Foreign Investment Facilitation Portal (the "FIFP"), the Registrar of Companies, Mumbai, Maharashtra (the "RoC"), the Department of Economic Affairs, the Ministry of Finance, the relevant stock exchanges or any other competent authority from time to time and the listing agreements with the relevant stock exchanges where the Equity Shares are proposed to be listed (the "Stock Exchanges") in each case, as amended (collectively, "Applicable Law") after filing of the Draft Red Herring Prospectus (the "DRHP") with the SEBI and prior to filing of the Red Herring Prospectus (the "RHP") with the RoC (the "Pre-IPO Placement") and/ or any rounding off in the event of any oversubscription and/or any discount (as permitted under Applicable Law) to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including, without limitation timing, pricing (price band, offer price, including to anchor investors, etc.) opening and closing dates of the Offer, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
- b) to appoint, instruct and enter into arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection bankers, refund banks, public offer accounts banks, registrar, offer grading agency, monitoring agency, legal counsels, printers, advertising agency(ies) and any other agencies, intermediaries or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letter(s) with the BRLMs, negotiation, finalization and execution of the offer agreement with the BRLMs and the Selling Shareholders;
- c) to finalise, approve, adopt and arrange for, in consultation with the Selling Shareholders and BRLMs, submission of the DRHP, the RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto

- for the offer of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law,
- d) to issue advertisements in such newspapers as it may deem fit and proper in accordance with Regulation 60 of the SEBI ICDR Regulations and the other Applicable Law;
- e) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, in accordance with Applicable Law and on permitting existing shareholders to sell any Equity Shares held by them;
- f) approving any corporate governance requirement that may be considered necessary by the Board or the committee or as may be required under Applicable Law in connection with the Offer;
- g) to open and operate separate escrow accounts and or any other account, with scheduled banks to receive applications along with application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013 and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- h) to determine and finalise the floor price and the price band at which the Equity Shares are offered and confirm allocation of the equity shares of face value of 10 each of the Company to be, offered and allotted to investors in the Offer in accordance with Applicable Law in consultation with the Selling Shareholders(if any) and the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors and do all such acts and things as may be necessary and expedient for and incidental and ancillary to the Offer;
- i) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow agreement, underwriting agreement, agreements with the registrar to the Offer and the advertising agency and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever, any amendment(s) or addenda thereto, including, with respect to the payment of commissions, brokerages and fees, with the registrar to the Offer, legal counsels, auditors, stock exchanges, BRLMs and other agencies/intermediaries in connection with Offer with the power to authorize one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
- j) the opening of a bank account of the Company in terms of the escrow agreement for the handling of refunds for the Offer and to authorize one or more officers/ employees of the Company to execute all documents/deeds as may be necessary in this regard;
- k) to make any applications to, seek clarifications/ exemptions and obtain approvals from, if necessary, FIFP, RBI, SEBI, Corporate Debt Restructuring Cell or to any other statutory and governmental authorities in connection with the Offer, as may be required (including for the purpose of offer of shares by the Company to non-resident investors, including NRIs and FIIs) and wherever necessary, incorporate such modifications, amendments, alterations, corrections as may be required in the DRHP, the RHP and the Prospectus;
- l) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the Selling Shareholders and the BRLMs, deem necessary or desirable for the Offer, including, without limitation, determining the anchor investor portion and allocation to anchor investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees as permissible under Applicable Law and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Law, issue of shares in accordance with the relevant rules;
- m) to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, joint venture partners, parties with whom the Company has entered into various commercial and other agreements including, without limitation customers, suppliers, strategic partners of the Company, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with Applicable Law;
- n) to settle all questions, difficulties or doubts that may arise from time to time in relation to such issues or allotment, as it may in its absolute discretion deem fit;
- o) to do all acts and deeds, and negotiate, finalise, settle, execute and deliver or arrange the delivery of all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing for the purpose of or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing;

- p) to do all such deeds and acts as may be required to dematerialize the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
- q) to authorize and approve the incurring of expenditure, including the payment of fees, commissions and remuneration and expenses in connection with the Offer;
- r) to submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares are proposed to be listed;
- s) to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and to execute and to deliver or arrange the delivery and file such papers and documents with the Stock Exchanges, including a copy of the DRHP filed with the Securities Exchange Board of India, as may be required for the purpose;
- t) to issue allotment advice cum refund intimation and confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorize one or more officers of the Company to sign all or any of the afore stated documents;
- u) to withdraw the DRHP or the RHP or to decide not to proceed with the Offer at any stage in accordance with Applicable Law; and
- v) to delegate any of the above powers mentioned in this resolution and to authorize and empower officers of the Company (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depository's agreements, the offer agreement with the BRLMs (and other entities as appropriate),

the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, and any agreement or document in connection with the Pre-IPO Placement (including any placement agreement, escrow agreement and documentation in relation to the Offer), with the BRLMs, lead manager, syndicate members, bankers to the Offer, registrar to the Offer, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

The IPO Committee was formed and was operative for the purpose and till IPO was successfully launched. The Committee stands dissolved as on March 31, 2023.

IV. Remuneration to Directors

a) Non-Executive Directors

The Non-Executive Non-Independent Directors are not paid sitting fees or commission for attending meetings of the Board and/or its Committees.

The remuneration paid to Non-Executive Independent Directors for the financial year 2022-23, includes Sitting fees for their participation in various committee and board meetings and Commission as may be decided by the Board depending on the Company's performance and within the thresholds already approved by the Shareholders in their meeting held in November 30, 2021.

Criteria for making payments to Non-executive directors

For Non-Executive Directors, the criteria for payment shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

b) Executive Directors

The remuneration paid to the Executive Directors is commensurate with industry standards and Board level positions held in similar sized companies, taking

into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

c) Details of Remuneration paid to Directors for the financial year ended March 31, 2023:

(₹ in crore)

SN	Name of the Director	Salary	Perks & allowances	Commission*	Sitting Fee#	Total	No. of equity shares Held
1	Mr. Sandeep Tandon	2.40	0.79	0	0	3.19	0
2	Mr. Jasbir Singh Gujral	1.31	0.17	0	0	1.48	12571000
3	Mr. Jaideep Tandon	0	0	0	0	0	0
4	Mr. Sridhar Narayan	0	0	0	0	0	0
5	Mr. Jayesh Doshi [@]	0	4.92	0	0	4.92	159750
6	Mr. Hetal Gandhi	0	0	0.03	0.05	0.08	0
7	Mr. Bharat Anand	0	0	0.01	0.04	0.05	0
8	Mr. Anil Nair	0	0	0.03	0.04	0.07	0
9	Ms. Smita Jatia	0	0	0.02	0.03	0.05	0
10	Mr. Kunal Shah	0	0	0.00	0.01	0.01	0

*Commission for FY 21-22 was paid in FY23. #Includes Sitting Fee for Board & Committee Meetings

@Mr. Jayesh Doshi, has been granted ESOP during the year and his remuneration in the form of perks and allowances as defined under the Income-tax Act, 1961 is disclosed for financial year 2022-23. He draws no other remuneration from the Company.

Notes:

1. Perquisites include emoluments as are defined under Income Tax Act, 1961.
2. Service contract between Executive Directors and the Company: None
3. Severance Agreement and fees: Not applicable
4. None of the Non-Executive Directors has any financial association or transactions with the Company apart from receipt of sitting fees/commission and perks as is disclosed above.

V. General Body Meetings

Details of last previous three Annual General Meetings held:

FY	Type	Day, Date and Time	Venue	Special Resolutions Passed
2021-22	AGM	Wednesday, August 10, 2022 at 4pm IST	Unit No. 601, 6 th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai 400 093	-
2020-21	AGM	Tuesday, November 30, 2021 at 4pm IST	Unit No. 601, 6 th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai 400 093	Payment of remuneration to Independent Directors
2019-20	AGM	Tuesday, November 03, 2020 at 2 pm IST	Unit No. 601, 6 th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai 400 093	-

Details of the Extra Ordinary General Meeting held during the financial year 2022-23:

FY	Type	Day, Date and Time	Venue	Special Resolutions Passed
2022-23	EGM	Tuesday, May 03, 2022, at 8pm IST	Unit No. 601, 6 th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai 400 093	Approval for issuance of 3,793,103 Equity shares by way of preferential offer on a private placement basis

Details of Special Resolutions passed last year through Postal Ballot: - No Special Resolution passed last year through postal ballot.

VI. Other Disclosures

(i) Related Party Transactions

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis and were approved by the Audit Committee as well as by Board as and when required and also given in the notes to the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company and that require an approval of the Company in terms of the SEBI Listing Regulations.

(ii) Compliances by the Company

During the last three years, there were no penalty or stricture imposed on the Company either by the stock exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets.

Further, securities of the Company have not been suspended for trading at any point of time during the financial year ended March 31, 2023.

(iii) Procedures for assessment and minimisation of risk are being reviewed and updated periodically by the Board of Directors.

(iv) Vigil Mechanism / Whistle Blower Mechanism

The Company has framed an appropriate Vigil mechanism policy that provides a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations.

The Whistle Blower Policy of your Company is posted on the website of the Company and can be accessed at the weblink at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>

The Company affirms that no employee has been denied access to the Chairman of Audit Committee of Directors.

(v) Compliance with Mandatory requirements and adoption of Discretionary requirements :

The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI LODR Regulations and obtained a certificate from M/s MMJB & Associates, Secretarial Auditors regarding compliance of conditions of Corporate Governance, which is annexed to this report. Further, the non-Mandatory requirements are mentioned as Discretionary requirement .

(vi) MD/CFO Certification

Certificate from the Managing Director and Chief Financial Officer in terms of Part B of Schedule II pursuant to Regulation 17(8) of the SEBI LODR Regulations for the financial year ended March 31, 2023, was placed before the Board of Directors of the Company at its meeting held on May 18, 2023 and annexed to this Report

The Company has established internal control systems and procedures which in certain cases are in the process of being further documented and updated.

(vii) Code for Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, a comprehensive code of conduct for its Directors, Designated Personnels and Senior Management Officers is being placed by the Company. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The Code clearly specifies, among other matters, that Directors and Designated employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period' and when not in possession of Unpublished Price Sensitive Information (UPS). The trading window is closed during the time of declaration of results, dividend, and other events, as per the Code.

(viii) Complaints pertaining to sexual harassment

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. An Internal Complaints Committee has been set up for the purpose. There were no Complaints filed, disposed of, or pending during the financial year ended March 31, 2023.

(ix) Discretionary Requirements: (as per Part E of Schedule II of SEBI LODR Regulations)

Particulars	Status
a) Shareholder Rights	The quarterly, half yearly and annual financial results are published in the newspapers and also posted on its website at https://www.syrmasgs.com/investor-relations/43-2/
b) Modified opinion(s) in audit report	During the financial year 2022-23, there was no audit qualification in the financial statements of the Company and Auditors have expressed an unmodified opinion on their report on the financial statements of the company.
c) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Company has appointed separate person to the post of the Chairperson and Managing Director. Mr. Sandeep Tandon (Executive Director) is appointed as the Chairperson of the Company and Mr. Jasbir Singh Gujral is appointed as the Managing Director of the Company and they are not related to each other as per the definition of the term "relative" defined under the Companies Act, 2013.
d) Reporting of Internal Auditor	Internal Auditors of the Company present their findings/report to the Audit Committee on periodic basic.

VII. Means of Communication**Website**

The 'Investors' section on the website of the Company contains all the relevant information pertinent to the shareholders and corporate governance i.e. financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, Notices and other general information about the Company.

Financial Results

The Company's Quarterly/Half-Yearly/Annual Results are intimated to the stock exchanges and published within 48 hours of the conclusion of the meeting of the Board in which they are considered, in a English newspaper circulating in the whole or substantially the whole of India and in a Vernacular newspaper of the State of Maharashtra where the registered office of the Company is situated. The results are also posted on the website of the Company i.e. <https://www.syrmasgs.com/investor-relations/>

News Releases & Investor Presentations

The official news releases are sent to the stock exchanges and simultaneously displayed on the Company's website, <https://www.syrmasgs.com/investor-relations/>

[disclosure/](#). The schedule of analyst/institutional investor meets and presentations made to them are sent to the stock exchanges and simultaneously are also displayed on the Company's website, <https://www.syrmasgs.com/investor-relations/disclosure/>.

Other Items**(i) Subsidiary Companies**

Details of the subsidiary companies including material subsidiary is disclosed in the Company's Director's report.

SGS Teknics Manufacturing Private Limited is a material subsidiary of the Company. It was incorporated on April 27, 2011 in the State of Haryana, India. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018), has been appointed as the statutory auditors at the 11th Annual General Meeting (AGM) of SGS Teknics Manufacturing Private Limited held on Monday, September 26, 2022, for a period of 5 years commencing from the conclusion of the 11th AGM until the conclusion of 16th AGM.

(ii) The Board has accepted all the mandatory recommendations of Audit Committee.**(iii) The Company has obtained credit rating for bank facilities from CARE ratings for the following long term and short-term borrowings:**

Type	Facility	Rating
Long-term bank facilities	Fund based and non-fund based	CARE A+; Positive
Long-term / Short-term bank facilities	Fund based and non-fund based	CARE A+; Positive / CARE A1+
Short-term bank facilities	Fund based and non-fund based	CARE A1+

VIII. General Shareholder Information

a) Annual General Meeting

No	:	19 th
Date	:	September 08, 2023
Time	:	11am IST
Venue	:	Registered office vide Audio Video Conferencing

b) Financial Year: April 2022 to March 2023

c) Date of book closure: September 02, 2023 (Sat) to September 08, 2023 (Fri).

d) Dividend Payment Date: On or before October 05, 2023.

The Board of Directors have recommended the payment of final dividend of ₹1.5 per equity share of the face value of ₹10 each for the approval of the shareholders of the Company in the upcoming Annual General Meeting. There has been no transfer of unclaimed or unpaid dividend to Investor Education and Protection Fund during the year.

Considering the plans for initial public offer and as required under the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015'), as amended, the Board at its meeting held on November 20, 2021, has adopted Dividend Distribution Policy. The same can be accessed at <https://www.syrmasgs.com/investor-relations/codes-and-policies/>.

e) Details of Stock Exchange:

The Company's equity shares are listed on the Stock Exchanges mentioned below and accordingly the Company has paid the Listing Fees to them for the Financial Year 2023.

Particulars	Details	Scrp/ Symbol/ Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	543573
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	SYRMA
ISIN number in NSDL and CDSL for equity shares	INEODYJ01015	

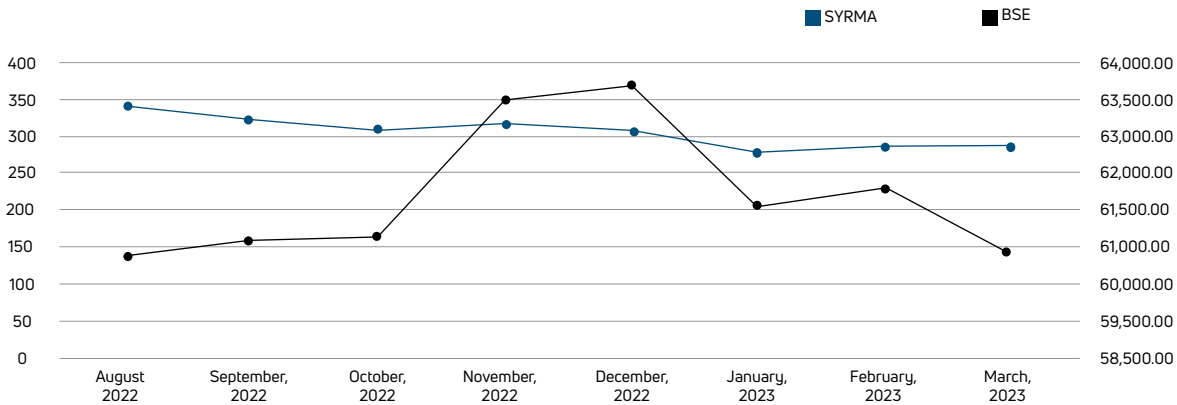
f) Market Price Data - As quoted in NSE and BSE and reference of Syrma SGS Technology Limited in comparison with BSE Sensex

Month*	Syrma Share prices with NSE		Syrma Share prices with BSE		BSE Sensex		NSE (NIFTY 50)	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
August 2022 [^]	342.80	256.4	342.8	257.00	60,411.20	57,367.47	17777.65	17166.20
September, 2022	322.75	269.70	322.60	270.00	60,676.12	56,147.23	18096.15	16747.70
October, 2022	310.25	268.50	310.00	268.25	60,786.70	56,683.40	18022.80	16855.55
November, 2022	317.55	277.00	317.4	276.95	63,303.01	60,425.47	18816.05	17959.20
December, 2022	308.00	249.15	308.00	249.20	63,583.07	59,754.10	18887.60	17774.25
January, 2023	281.00	248.10	280.00	248.30	61,343.96	58,699.20	18251.95	17405.55
February, 2023	287.30	249.05	287.20	249.20	61,682.25	58,795.97	18134.75	17255.20
March, 2023	288.00	250.06	287.50	250.80	60,498.48	57,084.91	17799.95	16828.35

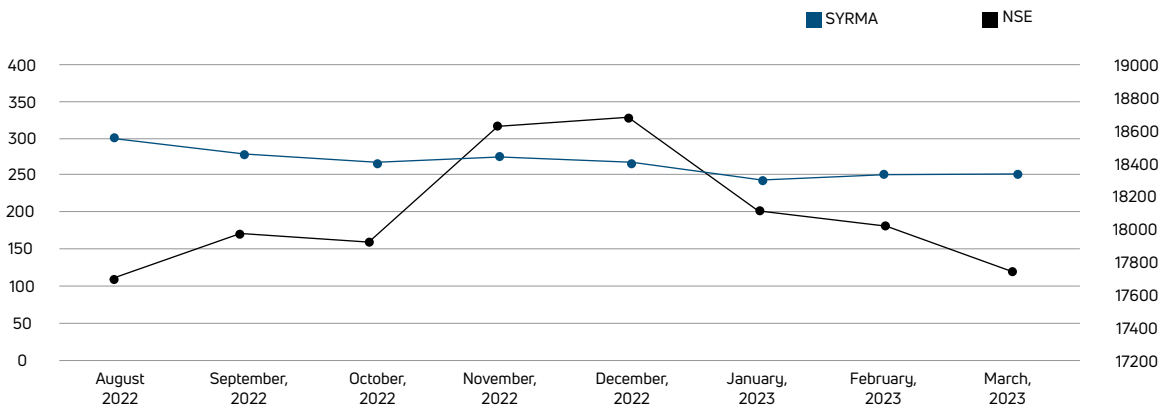
*Note: Period considered for above table is August 26, 2022, to March 31, 2023 as Company was listed on August 26, 2022.

[^]for month of August the period is from date of listing i.e. August 26, 2022, till August 31, 2022.

g) (i) Stock Performance of Syrma SGS Technology Limited Vs. BSE



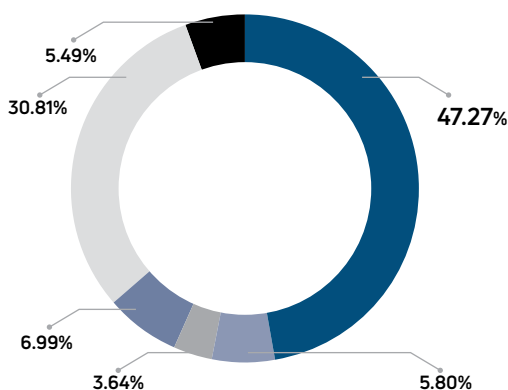
g) (ii) Stock Performance of Syrma SGS Technology Limited Vs. NSE



h) Shareholding pattern as on March 31, 2023

Sl. No.	Category	No. of Equity shares held	%
1	Promoters and Promoters group	83564185	47.27
2	Mutual Fund	10262640	5.80
3	Foreign Portfolio Investors	6432639	3.64
4	Foreign Company	12372163	6.99
5	Public	54460395	30.81
6	Others	9685820	5.49
	Total	176777842	100.00

SHARE HOLDING PATTERN



- Promoters including Promoters group
- Mutual Funds
- Foreign Portfolio Investors
- Foreign Company
- Public
- Others

i) Distribution of Holdings as on March 31, 2023

Distribution Of Shareholding Based on Shares Held							
SN	Shares Range (Qty)			Number of Shareholders	% of Total Shareholders	Total Shares for the range	% of Issued Capital
1	1	to	500	90384	95.5191	5850027	3.3093
2	501	to	1000	2261	2.3895	1818190	1.0285
3	1001	to	2000	960	1.0145	1436719	0.8127
4	2001	to	3000	315	0.3329	800868	0.4530
5	3001	to	4000	168	0.1775	603225	0.3412
6	4001	to	5000	126	0.1332	594064	0.3361
7	5001	to	10000	200	0.2114	1489606	0.8426
8	10001	&	above	210	0.2219	164185143	92.8765
Total				94624	100.00	176777842	100.00

i) Registrar and Share Transfer Agents

Name	: Link Intime India Private Limited
Address	: C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli (West), Mumbai – 400083
Contact Person	: Mr. Chetan Chaudhari
Telephone	: (022) 49186270
Fax	: (022) 49186060
Toll Free	: 1800 1020 878
Email	: mumbai@linkintime.co.in , syrma.ipo@linkintime.co.in
Website	: www.linkintime.co.in

Consolidation of folios and avoidance of multiple mailing In order to enable your Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Transfer Agent indicating the folio numbers to be consolidated. The address of RTA is given above.

j) Outstanding GDR/Warrants and Convertible Notes, Conversion date and likely impact on the equity

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments apart from stock options, details of which are given in the Directors' Report.

k) Reconciliation of Share Capital Audit

A Practicing Company Secretary carries out quarterly audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital.

l) Disclosures with respect to demat suspense account/ unclaimed suspense account

There were NIL shares lying in unclaimed Suspense Account as unclaimed shares as on March 31, 2023

m) Code for Prevention of Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, inter alia, forbids dealing in securities of the Company by Directors, Designated Employees and such other employees in possession of unpublished price sensitive information in relation to the Company.

n) Disclosure of Accounting Treatment

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statement in a true and fair manner.

o) Disclosure of instances, where the Board had not accepted recommendation of Committees

There was no instance during the financial year 2022-23, where the Board of Directors did not accept any recommendation of any Committee of the Board which it was mandatorily required to accept.

p) Share transfer system:

A Share Transfer Sub-Committee is constituted to approve the transfers and transmissions of shares and allied matters. Link Intime India Private Limited (Link Intime), the Registrars and Share Transfer Agents looks after the share transfers (for both physical and dematerialised shares) and redressal of investor complaints. In addition, the Company Secretary along with Investors relations office oversees the work of Link Intime India Private Limited to ensure that the queries of the investors are replied to within a reasonable period.

The Company's Registrars, Link Intime India Private Limited, have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement every six months the share processing system is audited by a Practicing Company Secretary and a Certificate to that effect is issued ensuring that shares are transferred within the period specified under the applicable SEBI LODR Regulations.

In addition to that, as per the recent amendments to the SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

q) Dematerialisation of shares and liquidity:

As at March 31, 2023, a total of 176,777,842 no. of Equity Shares of the Company, constituting 100% of the paid-up share capital, stand dematerialized.

t) Plant location:

Following are the list of Manufacturing Facilities located PAN India, on consolidated basis:

State	Plant Location	Products manufactured
Tamil Nadu	Chennai (Unit 1, 2 & 3)	PPCA for memory module, PCBA assembly, transform connector, choke, proximity cards and tags
	Bargur	Proximity cards and tags
Karnataka	Bengaluru	PCB assembly
Haryana	Gurugram	PCB assembly & Box Build
	Manesar	PCB assembly & Box build
	Bawal	PPCA for memory module, PCBA assembly
Uttar Pradesh	Ghaziabad	RFID Tags and labels
Himachal Pradesh	Baddi	PCB assembly

u) Address for correspondence:

Registered Office : Unit No. 601, 6th floor, Floral Deck Plaza MIDC, Andheri (east), Mumbai, MH 400093. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L30007MH2004PLC148165.

Investors Contact : Investor Relations at Investor.relations@syrmassgs.com

v) Compliance with the requirements of Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

r) The foreign exchange risk and hedging activities forms a part of the financial statements.

The Company hedges foreign exchange exposures wherever it finds material.

The Company also operates in international markets and therefore is exposed to foreign currency risk arising from foreign currency transactions. However, the risk stands mitigated as the Company enjoys natural hedge to the extent export receivables are available. Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and GBP). The Company has foreign currency trade receivables, trade payables and advances and is therefore exposed to foreign currency risk. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's risk management policy is hedging of net foreign currency exposure wherever material through foreign exchange forward contracts. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

s) Commodity price risk:

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018, is not required to be given.

w) Certificate from Practicing Company Secretary

The Company has obtained a Compliance Certificate on Company's as required under Part C of Schedule V of SEBI (LODR) is annexed to this report as **Annexure III**.

x) Statutory Auditor and Audit Fees

The total fees for all services paid by Syrma SGS Technology Limited and its subsidiaries, on a consolidated basis, to the statutory auditor is ₹ 1.02 crore.

During the year, details of fees paid/payable to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part, by the Company and its subsidiaries, are given below:

Particulars	By the Company*	By the Subsidiary*	Total Amount
Statutory Audit	61,33,000	40,30,000	1,01,63,000

For and on behalf of the Board of Directors

Sandeep Tandon

Chairman
DIN: 00054553

Date: August 01, 2023
Place: Mumbai

Jasbir Singh Gujral

Managing Director
DIN: 00198825

Date: August 01, 2023
Place: Mumbai

Annexure I**DECLARATION ON CODE OF CONDUCT**

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended March 31, 2023.

For the **SYRMA SGS TECHNOLOGY LIMITED**

Jasbir Singh Gujral

Managing Director

DIN : 00198825

Annexure II

Managing Director (MD) & Chief Financial Officer (CFO) Certification

To
The Board of Directors
Syrma SGS Technology Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Syrma SGS Technology Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023 and to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Jasbir Singh Gujral
Managing Director

Date: August 01, 2023
Place: Mumbai

Bijay Kumar Agrawal
Chief Financial Officer

Date: August 01, 2023
Place: Mumbai

Annexure III

Corporate Governance Compliance Certificate

To,
The Members,
The Syrma SGS Technology Limited
Unit No. 601, 6th Floor,
Floral Deck Plaza MIDC,
Andheri (East)- 400093

We have examined the compliance of conditions of Corporate Governance by The Syrma SGS Technology Limited ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

In our opinion and to the best of our information and according to the explanations given to us, and presentations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance 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 **MMJB & Associates LLP**
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. 5533
CP No. 3662
UDIN: F008167E000717911
P.R. No: 2826/2022

Place: Mumbai
Date: August 01, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of SYRMA SGS TECHNOLOGY LIMITED,

We have examined the relevant disclosures provided by the Directors to **SYRMA SGS TECHNOLOGY LIMITED** bearing CIN: **L30007MH2004PLC148165**, having registered office at **UNIT NO. 601, 6TH FLOOR, FLORAL DECK PL MIDC, ANDHERI (EAST) MUMBAI - 400093** (hereinafter referred to as '**the Company**'), provided to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs as on July 31, 2023 and Stock Exchanges as on July 31, 2023 (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on 31st March, 2023.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Jayesh Nagindas Doshi	00017963	27/09/2021
2.	Sandeep Tandon	00054553	29/12/2004
3.	Hetal Madhukant Gandhi	00106895	29/11/2021
4.	Sridhar Narayan	00137243	04/11/2020
5.	Jasbir Singh Gujral	00198825	27/09/2021
6.	Kunal Naresh Shah	01653176	29/11/2021
7.	Jaideep Tandon	01693731	09/11/2020
8.	Sudeep Tandon	02214657	09/01/2023
9.	Anil Govindan Nair	02655564	29/11/2021
10.	Bharat Anand	02806475	29/11/2021
11.	Smita Amit Jatia	03165703	29/11/2021

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

For MMJB & Associates LLP
Company Secretaries

Sd/-
Saurabh Agarwal
FCS: 9290
CP: 20907
PR: 904/2020
UDIN: F009290E000717811

Date: 01/08/2023
Place: Mumbai

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L30007MH2004PLC148165				
2	Name of the Listed Entity	Syrma SGS Technology Limited				
3	Year of incorporation	2004				
4	Registered office address	Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai, Maharashtra, India - 400093				
5	Corporate address	Plot No B 27, Phase II, Zone B, MEPZ-SEZ, Tambaram, Chennai, Tamil Nadu, India - 600045				
6	E-mail	compliance@syrmasgs.com				
7	Telephone	(+91) 4471728600				
8	Website	https://syrmasgs.com/				
9	Financial year for which reporting is being done					
	Financial year for which reporting is being done	Start date		End Date		
	Current Financial Year	1	4	2022	31	3 2023
	Previous Financial Year	1	4	2021	31	3 2022
	Prior to Previous Financial year	1	4	2020	31	3 2021
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE')				
11	Paid-up Capital (In Rs)	Rs. 176,77,78,420				
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report					
	Name	Mr. Rahul Sinnarkar, Company Secretary and Compliance Officer (CS & CO)				
	Contact	compliance@syrmasgs.com				
	E mail	(+91) 1244628817				
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated Basis				

Note

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Computer, electronic, Communication and scientific measuring & control equipment	100%

Note

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Printed Circuits Board Assembly (PCBA), loading of components onto printed circuit boards; PCBA Box Builds	26104	75.00%
2	Manufacture of electronic capacitors, resistors, chokes, coils, transformers (electronic) and similar components	26101	22.00%
3	Manufacture of other electronic components n.e.c	26109	2.36%

Note**III. Operations**

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

Location	Number of plants	Number of offices	Total
National	12	5	17
International	0	2	2

Note

National Plants - Tamil Nadu (4), Haryana (4), Himachal Pradesh (2), Karnataka (2),

National Offices - Mumbai, Delhi, Bangalore, Chennai, Gurgaon

International Offices - USA, Germany

17 Markets served by the entity**A Number of locations**

Locations	Number
National (No. of States)	28
International (No. of Countries)	24

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

31% (*on Consolidated basis)

C A brief on types of customers

Our company serves National and International B2B customers in the industrial, consumer electronics, healthcare, automotive, computer, medical, and railways business segments.

IV. Employees**18 Details as at the end of Financial Year****A. Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
EMPLOYEES								
1	Permanent (D)	895	732	82%	163	18%	0	0
2	Other than permanent (E)	100	86	86%	14	14%	0	0
3	Total employees (D + E)	995	818	82%	177	18%	0	0

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
WORKERS								
1	Permanent (D)	157	90	57%	67	43%	0	0%
2	Other than permanent (E)	6964	3317	48%	3647	52%	0	0%
3	Total workers (D + E)	7121	3407	48%	3714	52%	0	0%

B. Differently abled Employees and workers:

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

Note

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10.00%
Key Management Personnel	3	0	0.00%

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

S. No.	Particulars	Turnover rate in current FY (2022-23)				Turnover rate in previous FY (2021-22)				Turnover rate in previous FY (2020-21)			
		Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
1	Permanent (D)	4.7	2.75	0	1.55	1.5	1	0	1	1.55	1.65	0	1.2
2	Other than Permanent (E)	0.4	0.25	0	0.4	2.15	0.5	0	2.9	3.75	0.95	0	3.25

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

21 Holding, Subsidiary and Associate Companies (including joint ventures)

S. No.	Name of the holding / subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	SGS Tekniks Manufacturing Private Limited	Subsidiary	100	Yes
2	Perfect ID India Private Limited	Subsidiary	100	Yes
3	Syrma SGS Technology and Engineering Services Limited	Subsidiary	100	Yes

S. No.	Name of the holding / subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
4	Syrma SGS Design and Manufacturing Private Limited	Subsidiary	100	Yes
5	Syrma SGS Electronics Private Limited	Subsidiary	100	Yes
6	Syrma SGS Technology Inc. (USA)	Foreign Subsidiary	100	Yes
7	SGS Infosystems Private Limited*	Subsidiary	99.68	Yes
8	SGS Solutions GmbH*	Foreign Subsidiary	66	Yes

VI. CSR Details

22 CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in Rs.)	10,197,200,000
(iii) Net worth (in Rs.)	5,720,500,000

Note The above figures are on consolidated basis for FY22.

VII. Transparency and Disclosures Compliances

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

S. No.	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY(23)			FY(22)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
1.	Investors	Yes Whistleblower Policy: https://syrmassgs.com/investors#corporate-governance/	689	0	Company got listed on 26, Aug, 2022.	0	0	
2.	Employees and Workers	Yes Whistle Blower Policy: https://syrmassgs.com/investors#corporate-governance/	0	0		0	0	
3.	Customers	Yes Whistle Blower Policy: https://syrmassgs.com/investors#corporate-governance/	0	0		0	0	
4.	Value Chain Partners	Yes Whistle Blower Policy: https://syrmassgs.com/investors#corporate-governance/	0	0		0	0	

Note Nil

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Opportunity	Carbon footprint assessment done for Scope 1 & 2, initiatives for GHG reduction in place.	Initiatives such as sourcing Green Energy, Energy Conservation measures in place for reduction of emission intensity.	
2	E-Waste Management	Opportunity	E waste tracking and disposal to authorized agencies in place.	Waste management procedure in place	
3	Energy Management	Opportunity	Energy measurement & tracking in place and is used for improving efficiency.	Energy Saving initiatives.	
4	Civil Disturbances & Social Unrest	Risk	Civil Disturbances & Social Unrest protection in place	HED policy in place	
5	Raw Material Sourcing	Risk	Supply Chain constraints.	Alternate Supplier Sources	
6	Natural Disasters	Risk	Emergency response procedures in place.	Emergency response & Business continuity plan in place.	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9																		
Policy and management processes																											
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																		
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																		
c. Web Link of the Policies, if available	https://syrmasgs.com/investors/#corporate-governance/																										
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																		
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																		
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Syrma SGS conforms to the standards - i) ANSI/ESD S20.20, ii) IATF 16949, iii) ISO 9001, iv) ISO 14001, v) ISO 13485, vi) ISO 45001, vii) EN 9100, viii), ISMS 27000 / 27701, ix) ESD 20:20, x) IEC 61340-5-1																										
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company has recently got listed and is under process of tracking the required goals and targets.																										
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.																											
Governance, leadership and oversight																											
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We place sustainability at the core of our business strategy, by employing a holistic approach that integrates ESG (Environmental, Social and Governance) programmes across all operational areas. Our commitment to corporate governance excellence ensures regulatory compliance and fosters transparency and effective communication. While Syrma SGS aim is to achieve net zero on a long term, our short term ESG Goals are as follows:																										
	<table border="1"> <thead> <tr> <th>ESG Targets</th> <th>Linked to SDG</th> </tr> </thead> <tbody> <tr> <td>Sign up for SBTi goal in the next 24 months, by FY 25</td> <td>12,17</td> </tr> <tr> <td>Reduce GHG emissions intensity by 25 % (5 %yoy) in the next 5 years by FY28</td> <td>13</td> </tr> <tr> <td>Increase energy consumption from renewable sources to 50 % (10 % yoy) by FY 28</td> <td>7</td> </tr> <tr> <td>Baselining of Scope 3 emissions by FY 24</td> <td>13</td> </tr> <tr> <td>Increase sustainable sourcing to 50 % by FY28 (10 % yoy)</td> <td>17</td> </tr> <tr> <td>Maintain diversity ratio (women employment) of > 50 %</td> <td>5,10</td> </tr> <tr> <td>Conduct product life cycle assessment for top 2 products by FY24</td> <td>12</td> </tr> <tr> <td>Conduct regular ESG training to cover 80 % of entire work force</td> <td>12</td> </tr> </tbody> </table>								ESG Targets	Linked to SDG	Sign up for SBTi goal in the next 24 months, by FY 25	12,17	Reduce GHG emissions intensity by 25 % (5 %yoy) in the next 5 years by FY28	13	Increase energy consumption from renewable sources to 50 % (10 % yoy) by FY 28	7	Baselining of Scope 3 emissions by FY 24	13	Increase sustainable sourcing to 50 % by FY28 (10 % yoy)	17	Maintain diversity ratio (women employment) of > 50 %	5,10	Conduct product life cycle assessment for top 2 products by FY24	12	Conduct regular ESG training to cover 80 % of entire work force	12	
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8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director																										
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes, headed by Managing Director																										

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	During the year, the Board of Directors, KPMs and Management Team were actively engaged in various programmes/trainings pertaining to business, regulatory, ESG, safety, etc.		100%
Employees other than BoD and KMPs	248	ISO 14001, 9001, 45001, IATF 16949, Waste Management, Road Safety awareness, Quality Circles, POSH, & QC Tools, APQP & PPAP,	87.5%
Workers	1664	Fire Fighting, First aid, Manpower management, Managerial Skills, Interpersonal Skills, Emerging Leaders, Effective Leadership	88%

Note

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

Monetary	
Penalty/ Fine	Nil
Settlement	Nil
Compounding Fee	Nil
Non- Monetary	
Imprisonment	Nil
Punishment	Nil

Note

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

Note

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes

If yes, provide details in brief Provide a web-link to the policy, if available

<https://www.syrmasgs.com/investor-relations/codes-and-policies/>

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

	FY23	FY22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY23		FY22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	None	0	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	None	0	None

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

None

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

Essential Indicators

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

	FY23	FY22	Details of improvements in environmental and social impacts
R&D	1.25 cr	0.80 cr	EV chargers, batteries, motor controllers
Capex	1.65 cr	0.64 cr	Provision of STP, fire suppression system, fume exhaust system

Note : The above are prudent approximate workings in absolute numbers.

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

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

The company is in the process of baselining scope 3 emissions.

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

(a) **Plastics (including packaging)**

Since Syrma SGS Technology Limited is services company (B2B business), we manufacture as per customer design and the company has no control on the end of life of the products sold to customers.

(b) **E-waste**

We have taken adequate steps to improve waste management practices across our operations.

(c) **Hazardous waste**

Hazardous waste gets disposed of through pollution board certified vendors.

(d) **other waste**

Our endeavor is to reduce quantity of all types of waste by using sustainable methods up to the extent possible and continue to manage the disposal of the waste through certified vendors.

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

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

If not, provide steps taken to address the same.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	732	685	94%	732	100%	0	0%	309	42%	424	58%
Female	163	152	93%	163	100%	157	96%	0	0%	49	30%
Other	0	0			0%	0	0%	0	0%	0	0%
Total	895	837	94%	895	100%	157	18%	0	0%	473	53%
Other than permanent employees											
Male	86	13	15%	86	100%	0	0%	0	0%	86	100%
Female	14	1	7%	14	100%	14	100%	0	0%	14	100%
Other	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	100	14	14%	100	100%	14	14%	0	0%	100	100%

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	90	36	40%	90	100%	0	0%	24	27%	66	73%
Female	68	38	56%	68	100%	64	94%	0	0%	38	56%
Other	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	158	74	47%	158	100%	64	41%	0	0%	104	66%
Other than permanent workers											
Male	3317	949	29%	3077	93%	0	0%	744	22%	2573	78%
Female	3647	2590	71%	3552	97%	3552	97%	0	0%	1206	33%
Other	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	6964	3539	51%	6629	95%	3552	51%	744	11%	3779	54%

Note

2. Details of retirement benefits

Retirement Benefits

Sr.	Name Of Benefits	Details Of Other Retirement benefits					
		FY23			FY22		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	17.50%	92%	Yes	20%	95%	Yes
4	Others – please specify	93%	62%	Yes	92%	38%	Yes

Note

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

The company also ensures that such facilities/access is made available whenever the need arises.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

<https://www.syrmasgs.com/investor-relations/codes-and-policies/>

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	10	100%	11	100%
Other	0	0	0	0
Total	10	100%	11	100%

Description : Paternity leave policy is applicable from Mar 2023.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

If yes, give details of the mechanism in brief.	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	The Company has a whistle blower and Protection policy in place which provides guidance to raise a complaint in case of any concerns. There is a dedicated team under the direct touch initiative to address the complaints.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

Note

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

Category	FY23			FY22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (B / A)
Total Permanent Employees	895	0	0%	661	0	0%
Male	732	0	0%	551	0	0%
Female	163	0	0%	110	0	0%
Other	0	0	0%	0	0	0%
Total Permanent Workers	157	0	0%	164	0	0%
Male	90	0	0%	94	0	0%
Female	67	0	0%	70	0	0%
Other	0	0	0%	0	0	0%

Note**8. Details of training given to employees and workers:**

Category	FY23					FY22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. w(F)	% (F/D)
Employees										
Male	818	590	72%	540	66%	606	438	72%	415	
Female	177	164	93%	161	91%	122	102	84%	96	
Other	0	0	0	0	0	0	0	0	0	0
Total	995	754	76%	701	70%	728	540	74%	557	
Workers										
Male	3407	1812	53%	1561	46%	1343	581	43%	729	54%
Female	3714	1118	30%	2464	66%	3733	762	20%	781	21%
Other	0	0	0	0	0	0	0	0	0	0
Total	7121	2930	41%	4025	57%	5076	1343	26%	1510	30%

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

Category	FY23			FY22		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	818	630	77%	606	509	84%
Female	177	154	87%	122	115	94%
Other	0	0		0	0	
Total	995	784	79%	728	624	86%
Workers						
Male	3407	977	29%	1343	729	54%
Female	3714	2787	75%	3733	3239	87%
Other	0	0	0	0	0	
Total	7121	3764	53%	5076	3968	78%

Note**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes

If yes, the coverage such system?

70%

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

- ISO Assessment 45001:2018 (OHAS)

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes

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

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

1. The organization has conducted ISO 45001:2018 (OHAS) assessment at all the plants.
2. Regular safety walks and mock Fire Drills are conducted at the plants by Safety Officer at a regular frequency.
3. The organization has established first aid centres across plants.
4. The organization also conducts health checkups for its employees and workers while onboarding and health camps/check ups are also organized at a plant level periodically.

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

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	20	0	Nil	13	0	Nil
Health & Safety	3	0	Nil	4	0	Nil

Note

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note : All plants are certified under ISO 450001

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

Nil incident. Constantly updating and assessing the risk management

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

Essential Indicators

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

Any individual or group of individuals or institution that adds value to the business chain of the Corporation is identified as a core stakeholder. We have recognized both, internal stakeholder which includes employees and workers, and external stakeholder which includes Communities, Investors, Shareholders, Customers. The company reaches out to various identified stakeholder groups through one on one calls with investors and supply partners, questionnaire dissemination with the employees and gauges their view.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.					
Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Communities	Yes	On site community meetings	Periodic	CSR Initiatives
2	Investors (other than Shareholders)	No	Investor Calls / Investor Conferences / Investor In-Person Meetings, Emails	Periodic	Performance Updates
3	Shareholders	No	Annual General Meeting, Emails	Annual	Performance Updates
4	Employees and Workers	No	Townhall Meets, Workshops, Trainings, Awareness Sessions	Regular	Employees Engagement, Team Bonding, Employee Health & Safety
5	Customers	No	Email, sms, advertisement, website, social media, participation in exhibitions	Periodic	Offers, Intent of Business
6	Value Chain Partners	No	Participation in Exhibitions & Industrial forums, Vendor meet, Emails	Annual, Periodic	Process refresh, engagement

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 23			FY 22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	895	895	100%	662	662	100%
Other than permanent	100	100	100%	66	66	100%
Total Employees	995	995	100%	728	728	100%
Workers						
Permanent	157	157	100%	165	165	100%
Other than permanent	6964	6964	100%	4911	4911	100%
Total Workers	7121	7121	100%	5076	5076	100%

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

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	732	61	8.33%	671	91.67%	552	48	8.70%	504	91.30%
Female	163	6	3.68%	157	96.32%	110	3	2.73%	107	97.27%
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	86	6	6.98%	80	93.02%	54	0	0.00%	54	100.00%
Female	14	1	7.14%	13	92.86%	12	0	0.00%	12	100.00%
Other	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	90	10	11.11%	80	88.89%	94	19	20.21%	75	79.79%
Female	67	7	10.45%	60	89.55%	71	10	14.08%	61	85.92%
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	3317	1897	57.19%	1420	42.81%	1249	291	23.30%	958	76.70%
Female	3647	742	20.35%	2905	79.65%	3662	135	3.69%	3527	96.31%
Other	0	0	0	0	0	0	0	0	0	0

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

	Male		Female		Number	Median remuneration/salary/ wages of respective category
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category		
Board of Directors (BoD)	9	11,22,000	1	11,80,000	0	0
Key Managerial Personnel	3	1,80,51,730	0	0	0	0
Employees other than BoD and KMP	320	6,33,525	252	6,20,482	0	0
Workers	24	18754	30	26111	0	0

Note: 1. For BoD, the remuneration includes sitting fees and commission. 2. Form KMP, the remuneration considered is including ESOP perks. 3. The above table is considered on average standalone figures.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the company has a policy to deal with human rights issues.

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

Guidance on human rights issues is covered as a part of its HRD manual and policies. The Company has a Whistle Blower and Protection Policy that allows and encourages its stakeholders to raise concerns about the violations against the Code of Conduct.

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

Category	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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

As part of the HED manual, both the policies - "Whistleblower Policy" and the "Policy on Sexual Harassment" state the mechanisms to prevent retaliation against the complainant. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

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

Yes

9. Assessments for the year:

Assessment Details NIL

Sr.	Details of other assessments of plant and office	
	Name of other assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
	Child labour Wages	100%
	Forced/involuntary labour Sexual harassment	100%
	Discrimination at workplace wages	100%
	Others – please specify	None

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

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

Essential Indicators

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

Parameter	FY23	FY22
Total electricity consumption (A)	53,373,697	39,553,489
Total fuel consumption (B)	668,303	487,511
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	54,042,000	40,041,000
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	27.0	32.3
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

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

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	20,647	19,196
(iii) Third party water	24,181	10,972
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	44,827	30,168
Total volume of water consumption (in kilolitres)	The water is mainly used for domestic consumption and the same is circulated through STP.	
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		
If yes, name of the external agency.		

4. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

Water is treated either through captive sewage treatment plants or common sewage treatment plant.

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

Parameter	Please specify unit	FY232	FY23
NOx	Syrma SGS Technology Limited has been successfully monitoring ambient air quality parameters as per the State Pollution Control Board's (SPCB) / Central Pollution Control Board's (CPCB) criteria at all plants. All parameters remained within norms of SPCBs / CPCBs.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency. SGS Labs

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

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	1,329	478
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	11,713	8,680
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/ INR cr.	6.5	7.4
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency. Core CarbonX Solutions

7. Does the entity have any project related to reducing Green House Gas emission?

If Yes, then provide details.

1. Switchover to LED lights
2. Switching to R124A GHG Type based Air Conditioners
3. Solar roof top system
4. Green energy sourcing
5. EV vehicle sourcing

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

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	112.43	100.53
E-waste (B)	34.47	21.55
Bio-medical waste (C)	0	
Construction and demolition waste (D)	0	
Battery waste (E)		
Radioactive waste (F)	0	
Other Hazardous waste. Please specify, if any. (G)	35.33	21.78
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Metal – 43.2 General & Carton – 352.05 Wood – 54.88	Metal – 24.48 General & Carton – 228.33 Wood – 42.57
Total (A+B + C + D + E + F + G + H)	632.36	439.24

Parameter	FY23	FY22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	
(ii) Re-used	NA	
(iii) Other recovery operations	NA	
Total	NA	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	
(ii) Landfilling	NA	
(iii) Other disposal operations	NA	
Total	NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

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

Waste management practices are managed in compliance to ISO 14001 standard. The company has got valid certification of ISO 14001.

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

Not applicable as no Greenfield projects was undertaken in the reporting year

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable as no Greenfield projects was undertaken in the reporting year

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances, in the following format:

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

Essential Indicators

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

7

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Electronic Industries Association Of India (ELCINA)	National
2	Confederation of Indian Industry (CII)	National
3	Automotive Industry Action Group (AIAG)	International
4	Indo-American Chamber of Commerce (AICC)	International
5	Electronics and Computer Software Export Promotion Council (ES)	National
6	IPC (https://www.ipc.org/)	International
7	India Electronics & Semiconductor Association (IESA)	National

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

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

Sr.	Name of authority	Brief of the case	Corrective action taken
	Nil	Nil	Nil

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

As per applicable laws, SIA is not applicable for any of the projects undertaken by the Company.

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

Nil

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

The Company has a vigil mechanism policy to address the community grievances.

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

Parameter	FY23	FY22
Directly sourced from MSMEs/ small producers	6%	3.5%
Sourced directly from within the district and neighbouring districts	49%	42%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Considering Company's B2B business model, Company has no direct linkage to the consumers. For other stakeholders, the Company has Vigil Mechanism framework and for Vendors also a Vendor Code of Conduct which enables them to reach out in case of complaints/feedbacks.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

As a percentage to total turnover

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Products of the Company contain all relevant information as required under applicable laws.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following

Category	FY23			FY22		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						Nil
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

Yes,

If available, provide a web-link of the policy

<https://www.syrmasgs.com/investor-relations/codes-and-policies/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

Independent Auditor's Report

To
The Members of
Syrma SGS Technology Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Syрма SGS Technology Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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>Inventory Valuation</p> <p>The Company held an inventory balance of Rs. 3,481.17 million (16% of total assets) as at March 31, 2023, as disclosed in Note 11 and is a material balance for the Company. As described in the accounting policies in Note 11 to the standalone financial statements, Inventories are valued at the lower of cost on weighted average basis and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary in accordance with Ind AS 2.</p>	<p>We performed the following procedures with respect to the inventory valuation:</p> <ul style="list-style-type: none"> • Performed opening balance testing while migration of inventories to SAP S4 Hana as on April 1, 2022; • Evaluate the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect; • Obtained understanding and evaluated testing the design and operating effectiveness of controls as established by the management for valuation of inventory; • For selected samples: <ul style="list-style-type: none"> ✓ Observed the inventory count performed by management; ✓ Agreed the quantity considered in the inventory valuation to the physical verification reports prepared by the management;

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Company migrated to SAP with effect from April 1, 2022. There were certain challenges at the time of migration to SAP which were subsequently rectified by the Company during the year. Considering the adjustment entries recorded manually during the year to address the migration related issues relating to inventory balances, there is a risk that inventories may be stated at values that are not representative of the costs or at values that are more than their net realizable value ('NRV').</p> <p>Accordingly, this has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ✓ Tested the accuracy of the cost of inventory by examining supporting documents such as vendor purchase orders/ contracts, purchase invoices and shipping documents and production records; ✓ For inventory of raw materials, tested the accuracy of the weighted average cost of inventory by recomputing the cost of inventory; ✓ For inventory of work-in-progress and finished goods, recomputed the cost by examining the bill of material and validating the key assumptions relating to overhead allocation; ✓ Obtained an understanding of the determination of net realizable value of inventories and evaluating the reasonableness keeping in view the significant judgements applied by the management for such valuation; ✓ Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/ slow moving items.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include Standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - 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 - Refer Note 35 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, disclosed in the notes 47(X)(e) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes 47(X)(f) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ananthi Amarnath

Partner

(Membership No. 209252)

UDIN:23209252BGXMKH3128

Place: Chennai
Date: May 18, 2023

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to standalone financial statements of **Syrma SGS Technology Limited ("the Company")** as of 31 March 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements

were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Date: May 18, 2023

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN:23209252BGXMKH3128

Annexure B

to the Independent Auditor's Report

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

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

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of verification of property, plant and equipment, capital work in-progress, and right-of-use assets, under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, comprising all the immovable properties of land which are freehold, disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (a) The Company has provided loans or advances in the nature of loans during the year, and details of which are given below:

Particulars	Amount in Million(₹)			
	Loans	Advances in nature of loans	Guarantees	Security
A. Aggregate amount granted /provided during the year:				
- Subsidiaries	33.25	-	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:*				
- Subsidiaries	33.25	-	-	-

*The amounts reported are at gross amounts, without considering provisions made.

The company has not provided any guarantee or security to any other entity during the year.

- (b) The investments made and terms and conditions of the grant of the above-mentioned loans in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (f) According to information and explanation given to us and based on the audit procedures performed, the Company has not granted any loans and advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause (iii)(f) is not applicable.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, 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 (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities except for certain delays in respect of remittance of Provident Fund and Employees' State Insurance.
- (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (c) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) In respect to borrowings:
- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) In respect of Issuance of Securities:
- a) In our opinion, moneys raised by way of initial public offer during the year, have been, prima facie, applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of Initial Public Offer/ further public offer through debt instruments.
- b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) In respect to Fraud:
- a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2022 and the final internal audit reports issued after the balance sheet date covering the period January 01, 2023 to 31 March 2023 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company or persons connected with such 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. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Ananthi Amarnath

Partner

(Membership No. 209252)

UDIN:23209252BGXMKH3128

Place: Chennai

Date: May 18, 2023

Standalone Balance Sheet

as at 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	2,418.31	1,087.08
(b) Capital work-in-progress	47II	203.18	390.63
(c) Right-of-use assets	4	45.50	45.10
(d) Other intangible assets	5	17.87	7.80
(e) Intangible assets under development		49.36	8.69
(f) Financial assets			
(i) Non-current investments	7	4,266.80	4,044.68
(ii) Loans	8	33.25	-
(iii) Other financial assets	9	7,453.57	37.17
(g) Other non-current assets	10	6.38	141.11
Total non-current assets		14,494.22	5,762.26
II Current Assets			
(a) Inventories	11	3,481.17	1,147.93
(b) Financial assets			
(i) Current investments	12	339.62	-
(ii) Trade receivables	13	2,306.95	1,717.95
(iii) Cash and cash equivalents	14.1	291.53	88.34
(iv) Other bank balances	14.2	71.28	23.70
(v) Other financial assets	15	48.13	64.73
(c) Other current assets	16	668.81	342.35
Total current assets		7,207.49	3,385.00
Total assets		21,701.71	9,147.26
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	17	1,767.78	1,376.17
(b) Other equity	18	12,783.03	4,062.74
Total equity		14,550.81	5,438.91
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	863.08	34.78
(ii) Lease liabilities	41	37.20	36.28
(iii) Other financial liabilities	20	0.20	-
(b) Provisions	21	48.47	36.01
(c) Deferred tax liabilities (net)	43.4	44.73	25.56
Total non-current liabilities		993.68	132.63
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,649.22	1,291.14
(ii) Lease liabilities	41	14.31	13.27
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		9.55	15.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,524.15	1,467.22
(iv) Other financial liabilities	24	422.22	159.72
(b) Other current liabilities	25	448.13	582.38
(c) Provisions	26	30.23	32.86
(d) Current tax liabilities (net)	27	59.41	13.34
Total current liabilities		6,157.22	3,575.72
Total liabilities		7,150.90	3,708.35
Total equity and liabilities		21,701.71	9,147.26

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

Ananthi Amarnath

Partner

Membership number : 209252

Place : Chennai

Date : 18 May 2023

For and on behalf of the Board of Directors of

Syrma SGS Technology Limited

CIN : L30007MH2004PLC148165

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Rahul Sinnakar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
1 Revenue from operations	28	11,355.85	6,462.60
2 Other income	29	370.66	78.35
3 Total income (1+2)		11,726.51	6,540.95
4 Expenses			
(a) Cost of raw materials consumed	30	8,573.58	4,650.09
(b) Purchases of stock-in-trade	31	163.76	20.84
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(85.08)	(283.30)
(d) Employee benefits expense	33	588.24	432.44
(e) Finance costs	34	139.12	33.67
(f) Depreciation and amortisation expense	6	171.31	130.93
(g) Other expenses	35	1,311.86	1,077.33
Total expenses		10,862.79	6,062.00
5 Profit before tax (3 - 4)		863.72	478.95
6 Tax expense:			
- Current tax	43	236.02	178.91
- Tax pertaining to previous years		6.45	-
- Deferred tax (net)	43	71.13	(6.03)
Total tax expense		313.60	172.88
7 Profit for the year (5 - 6)		550.12	306.07
8 Other comprehensive income			
(A) Items that will not be reclassified to profit and loss			
(i) Remeasurement of the defined benefit plans		0.12	1.24
(ii) Income tax expenses relating to the above		(0.04)	(0.43)
		0.08	0.81
(B) Items that will be reclassified to profit and loss			
(i) Fair value gain on equity investments classified as FVTOCI		18.60	-
(ii) Income tax expenses relating to the above		(4.33)	-
		14.27	-
9 Total comprehensive income for the year (7 + 8)		564.47	306.88
10 Earnings per equity share (Face value of Rs. 10 each)	42		
- Basic (In Rs.)		3.39	2.69
- Diluted (In Rs.)		3.35	2.67

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

Ananthi Amarnath

Partner

Membership number : 209252

Place : Chennai

Date : 18 May 2023

For and on behalf of the Board of Directors of

Syrma SGS Technology Limited

CIN : L30007MH2004PLC148165

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Standalone Cash Flow Statement

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	863.72	478.95
Adjustments for:		
Depreciation and amortisation expense	171.31	130.93
Finance costs	139.12	33.67
Mark-to-Market (MTM) gain on financial instrument (Net)	(9.42)	(3.23)
Employee stock compensation expense	50.20	35.07
(Profit)/Loss on sale / discard of property, plant and equipment (net)	(0.22)	0.24
Bad debts written off	-	-
Provision for warranty	0.42	-
Fair value changes in non-current investment	(0.23)	-
Liabilities no longer required written back	-	(6.25)
Interest income on financial assets carried at amortised cost	(317.27)	(9.02)
Net (gain) / loss on account of sale of current investments (Mutual funds)	(0.29)	(2.45)
Net Bad debts written off	3.17	-
Allowance for ECL	7.78	-
Unrealised exchange (gain) / loss (net)	(25.64)	(24.42)
Operating profit before working capital / other changes	882.65	633.49
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,333.24)	(377.18)
Trade receivables	(569.43)	(409.87)
Other financial assets (current)	49.93	(12.04)
Other non-current financial assets	(47.66)	(11.88)
Other current assets	(326.46)	(100.36)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,048.45	329.07
Other current financial liabilities	9.42	1.29
Other non-current financial liabilities	0.20	(6.80)
Other current liabilities	(134.25)	204.77
Non-current provisions	12.46	4.12
Current provisions	(2.93)	5.63
Cash Flow from / (used in) operations	(410.86)	260.24
Direct taxes paid (net)	(196.37)	(127.02)
Net Cash Flow from / (used in) operating activities	(607.23)	133.22
II. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure towards tangible assets (including capital advances, net of capital creditors)	(891.41)	(705.95)
Capital expenditure towards intangible assets	(62.36)	(14.42)
Loans to related party	(32.94)	-
Proceeds from sale of tangible assets	0.31	-
Investment for acquisition of additional stake in subsidiary	(196.33)	(3,126.04)
Investment in other non-current investments	0.01	(31.23)
Investment in bank deposits out of IPO proceeds	(7,368.19)	-
Proceeds from sale of / (investment in) current investment (net)	(339.33)	2.45
Net cash flow from / (used in) investing activities	(8,890.24)	(3,875.19)

Standalone Cash Flow Statement

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	8,760.00	2,715.25
Utilisation of securities premium (net of current tax)	(326.12)	-
Long term borrowings taken	856.97	-
Long term borrowings repaid	(24.07)	(260.39)
Short term borrowings taken (net)	350.15	1,029.28
Payment of lease liabilities	(21.29)	(16.56)
Finance costs paid	(129.54)	(31.44)
Decrease / (Increase) in lien marked / margin money deposits	(47.58)	103.60
Interest received on lien marked / margin money / IPO proceeds deposits	282.62	9.95
Net cash flow from / (used in) financing activities	9,701.14	3,549.69
IV. Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	203.67	(192.28)
V. Cash and cash equivalents at the beginning of the year	88.34	279.63
Add: Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.48)	0.99
VI. Cash and cash equivalents at the end of the year	291.53	88.34
VII. Cash and cash equivalents as per Note 14.1	291.53	88.34
Reconciliation of change in liabilities arising from financing activities is given in note 19.3		

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

For and on behalf of the Board of Directors of

Syrma SGS Technology Limited

CIN : L30007MH2004PLC148165

Ananthi Amarnath

Partner

Membership number : 209252

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Place : Chennai

Date : 18 May 2023

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

A. Equity share capital (refer note 17)

Particulars	No. of shares (In full number)	Amount
Balance as at 1 April 2021	7,48,041	7.48
Changes in equity share capital during the year		
Add: Fresh issue of shares during the year	5,08,380	5.08
Add: Conversion of preference shares	1,06,132	1.06
Add: Bonus issue of shares	13,62,55,300	1,362.55
Balance as at 31 March 2022	13,76,17,853	1,376.17
Changes in equity share capital during the year		
Add: Fresh issue of shares during the year	3,86,11,284	386.12
Add: Exercise of employee stock option	5,48,705	5.49
Balance as at 31 March 2023	17,67,77,842	1,767.78

B. Other equity (refer note 18)

Particulars	Capital Reserve (out of Amalgamation)	Securities Premium	SEZ Reinvestment Reserve	Components of Other Equity				Surplus in Statement of Profit and Loss	Employee Stock Option Reserve	Total
				Convertible Preference Share (CCPS)	Fair value gain / (loss) on equity investments classified as FVTOCI	Compulsorily Preference Share (CCPS)	Fair value gain / (loss) on equity investments classified as FVTOCI			
Balance as at 1 April 2021	8.23	1,167.95	337.41	10.40	-	-	850.24	-	2,374.23	
Profit for the year	-	-	-	-	-	-	306.07	-	306.07	
Premium on issue of preference and equity shares	-	2,719.51	-	-	-	-	-	-	2,719.51	
Employee stock compensation expense (Refer note 38)	-	-	-	-	-	-	-	35.07	35.07	
Utilization of securities premium	-	(1,362.55)	-	-	-	-	-	-	(1,362.55)	
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	0.81	-	-	0.81	
Conversion of CCPS	-	-	-	(10.40)	-	-	-	-	(10.40)	
Transfer from / (to) SEZ reinvestment reserve	-	-	(21.70)	-	-	-	21.70	-	-	
Balance as at 31 March 2022	8.23	2,524.91	315.71	-	-	-	1,178.82	35.07	4,062.74	

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

B. Other equity (refer note 18)

Particulars	Components of Other Equity							Total
	Capital Reserve (out of Amalgamation)	Securities Premium	SEZ Reinvestment Reserve	Convertible Preference Share (CCPS)	Fair value gain / (loss) on equity investments classified as FVTOCI	Surplus in Statement of Profit and Loss	Employee Stock Option Reserve	
Balance as at 1 April 2022	8.23	2,524.91	315.71	-	-	1,178.82	35.07	4,062.74
Profit for the year	-	-	-	-	-	550.12	-	550.12
Premium on issue of equity shares and exercise of ESOP	-	8,399.19	-	-	-	-	-	8,399.19
Employee stock compensation expense (Refer note 38)	-	-	-	-	-	-	50.20	50.20
Utilization of securities premium (net of income tax)	-	(269.80)	-	-	-	-	-	(269.80)
Other comprehensive income for the year (net of income tax)	-	-	-	-	14.27	0.08	-	14.35
Transfer to equity and securities premium	-	-	-	-	-	-	(30.74)	(30.74)
Investments in subsidiary	-	-	-	-	-	-	6.97	6.97
Transfer from / (to) SEZ reinvestment reserve	-	-	(271.50)	-	-	271.50	-	-
Balance as at 31 March 2023	8.23	10,654.30	44.21	-	14.27	2,000.52	61.50	12,783.03

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

For and on behalf of the Board of Directors of

Syrra SGS Technology Limited

CIN : L30007MH2004PLC148165

Ananthi Amarnath

Partner

Membership number : 209252

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

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Place : Mumbai

Date : 18 May 2023

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Bijay Kumar Agrawal

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Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

1 Corporate information

Syrma SGS Technology Limited (Formerly known as Syrma Technology Private Limited till 13 September 2021, the "Company") is a public limited Company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is located at Unit 601, Floral Deck Plaza, Andheri East, Mumbai.

The Company is engaged in the business of manufacturing various electronic sub-assemblies, assemblies and box builds, disk drives, memory modules, power supplies / adapters, fiber optic assemblies, magnetic induction coils and RFID products and other electronic products. The Company has 5 state of the art manufacturing facilities most of which hold all key accreditations required for the industry.

The name of the Company has been changed from Syrma Technology Private Limited to Syrma SGS Technology Private Limited with effect from 14 September 2021. W.e.f. 20 October 2021, the Company has changed its constitution from private limited Company to public limited company resulting in change of name to Syrma SGS Technology Limited.

2 Summary of significant accounting policies

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules") and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act.

2.2 Basis of preparation and presentation

(a) Accounting convention and assumptions

These standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period, as stated in the accounting policies set out below.

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 into 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.

Going concern

The directors have, at the time of approving the standalone financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Standalone Financial Statements.

(b) Basis of presentation

The Standalone Balance sheet, the Standalone Statement of Profit and Loss, and the Standalone Statement of Changes in Equity, are presented in the format prescribed under Division II of Schedule III of the Act, as amended from time to time, for Companies that are required to comply with Ind AS. The Standalone Statement of Cash Flows has been presented as per the requirements of Ind AS 7 - Statement of Cash Flows.

The standalone financial statements are presented in Indian rupees (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these standalone financial statements.

(c) Current / Non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset / liability is expected to be realized / settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset / liability is held primarily for the purpose of trading;
- iv. the asset / liability is expected to be realized / settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.3 Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE and intangible assets

outstanding at each Balance Sheet date are disclosed as Capital Advance under Other Non-current assets.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible PPE has been provided on the straight-line method pro-rata to the period of use of the assets. The management estimates the useful life of certain asset categories as follows, which is as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset Category	Useful life (Years)
Buildings	30 Years
Plant and Machinery	15 Years
Furniture and Fittings	10 Years
Office and Other Equipment	5 Years
Computer & other peripherals	3 Years to 6 Years
Vehicles	8 Years

Depreciation and amortization on tangible PPE and intangible assets for the following categories of assets has not been provided in accordance with useful life prescribed in Schedule II to the Companies Act, 2013, in whose case the life of the assets has been assessed as under based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Asset Category	Useful life (Years)
Stencils	3 Years
Electrical equipment	20 Years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognised.

2.4 Intangible assets other than goodwill

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period is reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Intangible assets under development

Cost of intangible assets not ready for intended use, as on the Balance Sheet date, is shown as Intangible assets under development.

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

- Computer Software - 3 Years
- Knowhow - 6 Years

2.5 Impairment of PPE & intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets

have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of profit and loss.

2.6 Leases

(a) Policy applicable for Lease Contracts entered on or after 1 April 2019

At inception of a Lease Contract, the Company assesses whether a Lease Contract is, or contains, a lease. A Lease Contract is, or contains, a lease if the Lease Contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a Lease Contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the Lease Contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) the Company has the right to operate the asset; or
 - b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to Lease Contracts entered into, or changed, on or after 1 April 2019. At inception or on reassessment of a Lease Contract that contains a lease component, the Company allocates the consideration in the Lease Contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) Policy applicable for contracts entered before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(c) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense over the lease term.

2.7 Inventories

Inventories are valued at the lower of cost on weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

2.8 Cash & cash equivalents

(a) Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(b) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.9 Foreign currency transactions and translations

(a) Initial recognition

In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

(b) Measurement at the reporting date

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.10 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and rebates offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sale of products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Advance from customers and Deferred revenue is recognized under other current liabilities which is released to revenue on satisfaction of performance obligation.

(b) Rendering of services:

Income from service activities are recognized over a period on satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

(c) Tooling charges

Tooling charges received from customers in advance is recognised based on completion of the project and the number of units sold to the customer during the respective year. The same is recognised at a point in time or over a period of time depending on the terms of arrangement / contract with the customer and the corresponding satisfaction of performance obligation.

2.11 Other income

(a) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

(b) Dividend income

Dividend income is recognized when the right to receive the income is established.

2.12 Employee benefits

(a) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Defined contribution plans

Provident fund / Employee state insurance :

The Company makes specified contributions towards Employees' Provident Fund and Employee State Insurance maintained by the Central Government and the Company's contribution are recognized as an expense in the period in which the services are rendered by the employees.

Superannuation fund:

The Company contributes a specified percentage of eligible employees' salary to a superannuation fund administered by trustees and managed by the insurer. The Company has no liability for future superannuation benefits other than its annual contribution and recognizes such contributions as an expense in the period in which the services are rendered by the employees.

National pension scheme:

The Company contributes a specified percentage of the eligible employees salary to the National Pension Scheme of the Central Government. The Company has no liability for future pension benefits and the Company's contribution to the scheme are recognized as an expense in the period in which the services are rendered by the employees.

(c) Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service as per the payment of Gratuity Act, 1972.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's gratuity fund, established with the Insurer (Plan asset) every year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

(d) Other long-term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(e) Employee share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of The Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

Stock options issued to the employees of the Subsidiary are included as cost of investment.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.13 Provisions

Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.14 Product warranty cost

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to three years.

The estimates used for accounting of warranty liability / recoveries are reviewed periodically and revisions are made as required.

2.15 Contingent liability and contingent assets

Contingent liability is disclosed for

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (c) Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.16 Taxes on income

The income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment is only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The carrying amount is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(c) Current tax and deferred tax for the year:

Current and deferred tax are recognised in Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.17 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

(a) Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

(b) Subsequent measurement

(i) Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries / associates, which are measured at cost.

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit or loss), and
- b) those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in Statement of profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of profit or loss and recognized in other income / (expense).

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Impairment of financial assets

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are measured at amortised cost e.g., cash and bank balances, investment in equity instruments of subsidiary companies, trade receivables and loans etc.

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due as per the ageing brackets;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the standalone financial statements. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in Statement of profit or loss.

(ii) Financial liabilities and equity instruments:

Classification as equity or financial liability

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

(c) Derecognition

(i) Derecognition of financial assets

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(ii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of profit or loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established internal control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

2.18 Equity investments in subsidiaries/associate

Investment in subsidiaries/associate are carried at cost in the standalone financial statements.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

2.19 Investment in debentures/bonds, mutual funds & private equity

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Investments in debentures or bonds are measured at amortised cost at carrying value representative of fair value. These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Investment in mutual funds, specific bonds (marked linked) and structured product/ private equity (i.e.; unquoted investments) are measured at fair value through profit and loss. Net gains and losses are recognised in Statement of Profit or Loss.

2.20 Earnings per share

Basic earnings per share is computed by dividing the net profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.21 Segment reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

2.22 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in Statement of profit or loss in the period in which they are incurred.

2.23 Government grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognized in the profit or loss, as necessary to match them with the costs that they are intended to compensate.

Export benefits

Export Benefits are recognized when there is reasonable certainty that the Company will comply with the conditions attached and that the benefit will be received.

2.24 Related party transactions

Related party transactions are accounted for based on terms and conditions of the agreement / arrangement with the respective related parties. These related party transactions are determined on an arm's length basis and are accounted for in the year in which such transactions occur and adjustments if any, to the amounts accounted are recognised in the year of final determination.

There are common costs incurred by the entity having significant influence / Other Related Parties on behalf of various entities including the Company. The cost of such common costs are accounted to the extent debited separately by the said related parties.

2.25 Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of tangible and intangible asset. (Refer Note 2.3, 2.4)
- b. Impairment of trade receivables: Expected credit loss. (Refer Note 2.17 (b))
- c. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. (Refer Note 2.13, 2.14 and 2.15)
- d. Measurement of defined benefit obligation: key actuarial assumptions. (Refer Note 2.12)
- e. Estimation of income tax (current and deferred) – (Refer Note 2.16)
- f. Fair valuation of Employee Stock Option Plans (ESOP) – (Refer Note 2.12 (e))
- g. Fair valuation of investments – (Refer Note 2.17 (b))

2.26 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.27 Recent pronouncements

(a) Standards issued/amended but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendments Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 - Presentation of financial statements

The amendments specify that Companies should now disclose material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

b. Ind AS 8 - Accounting policies, change in accounting estimates and errors

Definition of 'change in account estimate has been replaced by revised definition of 'accounting estimate'.

- As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include:
 - a) Selection of a measurement technique (estimation or valuation technique)
 - b) Selecting the inputs to be used when applying the chosen measurement technique.

c. Ind AS 12 - Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Company does not expect any of the aforesaid amendments to have any significant impact in its standalone financial statements.

(b) Code on social security

The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Company. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will give appropriate impact in the financial statements once the code becomes effective and related rules to determine the financial impact are notified.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Land	Buildings on Leasehold land	Plant and Equipment	Furniture and fittings	Office equipments	Computers & other peripherals	Electrical Installation	Vehicles	Total
Gross carrying value									
As at 1 April 2021	-	119.19	670.99	22.98	8.28	20.79	65.04	5.47	912.74
Additions	331.50	2.71	79.32	2.29	1.32	16.16	8.25	1.36	442.91
Disposals / Discarded	-	-	0.32	-	-	-	-	-	0.32
As at 31 March 2022	331.50	121.90	749.99	25.27	9.60	36.95	73.29	6.83	1,355.33
Additions	-	428.14	827.82	28.55	14.11	40.46	133.68	0.56	1,473.32
Disposals / Discarded	-	-	-	-	-	-	-	1.86	1.86
As at 31 March 2023	331.50	550.04	1,577.81	53.82	23.71	77.41	206.97	5.53	2,826.79
Accumulated depreciation									
As at 1 April 2021	-	15.81	118.40	5.46	3.80	9.62	6.74	2.02	161.85
Depreciation expense for the year	-	5.82	85.63	2.76	1.83	5.53	3.95	0.96	106.48
Elimination on disposal	-	-	0.08	-	-	-	-	-	0.08
As at 31 March 2022	-	21.63	203.95	8.22	5.63	15.15	10.69	2.98	268.25
Depreciation expense for the year	-	12.43	100.20	4.14	2.79	11.99	9.53	0.92	142.00
Elimination on disposal	-	-	-	-	-	-	-	1.77	1.77
As at 31 March 2023	-	34.06	304.15	12.36	8.42	27.14	20.22	2.13	408.48
Net carrying value									
As at 31 March 2022	331.50	100.27	546.04	17.05	3.97	21.80	62.60	3.85	1,087.08
As at 31 March 2023	331.50	515.98	1,273.66	41.46	15.29	50.27	186.75	3.40	2,418.31

3.1 Refer note 19.2 and 22.1 for property, plant and equipment pledged/ hypothecated as securities for borrowings.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

4 Right-of-use (ROU) assets

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amounts of:		
Land	23.01	13.42
Building	22.49	31.68
Total	45.50	45.10

Details of movement in the carrying amounts of Right-of-use assets

Particulars	Land	Buildings on Leasehold land	Plant and Equipment
Gross carrying value			
As at 1 April 2021	11.07	63.59	74.66
Additions	6.93	1.89	8.82
Disposals / Discarded	-	-	-
As at 31 March 2022	18.00	65.48	83.48
Additions	14.72	3.37	18.09
Disposals / Discarded	-	-	-
As at 31 March 2023	32.72	68.85	101.57
Accumulated depreciation			
As at 1 April 2021	2.82	22.26	25.08
Depreciation expense for the year	1.76	11.54	13.30
Elimination on disposal	-	-	-
As at 31 March 2022	4.58	33.80	38.38
Depreciation expense for the year	5.13	12.56	17.69
Elimination on disposal	-	-	-
As at 31 March 2023	9.71	46.36	56.07
Net carrying value			
As at 31 March 2022	13.42	31.68	45.10
As at 31 March 2023	23.01	22.49	45.50

5 Intangible assets

Particulars	Computer software	Knowhow	Total
Gross carrying value			
As at 1 April 2021	13.38	30.59	43.97
Additions	5.73	-	5.73
Disposals / Discarded	-	-	-
As at 31 March 2022	19.11	30.59	49.70
Additions	21.68	-	21.69
Disposals / Discarded	-	-	-
As at 31 March 2023	40.79	30.59	71.39

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

5 Intangible assets

Particulars	Computer software	Knowhow	Total
Accumulated amortisation			
As at 1 April 2021	6.22	24.53	30.75
Amortisation expense for the year	5.09	6.06	11.15
Elimination on disposal	-	-	-
As at 31 March 2022	11.31	30.59	41.90
Amortisation expense for the year	11.62	-	11.62
Elimination on disposal	-	-	-
As at 31 March 2023	22.93	30.59	53.52
Net carrying value			
As at 31 March 2022	7.80	-	7.80
As at 31 March 2023	17.86	-	17.87

6 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Depreciation of property, plant and equipment	142.00	106.48
(b) Amortisation of intangible assets	11.62	11.15
(c) Depreciation on ROU assets	17.69	13.30
Total	171.31	130.93

7 Non-current investments (Refer note 50)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Investment carried at cost		
Unquoted equity shares - subsidiary*		
SGS Teknics Manufacturing Private Limited 1,612,785 (1,612,785 as at 31 March 2022) Equity shares of Rs. 10 each, fully paid up	3,665.79	3,658.82
Perfect ID India Private Limited		
2,254,550 (1,690,913 as at 31 March 2022) Equity shares of Rs. 10 each, fully paid up	535.56	339.23
Syrma Technology Inc. 20,000 (20,000 as at 31 March 2022) Shares of \$0.0001 each, fully paid up	15.40	15.40
(b) Investment carried at fair value through other comprehensive income (FVOCI)		
Unquoted equity shares		
Inotech FEG GmbH 4,127 (4,127 as at 31 March 2022) Shares of €10 each, fully paid up	39.81	21.22
(c) Investment carried at fair value through profit & loss		
Unquoted - Compulsorily Convertible Preference Shares (CCPS)		
Airth Research Private Limited 783 (783 as at 31 March 2022) CCPS of Rs 10 each, fully paid up	10.24	10.01
Total	4,266.80	4,044.68

* Increase in investment is on account of Company's ESOP options being granted to the employees of subsidiary i.e, SGS Teknics Manufacturing Private Limited (refer note 2.12(e) and note 38)

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

7 Non-current investments (Refer note 50) (Contd..)

7.1 Additional information as required by Schedule III to the Act

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate book value of unquoted investments	4,266.80	4,044.68

8 Loans (Considered good - Unsecured)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Loans to related party (Refer note 47(VII))	33.25	-
	33.25	-

9 Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Security deposits measured at amortised cost	85.38	37.17
(b) Other bank deposits		
- IPO & Pre-IPO Proceeds	7,368.19	-
Total	7,453.57	37.17

10 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital advances	6.38	141.11
Total	6.38	141.11

11 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Raw materials and components	2,422.96	423.40
- Materials-in-transit	366.78	193.50
	2,789.74	616.90
(b) Work-in-progress	344.03	450.25
(c) Finished goods (other than those acquired for trading)	240.08	60.37
(d) Stock-in-trade	12.64	1.05
(e) Stores and spare parts (including packing materials)	94.68	19.36
Total	3,481.17	1,147.93

11.1 The cost of inventories (including cost of traded goods) recognised as expense in statement of profit and loss.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of inventories (including cost of traded goods and spares)	8,695.12	4,487.42

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

11 Inventories (Contd..)

11.2 The mode of valuation of inventories has been stated in note 2.7

11.3 Movement in allowance for obsolete and non-moving inventory

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	8.34	2.82
Additional allowance created / (reversed) during the year (net)*	6.24	5.52
Balance at end of the year	14.58	8.34

* Allowance for inventory created during the year has been accounted as part of Cost of raw materials consumed (Refer note 32)

11.4 In addition to the above, the cost of inventories recognised as expense in respect of write down of inventories are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Write down of inventories	8.90	-

12 Current investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investment - measured at FVTPL		
Investments in mutual funds - quoted	339.62	-
Total	339.62	-

12.1 Additional information as required by Schedule III to the Act

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate book value of quoted current investments	339.62	-
Aggregate market value of quoted current investments	339.62	-

13 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Considered good – unsecured (Refer Note 13.2)	2,331.65	1,741.47
Gross receivables	2,331.65	1,741.47
Allowance for expected credit loss	(24.70)	(23.52)
Net receivables	2,306.95	1,717.95
The above amount of trade receivables also includes amount receivable from its related parties (refer note 40.3)	8.31	14.66

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

13 Trade receivables (Contd..)

13.1 Movement in expected credit loss (ECL) allowance

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	23.52	23.52
Add: Additional provision / (reversal) of ECL allowance	7.78	0.74
Less: Utilization of ECL allowance	(6.60)	(0.74)
Balance at end of the year	24.70	23.52

13.2 The Trade receivables, include certain customers having more than 10% of the total outstanding trade receivable balance.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
No of customers	2	-
Amount outstanding	577.38	-

There are no other customers who represent more than 10% of the total balance of trade receivables.

13.3 The Company measures the loss allowance for trade receivables at an amount equal to ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

13.4 The Company had entered into a factoring arrangement on a non recourse basis with M/s India Factoring and Financing Solutions Private Limited, in connection with receivables from certain customers. Based on the terms of the arrangement, the amounts received from India Factoring and Financing Solutions Private Limited has been derecognized. The amount of such factored receivables derecognised as at 31 March 2023 is Nil (As at 31 March 2022 - Rs. 193.70 Million).

13.5 The Company has receivable due from the following Parties in which there is a common Director.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Infinx Services Private Limited	0.32	3.72
TIS International (USA) Inc	2.97	7.28
Total	3.29	11.00

No trade or other receivable is due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member, other than mentioned above.

13.6 Refer note 47(IV) for trade receivables ageing.

13.7 The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix, considering the amounts due from the government undertakings and the other undertakings. Further the Company also establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and recent collection trend.

The provision matrix at the end of the reporting period March 31, 2023 is as follows:

Particulars	Expected Credit Loss %	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Not due	0.31%	0.27%
0-90 days	0.65%	0.60%
91-180 days	5.98%	4.95%

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

13 Trade receivables (Contd..)

Particulars	Expected Credit Loss %	
	For the year ended 31 March 2023	For the year ended 31 March 2022
181-270 days	11.08%	12.03%
271-360 days	18.42%	15.74%
More than 360 days	24.61%	20.04%

14.1 Cash and cash equivalents (as per Ind AS 7 Cash flow statements)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Cash on hand	0.75	1.01
(b) Balances with banks		
- In current accounts	238.64	13.01
- In EEFC accounts	52.14	14.08
- In deposit accounts	-	60.24
Total	291.53	88.34

14.2 Other bank balances

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balances with banks - margin money	71.28	23.70
Total	71.28	23.70

15 Other financial assets (current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Interest accrued, but not due on fixed deposits with banks	35.45	2.12
(b) Balance receivable from customs authorities	-	4.06
(c) Export benefits receivable	2.74	50.16
(d) Advances to employees	1.09	2.12
(e) Other benefits receivable from state government	3.83	2.61
(f) Recoverable from subsidiary (refer note 40.3)	5.02	3.66
Total	48.13	64.73

16 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Goods and Services Tax - Input Credit	524.94	132.35
(b) Advance to suppliers (Refer note 16.1)	130.43	119.34
(c) Other advances (refer note 16.2)	2.05	80.62
(d) Prepaid expenses	11.39	10.04
Total	668.81	342.35

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

16 Other current assets (Contd..)

16.1 The Company has given supplier advances to the following parties in which there is a common director. (refer note 40.3)

Particulars	As at 31 March 2023	As at 31 March 2022
Reliable Consultancy Services Pvt. Limited	-	0.57
Total	-	0.57

16.2 Other Advances, as at 31 March 2022, includes fees paid to Stock Exchanges, Securities Exchange Board of India (SEBI), Lawyers, Bankers, Auditors etc., in connection with the IPO of the Company.

17 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares (In full number)	Amount	No. of shares (In full number)	Amount
(a) Authorised				
Equity shares of Rs. 10/- each	20,00,00,000	2,000	20,00,00,000	2,000
Preference shares of Rs. 100/- each	12,00,000	120	12,00,000	120
(b) Issued, subscribed and fully paid up				
Equity shares of Rs. 10/- each fully paid up	17,67,77,842	1,768	13,76,17,853	1,376
Total	17,67,77,842	1,767.78	13,76,17,853	1,376.17

Notes:

17.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares (In full number)	Amount	No. of shares (In full number)	Amount
Equity Shares:				
Shares outstanding as at the beginning of the year	13,76,17,853	1,376.17	7,48,041	7.48
Add: Fresh issue of shares during the year*	3,86,11,284	386.12	5,08,380	5.08
Add: Conversion of preference shares (refer note 18.6)	-	-	1,06,132	1.06
Add: Exercise of ESOP*	5,48,705	5.49	-	-
Add: Bonus issue of shares	-	-	13,62,55,300	1,362.55
Shares outstanding as at the end of the year	17,67,77,842	1,767.78	13,76,17,853	1,376.17
Compulsorily convertible preference shares (CCPS):				
Shares outstanding as at the beginning of the year	-	-	1,04,002	10.40
Add: Fresh issue of shares during the year	-	-	-	-
Less: Conversion of CCPS (refer note 18.6)	-	-	(1,04,002)	(10.40)
Shares outstanding as at the end of the year	-	-	-	-

* During the year ended 31 March 2022, Company issued equity shares at Rs. 5,341 per share comprising of face value of Rs. 10 each and securities premium of Rs. 5,331/- each.

* During the year ended 31 March 2023 the Company has made the following issue of equity shares

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

17 Share capital (Contd..)

Particulars	No. of shares (A) (In full numbers)	Issue price per share (B)	Face Value per share ©	Premium per share (D=B-C)	Amount credited to share capital(E=A*C)	Amount credited to securities premium (F=A*D)
Pre-IPO	37,93,103	290	10	280	37.93	1,062.07
IPO	3,48,18,181	220	10	210	348.19	7,311.82
Total	3,86,11,284				386.12	8,373.89

17.2 Details of shares held by each shareholder holding more than 5% shares in the Company:

Class of shares / Name of shareholder	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares (In full number)	% Holding in the respective Class of Shares	No. of shares (In full number)	% Holding in the respective Class of Shares
Equity shares of Rs.10/- each fully paid				
Tancom Electronics Private Limited	6,33,19,425	35.82%	6,33,19,425	46.01%
Mr. Jasbir Singh Gujral	1,25,71,000	7.11%	1,25,69,000	9.13%
Mr. Sanjiv Narayan	1,25,69,000	7.11%	1,25,69,000	9.13%
Mr. Ranjeet Singh Lonial	1,25,69,000	7.11%	1,25,69,000	9.13%
Mr. Krishna Kumar Pant	1,25,69,000	7.11%	1,25,69,000	9.13%
South Asia Growth Fund II Holdings, LLC	1,06,48,026	6.02%	1,06,48,026	7.74%

17.3 Shareholding of promoters*

Name of the promoter	Year	No. of shares (In full number)	% of total shares	% change during the year #
Tancom Electronics Private Limited	As at 31 March 2023	6,33,19,425	35.82%	(10.19%)
	As at 31 March 2022	6,33,19,425	46.01%	(47.29%)
Mr Jasbir Singh Gujral	As at 31 March 2023	1,25,71,000	7.11%	(2.02%)
	As at 31 March 2022	1,25,69,000	9.13%	9.13%
Ms. Veena Kumari Tandon	As at 31 March 2023	15,15,000	0.86%	(2.69%)
	As at 31 March 2022	48,84,360	3.55%	(0.91%)

*Promoter means promoter as defined in the Act.

% change during the year represents the % change in total holding when compared to the previous year end.

17.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the FY 21-22, the members at the Extra ordinary general Meeting (EGM) held on 28 October 2021 have approved the issue of bonus shares in the ratio of 100 equity shares for every 1 equity share as on the date of EGM. Aggregate number of shares allotted as fully paid up by way of bonus shares is 136,255,300 shares of Rs 10 each.

17.5 Disclosure of rights

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

18 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital reserve	8.23	8.23
(b) Securities premium	10,654.30	2,524.91
© Special reserve - Special economic zone (SEZ) reinvestment reserve	44.21	315.71
(d) Surplus in statement of profit and loss	2,000.52	1,178.82
(e) Fair value gain / (loss) on equity investments classified as FVTOCI	14.27	-
(f) Employee stock option reserve	61.50	35.07
Total	12,783.03	4,062.74

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital reserve (out of amalgamation)		
Opening balance	8.23	8.23
Addition for the year	-	-
Closing balance	8.23	8.23
(b) Securities premium		
Opening balance	2,524.91	1,167.95
Addition for the year:		
Upon issue of new equity shares (Refer note 17.1)	8,373.89	2,710.17
Upon conversion of CCPS to equity shares	-	9.34
Upon exercise of ESOP	25.30	-
Utilisation / Reversal during the year (Refer note 47 (IX))	(269.80)	(1362.55)
Closing balance	10,654.30	2,524.91
© Special reserve - SEZ reinvestment reserve		
Opening balance	315.71	337.41
Addition for the year	-	-
Utilisation / Reversal during the year	(271.50)	(21.70)
Closing balance	44.21	315.71
(d) Surplus in statement of profit and loss		
Opening balance	1,178.82	850.24
Profit for the year	550.12	306.07
Other comprehensive income for the year (net of income tax)	0.08	0.81
Transfer from special reserve - SEZ reinvestment reserve	271.50	21.70
Transfer to special reserve - SEZ reinvestment reserve	-	-
Closing balance	2,000.52	1,178.82
(e) Fair value gain / (loss) on equity investments classified as FVTOCI		
Opening balance	-	-
Fair value changes during the year	18.60	-
Tax impact on the above	(4.33)	-
Closing balance	14.27	-
(f) CCPS treated as equity financial instruments (Refer Note 18.6)		
Opening balance	-	10.40
Issue / conversion of preference shares during the year	-	(10.40)
Closing balance	-	-

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

18 Other Equity (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
(g) Employee stock option reserve		
Opening balance	35.07	-
Employee stock compensation expense	50.20	35.07
Transfer to equity and securities premium on exercise of options	(30.74)	-
Deemed Investment in subsidiary company (Refer note 38)	6.97	-
Closing balance	61.50	35.07
Total	12,783.03	4,062.74

Notes: Nature and purpose of other reserves

18.1 Capital reserve

The reserve has been created consequent to the amalgamation of 3G Wireless Private Limited with the Company.

18.2 Securities premium

Securities premium is used to record the premium on issue of securities. The reserve is utilised in accordance with the provisions of the Act. During the year ended 31 March 2023, the securities premium has been utilised against share issue expense (net of tax benefit) in connection with the IPO of the Company. For the year ended 31 March 2022, the securities premium has been utilised against the issue of new bonus shares. (Refer note 17.1)

18.3 Special reserve - SEZ reinvestment reserve

The Special economic zone (SEZ) Reinvestment Reserve has been created out of profit of eligible SEZ unit as per provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery.

18.4 Surplus in statement of profit and loss

Surplus in statement of profit and loss represents Company's cumulative earnings since its formation less the dividends / capitalisation, if any. These reserves are free reserves which can be utilised for any purpose as may be required.

18.5 Fair value gain / (loss) on equity investments classified as FVTOCI

Fair value gain / (loss) on equity investments classified as FVTOCI reserve has been created on account of change in fair value of the investments made in Inotech FEG GmbH.

18.6 Compulsorily convertible preference shares (CCPS) treated as equity financial instruments

CCPS treated as Equity Financial Instruments represents 0.01% CCPS issued pursuant to the agreement entered into by the Company with South Asia Growth Fund II Holdings, LLC and South Asia EBT Trust. These Preference Shares are entitled to a 0.01% dividend and are not entitled to any other form of distribution of profits by the Company until its conversion to equity shares.

The members at the Extra Ordinary General Meeting held on 19 October 2021 have approved the modification in the conversion ratio of 0.1% Cumulative CCPS from 1:1 as defined in Schedule 7 of the Share Subscription Agreement to 1:1.02048. Consequently, the Board of Directors in their meeting held on 19 October 2021 have approved the conversion of 104,002 preference shares of Rs. 100 each into 106,132 equity shares of Rs. 10 each.

18.7 Employee stock option reserve

Employee stock option reserve relates to the share options granted by the Company to the Company's and subsidiary's employees under its stock option plan. Refer Note 38 for further details.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

19 Borrowings (non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
Term Loans from banks (Secured) (refer notes 19.1 & 19.2)	863.08	34.78
Total	863.08	34.78

19.1 Terms of secured loan from banks:

As at 31 March 2023

Particulars	Interest Rate	No. of Instalments Outstanding	Repayment Terms	Amount outstanding as at 31 March 2023
(i) Term loan from RBL:				
Loan 3 (EUR) (refer note 19.2 below)	3.85%	6 quarters	Principal Quarterly & Interest Monthly	37.37
(ii) Term loan from Axis bank:				
Term loan	7.90%	16 quarters*	Principal Quarterly & Interest Monthly	856.97
Total				894.34
Less: Current maturities of long-term borrowings (refer note 22)				31.26
Long term borrowings from bank				863.08

* Repayment of installments starts from April 2024

As at 31 March 2022

Particulars	Interest Rate	No. of Instalments Outstanding	Repayment Terms	Amount outstanding as at 31 March 2022
(i) Term loan from RBL:				
Loan 3 (EUR) (refer note 19.2 below)	3.85%	10 quarters	Principal Quarterly & Interest Monthly	58.29
Total				58.29
Less: Current maturities of long-term borrowings (refer note 22)				23.51
Long term borrowings from bank				34.78

19.2 Security

I. As at 31 March 2023

(a) Term loan from Axis bank:

First pari-passu Charge on the movable fixed assets of the Company both present and future.

(b) Term loan from RBL:

Exclusive charge by way of hypothecation on Plant & Machinery, Equipment's at Bawal Plant, Haryana. Second pari-passu Charge on the entire current assets of the Company both present and future under multiple banking arrangement.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

19 Borrowings (non-current) (Contd..)

(II) As at 31 March 2022

(a) Term Loan from RBL:

Exclusive charge by way of hypothecation on Plant & Machinery, Equipment's at Bawal Plant, Haryana. Second pari-passu Charge on the entire current assets of the Company both present and future under multiple banking arrangement.

19.3 Reconciliation of change in liabilities arising from financing activities:

For the year ended 31 March 2023

Particulars	As at 1 April 2022	Cash flow (net)	Exchange difference	Others [^]	New lease	As at 31 March 2023
Non current borrowings*	58.29	832.90	2.29	0.86	-	894.34
Current borrowings	1,267.63	350.15	0.18	-	-	1,617.96
Lease liability	49.55	(21.29)	-	5.90	17.35	51.51

For the year ended 31 March 2022

Particulars	As at 1 April 2022	Cash flow (net)	Exchange difference	Others [^]	New lease	As at 31 March 2023
Non current borrowings*	318.75	(260.39)	(1.73)	1.66	-	58.29
Current borrowings	242.46	1,029.28	(4.11)	-	-	1,267.63
Lease liability	52.40	(16.56)	-	5.29	8.42	49.55

* Non current borrowing includes current maturities of Long term borrowing.

[^] Others includes amortisation of processing fees, and interest on lease liability.

20 Other non current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Security deposits	0.20	-
Total	0.20	-

21 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 37)		
- Provision for gratuity	29.30	21.22
- Provision for compensated absences	19.17	14.79
Total	48.47	36.01

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

22 Borrowings (current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Working capital facilities from banks - secured (refer notes 22.1)	1,617.96	770.93
(b) Current maturities of long-term borrowings	31.26	23.51
© Term loan from bank - secured	-	496.70
Total	1,649.22	1,291.14

22.1 Security

- (a) First pari-passu charge on present and future inventories and book debts.
- (b) Second pari-passu charge by way of hypothecation on movable fixed assets of the Company, both present and future under multiple banking arrangement.
- © Second pari-passu charge by way of equitable mortgage on Factory Land & Building property bearing survey number: SF 164/1 PART, situated at Plot no B 27, Phase II, Zone B, area, MEPZ, Tambaram - 600045, owned by the Company.
- (d) First pari-passu charge on moveable fixed assets, present and future, of the Company located / planned at Chennai, Manesar, Hyderabad & Hosur.

22.2 Refer note 47(VI) for the comparison of quarterly returns furnished to Banks with books of account.

23 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.3)	9.55	15.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,524.15	1,467.22
Total	3,533.70	1,483.01

23.1 Trade payables are non-interest bearing and are normally settled as per due dates.

23.2 Refer note 47(V) for trade payables ageing.

23.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.55	15.79
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	1.86
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	0.16

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

22 Borrowings (current)

Particulars	As at 31 March 2023	As at 31 March 2022
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	1.86
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	0.16

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management and relied by the auditors.

24 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital creditors	419.26	159.58
(b) Interest accrued but not due on loans from banks	2.96	0.14
Total	422.22	159.72

25 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred revenue (refer note below)	6.58	247.15
(b) Revenue received in advance	416.98	312.02
(c) Statutory remittances (contributions to PF and ESI, withholding taxes, GST, etc.)	24.57	23.21
Total	448.13	582.38

Note: Deferred revenue represents tooling charges received in advance from one of the customers, recognised as tooling income on the basis of completion of projects and number of units sold to the customer during the respective years.

26 Provisions (current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for warranty (refer note 44)	1.33	0.91
(b) Provision for employee benefits (refer note 37)		
- Provision for gratuity	14.46	12.45
- Provision for compensated absences	3.44	3.50
(c) Provision for contingencies (refer note 44)	11.00	16.00
Total	30.23	32.86

27 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax (Net of advance tax of Rs. 421.78 Million (Rs. 380.04 Million as at 31 March 2022))	59.41	13.34
Total	59.41	13.34

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

28 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of products (net)		
- Manufactured goods	10,873.03	6,351.93
- Traded goods	167.36	25.46
(b) Sale of Services	18.96	23.00
© Other operating revenues		
- Export incentive	-	3.61
- Tooling charges	277.17	37.52
- Sale of scrap	19.33	21.08
- Income from Outsourcing Services	-	-
Total other operating revenues	296.50	62.21
Total	11,355.85	6,462.60

28.1 Reconciliation of revenue recognized with the contract price is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	11,355.85	6,458.99
Adjustment for:		
- Discounts and rebates	-	-
- Refund liability	-	-
Revenue recognised	11,355.85	6,458.99

Note: The aforesaid excludes export incentives recognised under Revenue from Operations.

28.2 Disaggregation of revenue information

The table below presents disaggregated revenues from contracts with customers (including export incentives) which is recognised based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue by geography		
India	7,477.22	2,923.18
Rest of the world	3,878.63	3,539.42
Total revenue from operations	11,355.85	6,462.60

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue by segment		
Electronic manufacturing services	11,169.53	6,414.14
Others	186.32	48.46
Total revenue from operations	11,355.85	6,462.60

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

28 Revenue from operations (Contd..)

28.3 Timing of recognition of revenue

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Products / services transferred at point in time	11,336.89	6,435.99
Products / services transferred over a period of time	18.96	23.00
Total revenue from contracts with customers	11,355.85	6,458.99

Note: The aforesaid excludes export incentives recognised under Revenue from Operations.

28.4 Contract balances

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Receivables, which are included in 'Trade receivables'*	2,331.65	1,741.47
Revenue received in advance, which are included in 'Other current liabilities'	416.98	312.02
Deferred revenue, which are included in 'Other current liabilities'	6.58	247.15

*Represents gross trade receivables without considering expected credit loss allowance

28.5 Details of Government Grants

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Export incentives	-	3.61
Total	-	3.61

29 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest income on financial assets carried at amortised cost		
- Bank deposits	315.57	7.31
- Security deposits	1.31	1.71
- Loan to related party	0.39	-
Total interest income	317.27	9.02
(b) Net gain on account of sale of current investments (mutual funds)	0.29	2.45
(c) Fair value changes in non-current investment (P/L)	0.23	-
(d) Foreign exchange gain (net)	38.18	54.97
(e) Rental income	0.11	-
(f) Profit on sale / discard of property, plant and equipment (net)	0.22	-
(g) Insurance / Other claims	0.01	0.64
(h) Mark-to-Market (MTM) gain on financial instrument (Net)	9.42	3.23
(i) Liabilities no longer required written back	-	6.25
(j) Miscellaneous income	4.93	1.79
Total	370.66	78.35

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

30 Cost of raw materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock	616.90	532.64
Add: Purchases	10,746.42	4,734.35
	11,363.32	5,266.99
Less: Closing stock (refer note 11)	2,789.74	616.90
Consumption of raw materials	8,573.58	4,650.09

31 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of stock-in-trade	163.76	20.84
Total	163.76	20.84

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Inventories at the end of the year: (refer note 11)		
- Finished goods	240.08	60.37
- Work-in-progress	344.03	450.25
- Stock-in-trade	12.64	1.05
Sub-total (A)	596.75	511.67
(b) Inventories at the beginning of the year:		
- Finished goods	60.37	26.16
- Work-in-progress	450.25	201.31
- Stock-in-trade	1.05	0.90
Sub-total (B)	511.67	228.37
Net (Increase) / Decrease (B) - (A)	(85.08)	(283.30)

33 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Salaries, wages and bonus	448.29	300.58
(b) Contribution to provident and other funds (net) (refer note 37)	31.47	25.34
(c) Gratuity expense (refer note 37)	11.35	7.79
(d) Compensated absences expense	7.07	4.75
(e) Remuneration to executive directors	37.17	30.43
(f) Staff welfare expenses	27.65	32.03
(g) Employee stock compensation expense (refer note 38)	50.20	35.07
	613.20	435.99
Less: Recovery of salaries from related parties (refer note 40.2)	(24.96)	(3.55)
Total	588.24	432.44

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

34 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest on borrowings*	121.99	16.47
(b) Interest on lease liability	5.90	5.29
(c) Factoring charges	11.23	11.75
(d) Interest on delayed payments to micro enterprises and small enterprises (refer note 23.3)	-	0.16
Total	139.12	33.67

* The Company has capitalised borrowing cost towards qualifying assets amounting to Rs. 16.41 Million (Nil for the year ended 31 March 2022) at a rate of 6% Per annum

35 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Consumption of stores and spares	42.86	99.79
(b) Stipend to apprentices	56.99	98.28
(c) Insurance	20.88	17.58
(d) Power and fuel	75.96	47.19
(e) Contract wages	562.16	306.68
(f) Job work charges	127.91	140.63
(g) Freight outward and clearing	21.26	19.94
(h) Rent	6.27	7.58
(i) Repairs and maintenance		
- Plant and machinery	33.52	19.06
- Buildings	21.54	11.44
- Others	50.01	26.19
(j) Advertising and sales promotion	73.40	82.48
(k) Provision for warranty (refer note 44)	0.42	0.11
(l) Travelling and conveyance	41.79	19.31
(m) Allowance for ECL	7.78	0.74
(n) Bad debts written off	9.77	0.74
Less: Utilization of allowance for ECL	(6.60)	(0.74)
Net Bad debts written off	3.17	-
(o) Advances not recoverable written off	1.47	-
(p) Communication costs	4.89	4.93
(q) Printing and stationery	6.54	4.10
(r) Legal and professional fees	63.13	112.57
(s) Payments to auditor (refer note 35.1)	6.13	3.63
(t) Loss on sale / discard of property, plant and equipment (net)	-	0.24
(u) Security charges	22.33	12.99
(v) Director sitting fees	5.75	1.02
(w) Bank charges	24.07	14.33
(x) Corporate social responsibility (refer note 35.2)	9.59	8.15
(y) Rates and taxes	25.38	33.49
(z) Miscellaneous expenses	15.12	2.47
	1,330.32	1,094.92
Less: Claims for reimbursement with State government	(7.37)	(9.12)
Less: Freight charges reimbursed by customers	(11.09)	(8.47)
Total	1,311.86	1,077.33

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

35 Other expenses (Contd..)

35.1 Payment to statutory auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payments to auditors comprises:		
- For statutory Audit	4.90	3.30
- For certification and other services	0.87	0.20
- Reimbursement of expenses	0.36	0.13
Total	6.13	3.63

The aforesaid excludes amount of Rs. 11.89 Millions to the auditors during the year ended 31 March 2023 (Rs. 17 Millions during the year ended 31 March 2022) in connection with the Initial public offer (IPO) of the Company accounted as part of prepaid expenses under Note 16 - other current assets is adjusted with securities premium upon completion of the IPO.

35.2 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Amount required to be spent by the Company during the year	9.23	7.94
(b) Amount of expenditure incurred	9.59	8.15
(c) Shortfall / (Excess) paid at the end of the year*	(0.36)	(0.21)
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities		
- Protection of national heritage, art and culture including restoration of buildings	-	3.50
- Promoting gender equality	1.50	-
- Promoting education	7.00	4.50
- Promoting sports	0.22	-
- Preventive health care w.r.t Covid-19	-	0.10
- Prime Minister's national relief fund	0.87	0.05
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure	NA	NA
(h) Provisions w.r.t CSR Expenditure pursuant to contractual obligation	NA	NA

* The Company has not carried forward the excess amount spent for CSR during the year ended 31 March 2023 and 31 March 2022 as asset.

36 Contingent liabilities and commitments (to the extent not specifically provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Claims against the company not acknowledged as debt (also refer notes below)		
- Erstwhile customer (refer note (ii) below)	56.17	56.17
- Karnataka VAT related matters	-	14.02
(b) Commitments		
- Capital commitments (refer note (iii) below)	359.37	547.98
- Export obligation under EPCG Scheme	190.13	189.69
- Investments commitment	22.34	278.54

Notes:

- The amounts shown above represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and therefore, cannot be predicted accurately.
- The Company has filed Special Leave Petition (SLP) before Honorable Supreme Court of India against the Madras High Court Judgment relating to direction to the Company to deposit 50% of the amount in the Court. Supreme court has stayed the order of Madras High court, to pay the said amount. Further, the erstwhile customer, has also filed a counter

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

36 Contingent liabilities and commitments (to the extent not specifically provided for) (Contd..)

SLP before the Honorable Supreme Court of India against the Madras High Court Judgment referred above, which is pending hearing. Based on the assessment carried out by the Company, the Management expects a favorable decision in respect of the above. Further, petition against the Company before National Company Law Tribunal, Mumbai Bench, for initiation of Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code has been withdrawn.

- (iii) Capital commitments represents the estimated amounts of contracts remaining to be executed on capital account, net of advances and not provided for.
- (iv) Subsequent to the year ended 31 March 2023, the Company has received demand under section 154 of the Income tax act, 1961 ("IT Act") amounting to INR 46.87 Million for the financial year 2020-21 dis-allowing the benefit of section 10AA of IT Act due to non-filing of Form 56F within the due date. The Company had filed writ petition against the order before the Hon'ble High Court of Bombay to quash the said demand. The Company has received interim relief against the operation of the order and the Company is confident of receiving favorable order.

37 Employee benefits

37.1 Defined contribution plan

Company's (employer's) contribution to defined contribution plans recognised as expenses in the statement of profit and loss are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer's contribution to provident fund	26.60	22.02
Employer's contributions to employee state insurance	0.79	0.59
Employer's contribution to national pension fund	1.45	0.67
Employer's contribution to superannuation fund	2.61	2.06
Employer's contribution to labour welfare fund	0.02	(0.01)
Total	31.47	25.33

37.2 Defined benefit plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Investments for these plans are carried out by Life Insurance Corporation of India.
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 investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2023 and 31 March 2022 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

37 Employee benefits (Contd..)

(a) Amount recognised in the total comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Service cost		
- Current service cost	9.09	5.86
- Interest expense on defined benefit obligation	2.48	2.14
- Interest income on plan assets	(0.22)	(0.21)
Components of defined benefit costs recognised in statement of profit and loss (A)	11.35	7.79
Remeasurement of the net defined benefit liability :		
Return on plan assets (excluding amount included in net interest expense)	0.22	0.15
Actuarial (gain) / loss arising from changes in financial assumptions	0.62	1.70
Actuarial (gain) / loss arising from experience adjustments	(2.97)	(1.62)
Actuarial (gain) / loss arising from demographic adjustments	2.01	(1.47)
Components of defined benefit costs recognised in other comprehensive income (B)	(0.12)	(1.24)
Total (A) + (B)	11.23	6.55

(i) The current service cost and interest expense (net) for the relevant year are included in the "Employee Benefit Expenses" line item in the statement of profit and loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the Balance Sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Net (Asset) / Liability recognised in the Balance Sheet:		
Gratuity:		
Present value of defined benefit obligation	47.16	36.19
Fair value of plan assets	3.41	2.52
(Surplus) / Deficit	43.75	33.67
Current portion of the above	14.46	12.45
Non current portion of the above	29.30	21.22

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Present value of defined benefit obligation at the beginning of the year	36.19	31.54
Expenses recognised in the statement of profit and loss:		
- Current service cost	9.09	5.86
- Interest expense / (Income)	2.48	2.14
Recognised in other comprehensive income:		
Remeasurement (gains) / losses	(0.34)	(1.64)
Benefit payments	(0.26)	(1.71)
Present value of defined benefit obligation at the end of the year	47.16	36.19

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

37 Employee benefits (Contd..)

(d) Movement in fair value of plan assets are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Fair value of plan assets at the beginning of the year	2.53	3.99
Income recognised in statement of profit and loss account:		
- Expected return on plan assets	0.22	0.21
Recognised in other comprehensive income:		
Remeasurement gains / (losses)	(0.22)	(0.15)
Contributions by employer (including benefit payments recoverable)	0.94	0.18
Benefit payments	(0.06)	(1.71)
Fair value of plan assets at the end of the year	3.41	2.52

The actual return on plan assets as furnished by Insurer is Rs. (0.00) Million and Rs. 0.07 Million for the year ended 31 March 2023 and 31 March 2022 respectively.

(e) The entire plan assets are managed by the insurer. The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the necessary information.

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Discount rate	7.39% - 7.44%	6.82% - 7.47%
Expected rate of salary increase	6.2% - 9%	8.00%
Expected return on plan assets	6.82% - 7.47%	6.55% - 7.08%
Attrition Rate	6% - 15.82%	6% - 23%
Mortality tables*	Indian Assured Life (2012-14) Ultimate	Indian Assured Life (2012-14) Ultimate

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

(i) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

(ii) Discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of the obligation.

(g) Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase rate, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting Year while holding all other assumptions constant :

In respect of gratuity:

(Increase) / Decrease on the defined benefit obligation	As at 31 March 2023	As at 31 March 2022
(i) Discount rate		
Increase by 100 bps	2.94	1.92
Decrease by 100 bps	(3.36)	(2.16)
(ii) Salary growth		
Increase by 100 bps	(2.82)	(0.83)
Decrease by 100 bps	2.60	1.71

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

37 Employee benefits (Contd..)

(Increase) / Decrease on the defined benefit obligation	As at 31 March 2023	As at 31 March 2022
(iii) Attrition rate	-	
Increase by 100 bps	0.52	0.28
Decrease by 100 bps	(0.57)	(0.31)
(iv) Mortality rate		
Increase by 10%	0.01	0.01

- (i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- (ii) Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.
- (iii) There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(h) Experience adjustments

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Projected benefit obligation	47.16	36.19	31.54	25.89
Fair value of plan assets	3.41	2.52	3.99	4.59
Deficit / (Surplus)	43.75	33.67	27.55	21.30
Experience adjustments on plan liabilities - (gains) / losses	(0.34)	(1.64)	0.30	(4.84)
Experience adjustments on plan assets - (gains) / losses	(0.22)	(0.15)	(0.20)	(0.21)

(i) Effect of plan on entity's future cash flows

(i) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

- (ii) Expected contributions to post-employment benefit plans for the next year from the respective year end date is as follows:

Year Ending	Amount
As at 31 March 2023	14.46
As at 31 March 2022	7.05

- (iii) The weighted average duration of the defined benefit obligation during the respective year end is as follows:

Year Ending	Amount
As at 31 March 2023	11.09 years - 12.95 years
As at 31 March 2022	5.89 years - 13.30 years

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

37 Employee benefits (Contd..)

(iv) Maturity profile of defined benefit obligation on an undiscounted basis is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Year 1	5.03	4.84
Year 2	2.45	4.57
Year 3	3.04	2.09
Year 4	2.40	2.65
Year 5	4.52	1.98
Next 5 year pay-outs (6-10 years)	18.96	16.76
Pay - outs above ten years	53.21	26.17
Total	89.61	59.06

37.3 Compensated absences

The compensated absences cover the Company's liability for earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly the Company has accounted for provision for compensated absences as below

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current portion	19.17	14.79
Current portion	3.44	3.50
Total	22.61	18.29

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an independent actuary are as given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Assumptions		
Discount rate	7.39% - 7.44%	6.82% - 7.47%
Expected rate of salary increase	6.2% - 9%	8.00%
Attrition rate	6% - 15.82%	6% - 23%
Mortality tables	Indian Assured Life (2012-14) Ultimate	Indian Assured Life (2012-14) Ultimate

38 Share-based payments

38.1 Details of the employee share option plan of the Company

On 19 October 2021, the shareholders of the Company have approved the Syrma SGS Employee Stock Option Scheme ("Scheme 1") which forms part of the Syrma SGS Stock Option Plan. Under the Scheme 1, the Company has issued 7,726 options of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

On 19 October 2021, the shareholders of the Company have approved the Syrma SGS Employee Stock Option Scheme ("Scheme 2") which forms part of the Syrma SGS Stock Option Plan. Under the Scheme 2, the Company has issued 16,133 options of Rs. 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

38 Share-based payments (Contd..)

Each employee share option converts into one equity share of the Company on exercise of option under Scheme 1 or Scheme 2. Options may be exercised at any time from the date of vesting to the date of their expiry.

The members in the Extra Ordinary General Meeting (EGM) held on 28 October 2021 have approved the issue of bonus shares in the ratio of 100 equity shares for every 1 equity share as on the date of EGM. Consequently, at the time of exercise of share options, each option shall be converted into the ratio of 1:101. The number of options disclosed below are after giving the impact of Bonus issue.

Option Series	Grant Date	Number of options granted (Pre-Bonus)	Number of options (Post-Bonus)*	Exercise price in Rs.	Vesting period	Fair value of the Option**	Vesting condition
(1) Scheme 1	19-Oct-21	7,726	7,80,326	10	1 to 3 years	56.83	Time based vesting
(2) Scheme 2	19-Oct-21	16,133	16,29,433	10	1 to 4 years	55.52	Time based vesting

* Scheme 2 Includes 195,744 options granted to employees of SGS Teknics Manufacturing Private Limited

**Represent cost recorded by the Company based on fair Valuation Report.

38.2 Vesting schedule

The Company has issued stock options on its own shares to specified employees of the Company and its subsidiary i.e, SGS Teknics Manufacturing Private Limited. The Company uses fair value to account for the compensation cost of stock options to employees in the financial statements. The following are the vesting pattern of ESOPs:

Option Series	Scheme 1	Scheme 2
At the end of one year of service from grant date	50%	25%
At the end of two years	25%	25%
At the end of three years	25%	25%
At the end of four years	-	25%
Total	100%	100%

38.3 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	Scheme 1		Scheme 2	
	Number of options (Post-Bonus)	Weighted average exercise price per option	Number of options (Post-Bonus)	Weighted average exercise price per option
Outstanding as at 1 April 2021	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the year	7,80,326	10.00	16,29,433	10.00
Outstanding as at 31 March 2022	7,80,326	10	16,29,433	10
Forfeited during the year	-	-	37,875	10
Exercised during the year	2,07,702	10	3,41,003	-
Granted during the year	-	-	-	-
Outstanding as at 31 March 2023	5,72,624	10	12,50,555	10

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

38.4 Fair value of share options granted in the year

The weighted average fair value of the share options granted (post bonus) during the year ended 31 March 2023 is Rs. 55.94 (Rs 55.94 for the year ended 31 March 2022). The fair value of options have been estimated on the dates of each grant using the Black scholes model. The various inputs considered in computation of fair value are as follows:

Option Series	Scheme 1	Scheme 2
Grant date share price (Fair value)	65.95	64.36
Exercise price	10	10
Expected volatility	52.90%	50.30%
Dividend yield	2.70%	2.67%
Risk-free interest rate	4.51%	4.78%
Weighted average remaining contractual life (in years)	0.53	1.17

38.5 Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee stock compensation expense under employee benefit expense (refer note 33)*	50.20	35.07

* Expense recognised by the Company in the Note 38.5 above, includes only the options which are granted to the employees of the Company. The expense relating to the option granted i.e, 195,744 options amounting to Rs. 6.97 million, to the employees of the subsidiary Company are recognised by the subsidiary company and correspondingly the Company has considered the same as contribution to the equity capital of the subsidiary Company. (Refer Note 7 and note 18).

39 Segment Reporting

The Company publishes these financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information only in the consolidated financial statements.

40 Disclosure in respect of related parties

40.1 Names of related parties and nature of relationship

Description of relationship	Name of the related party
Holding Company upto 21 October 2021 and entity with significant influence over Company w.e.f 22 October, 2021	Tancom Electronics Private Limited
Subsidiary	SGS Teknics Manufacturing Private Limited (w.e.f. 17 September, 2021)
	Perfect ID India Private Ltd (w.e.f. 22 October, 2021)
	Syrma Technology Inc. (w.e.f 4 March 2022)
Associate	SGS Teknics Manufacturing Private Limited (w.e.f. 05 November 2020 upto 16 September, 2021)
Fellow Subsidiaries upto 21 October, 2021 and entities controlled by entity having significant influence over the Company w.e.f 22 October 2021	Infinx Services Private Limited
	Reliable Consultancy Services Pvt. Limited
	Tandon Holdings Limited
	TIS International (USA) Inc
Whole -time directors (WTD)	Mr. Sandeep Tandon (Executive chairman)
	Mr. Jasbir Singh Gujral (Managing director w.e.f 1 October, 2021)
Key managerial personnel (KMP)	Mr. Sreeram Srinivasan (Chief executive officer w.e.f 29 November, 2021)
	Mr. Bijay Kumar Agrawal (Chief financial officer w.e.f 4 October, 2021)
	Mr. Rahul Nitin Sinnarkar (Company secretary w.e.f 4 October, 2021)

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

40 Disclosure in respect of related parties (Contd..)

Description of relationship	Name of the related party
Non-executive directors	Mr Jayesh Doshi (w.e.f 27 September,2021)
	Mr. Hetal Madhukant Gandhi (w.e.f 29 November, 2021)
	Mr. Anil Govindan Nair (w.e.f 29 November, 2021)
	Mr. Bharat Anand (w.e.f 29 November, 2021)
	Ms. Smita Amit Jatia (w.e.f 29 November, 2021)
	Mr. Kunal Shah (w.e.f 29 November, 2021)
Relatives of directors	Ms. Veena Kumari Tandon (Relative of Mr. Sandeep Tandon)

Notes:

1. Related party relationships are as identified by the management and relied upon by the auditors.
2. The aforesaid List includes only the list of related parties with transactions during the year except where control exists.

40.2 Transactions with the related parties

Particulars	Name of the related party	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Sales of goods and services	Infix Services Pvt.Ltd	0.76	-
	TIS International (USA) Inc	0.11	2.94
	SGS Tekniks Manufacturing Private Limited	9.37	-
Expenses (Refer Note h below)			
Purchase of goods and services (also refer note (f) and (h) below)	TIS International (USA) Inc	-	36.61
	SGS Tekniks Manufacturing Private Limited	5.79	-
	Perfect ID India Private Limited	0.15	-
	Tandon Holdings Limited	33.18	26.53
Remuneration to executive directors and KMP (refer note (a) and (b) below)			
(a) Salary	Mr. Sandeep Tandon	24.00	24.00
	Mr. Jasbir Singh Gujral	13.17	6.43
	Mr. Sreeram Srinivasan	20.81	5.25
	Mr. Bijay Kumar Agrawal	11.23	3.41
	Mr. Rahul Nitin Sinnarkar	1.90	0.65
	(b) Contribution to provident fund	Mr. Sandeep Tandon	2.88
Mr. Jasbir Singh Gujral		1.54	0.77
Mr. Sreeram Srinivasan		0.88	0.30
Mr. Bijay Kumar Agrawal		0.45	0.18
Mr. Rahul Nitin Sinnarkar		0.08	0.04
(c) Perquisite		Mr. Sandeep Tandon	5.10
	Mr. Jasbir Singh Gujral	-	0.16
	Mr. Bijay Kumar Agrawal	7.26	-
	Mr. Rahul Nitin Sinnarkar	0.19	0.18
(d) Reimbursement	Mr. Jasbir Singh Gujral	0.12	-
	Mr. Sreeram Srinivasan	0.82	-
	Mr. Bijay Kumar Agrawal	0.17	-
	Mr. Rahul Nitin Sinnarkar	0.19	-

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

40 Disclosure in respect of related parties (Contd..)

Particulars	Name of the related party	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration to non-executive directors			
(a) Sitting fees paid	Mr. Hetal Madhukant Gandhi	0.51	0.19
	Mr. Anil Govindan Nair	0.39	0.15
	Mr. Bharat Anand	0.41	0.09
	Ms. Smita Amit Jatia	0.34	-
	Mr. Kunal Shah	0.10	0.10
(b) Commission paid (Refer note © below)	Mr. Hetal Madhukant Gandhi	0.32	-
	Mr. Anil Govindan Nair	0.32	-
	Mr. Bharat Anand	0.11	-
	Ms. Smita Amit Jatia	0.21	-
(c) Share based payment transaction perquisite	Mr. Jayesh Doshi	49.20	-
Other transactions (Refer Note (a) and (f) below)			
Recovery of expenses	Infinx Services Private Limited	2.23	3.55
	Perfect ID India Private Limited	0.61	-
	SGS Tekniks Manufacturing Private Limited	45.35	9.10
Recovery of IPO Expenses	Ms. Veena Kumari Tandon	34.08	-
Issue of equity shares against exercise of stock option (Refer note (a) below)	Mr. Bijay Kumar Agrawal	0.00	-
	Mr. Jayesh Doshi	0.00	-
Reimbursement of expenses	Infinx Services Private Limited	0.17	0.05
	Perfect ID India Private Limited	0.05	-
	SGS Tekniks Manufacturing Private Limited	3.06	25.45
Loans given	Syrma Technology Inc	32.86	-
Security deposit	Perfect ID India Private Limited	0.20	-
Interest income on loan given	Syrma Technology Inc	0.39	-

40.3 Related party balances as at the year end

Particulars	Name of the related party	For the year ended 31 March 2023	For the year ended 31 March 2022
Non-current investments	SGS Tekniks Manufacturing Private Limited	3,665.06	3,658.82
	Perfect ID India Private Ltd	535.56	339.23
	Syrma Technology Inc	15.40	15.40
Security deposit (refer note (e) below)	Reliable Consultancy Services Pvt. Limited	10.00	10.00
Trade receivable/other receivables	Infinx Services Private Limited	0.32	3.72
	SGS Tekniks Manufacturing Private Limited	4.17	3.66
	TIS International (USA) Inc	2.97	7.28
	Perfect ID India Private Limited	0.85	-
Loan	Syrma Technology Inc	33.25	-
Advance to suppliers	Reliable Consultancy Services Pvt. Limited	-	0.57
Loans & advances to KMP	Mr. Sreeram Srinivasan	-	2.00

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

40 Disclosure in respect of related parties (Contd..)

Particulars	Name of the related party	For the year ended 31 March 2023	For the year ended 31 March 2022
Liabilities at year end			
Security deposit	Perfect ID India Private Limited	0.20	-
Trade payable	TIS International (USA) Inc	-	7.08
	Reliable Consultancy Services Pvt Limited	0.51	-
	Tandon Holdings Limited	2.49	2.15
	SGS Tekniks Manufacturing Private Limited	3.07	25.45

Notes:

(a) During the previous year ended 31 March 2022, the Company has granted stock options to the following -

S. No.	Name of the KMP	No of Options granted (Pre-Bonus) (in units)	Number of Options (post-Bonus) (in units)
1	Mr. Bijay Kumar Agrawal	984	99,384
2	Mr. Rahul Nitin Sinnarkar	27	2,727
3	Mr. Jayesh Doshi	7,030	7,10,030

The receipt of exercise price on exercise of the share option will be disclosed in the year of actual exercise and the perquisite computed thereon as per Income Tax Act,1961 will also be disclosed in the year of actual exercise.

- (b) As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to KMP are not included above.
- (c) The Commission amount disclosed above represents the actual payment made during the year upon receipt of approval of shareholders in general meeting. The amount payable against which provision has been created which is subject to approval of shareholders in general meeting has not been considered for disclosures w.r.t transactions and year-end balances.
- (d) During the year ended 31 March 2022, the Company has issued the bonus shares to the following -

S. No.	Name of the Related Party	Number of Bonus shares
1	Tancom Electronics Private Limited	6,26,92,500
2	Mr. Jasbir Singh Gujral	1,25,69,000
3	Ms. Veena Kumari Tandon	48,36,000

- (e) The security deposit amount disclosed above, is presented at the undiscounted amount and not at amortised cost as carried in the financial statements.
- (f) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2023 and 31 March 2022, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.
- (g) The aforesaid transactions are disclosed only from the date / upto the date, the party has become / ceases to become a related party to the Company.
- (h) The amount of payables/receivables indicated above is after deducting Tax (wherever applicable) and after including Goods and Services Tax (wherever applicable) as charged by/to the counter party as part of the invoice/relevant document

The amount of transactions disclosed above is without considering Goods and Services Tax (wherever input credit has been availed) as charged by/to the counter party as part of the invoice/relevant document and also gross of withholding tax under the Income Tax Act,1961

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

41 Leases

- (a) The Company, at the inception of a contract assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In adopting Ind AS 116, the Company has applied the below practical expedients:

- (i) The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
 - (ii) The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
 - (iii) The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
 - (iv) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
- (b) The Company has taken land and buildings on leases having lease terms of more than 1 year to 10 years, with the option to extend the term of leases. Refer note 4 for carrying amount of right-to-use assets at the end of the reporting period by class of underlying asset.
- (c) The following is the breakup of current and non-current lease liabilities :

Particulars	As at 31 March 2023	As at 31 March 2022
Current	14.31	13.27
Non-current	37.20	36.28
Total	51.51	49.55

Particulars	As at 31 March 2023	As at 31 March 2022
Not later than one year	19.02	17.85
Later than one year but not later than five years	43.06	43.46
Later than five years	-	-
Total	62.08	61.31

- (e) Amounts recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	5.90	5.29
Expenses relating to short term leases	6.27	7.58
Depreciation on right-of-use assets	17.69	13.30
Total	29.86	26.17

- (f) Amounts recognised in the cash flow statement:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	21.29	16.56

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

42 Earnings per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS (Rs in million)	550.12	306.07
Net profit attributable to equity shareholders for calculation of diluted EPS (Rs in million)	550.12	306.07
Shares		
Number of equity shares at the beginning of the year	13,76,17,853	7,48,041
Number of CCPS at the beginning of the year	-	1,06,132
Number of equity shares issued during the year (refer note 17.1)	3,86,11,284	13,68,69,812
Number of CCPS converted / issued during the year	-	(1,06,132)
Number of ESOP exercised during the year	5,48,705	-
Total number of equity shares outstanding at the end of the year	17,67,77,842	13,76,17,853
Weighted average number of equity shares outstanding during the year for calculation of basic EPS after considering the impact of bonus issue (A)	16,21,77,036	11,39,20,691
Weighted average number of dilutive component of stock options outstanding during the year (B) (refer note below)	18,36,312	9,18,536
Weighted average number of shares outstanding during the year for calculation of dilutive EPS (C = A+B)	16,40,13,348	11,48,39,227
Face value per share (In Rs.)	10.00	10.00
Earning per share		
Basic (In Rs.)	3.39	2.69
Diluted (In Rs.)	3.35	2.67

Note :

Dilutive component of stock options outstanding as at 31 March 2023 and 31 March 2022, is computed after factoring the impact of issue of bonus shares and ESOP. **(Refer Note 17)**

43 Taxation

43.1 Tax expense for the year

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
Current income tax charge	236.02	178.91
Adjustments in respect of prior year	6.45	-
Total	242.47	178.91
Deferred tax:		
In respect of current year origination and reversal of temporary differences	71.13	(6.03)
Total	71.13	(6.03)
Total tax expense recognised in statement of profit and loss	313.60	172.88

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

43 Taxation (Contd..)

43.2 Income tax on other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax:		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation (refer note 37)	0.04	0.43
Fair value gain on equity investments classified as FVTOCI (refer note 7)	4.33	-
	4.37	0.43
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to statement of profit and loss	0.04	0.43
Items that will be reclassified to statement of profit and loss	4.33	-

43.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Amount	Tax Amount	Amount	Tax Amount
Profit before tax from operations	863.72		478.95	
Income tax expense using the Company's tax rate (refer note (i))		301.82	-	167.36
Tax effect of :				
Effect of expenses that are not deductible in determining taxable profit	8.05	2.81	6.74	2.36
Tax adjustment for earlier years	18.47	6.45	-	-
Difference in written down value considered for deferred tax vs tax filings as at 1 April 2022	7.60	2.66		
Others	(0.39)	(0.14)	9.04	3.16
		313.60		172.88

Notes

- (i) The tax rate used w.r.t reconciliation above for the year ended 31 March 2023 and 31 March 2022 is the corporate tax rate of 34.94%, including applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.

43.4 Following is the analysis of the deferred tax (asset) / liabilities presented in the balance sheet.

(a) As at 31 March 2023

Particulars	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT utilization	Recognised in other equity	Closing balance
Tax effect of items constituting deferred tax liabilities:				-		
Difference between carrying value in tangible and intangible assets as per books of account and Income Tax Act, 1961	71.28	66.26	-	-		137.54
Fair value gain / (loss) on equity investments classified as FVTOCI	-		4.33			4.33
Fair value gain / (loss) on equity investments classified as FVTPL	-	0.05				0.05

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

43 Taxation (Contd..)

Particulars	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT utilization	Recognised in other equity	Closing balance
Effective interest rate on borrowings	0.17	(0.07)	-	-		0.10
Fair valuation of Investments	-	0.95	-	-		0.95
Deferred tax liabilities (A)	71.45	67.19	4.33	-	-	142.97
Tax effect of items constituting deferred tax assets:						
Employee benefits	31.83	(3.02)	(0.04)	-		28.77
Provision for contingencies	5.59	(1.75)	-	-		3.84
Tax effect on account of IPO expenses (Refer note 47 (IX))	-	-	-	-	56.32	56.32
Lease liability net of right-of-use assets	0.59	0.09	-	-		0.68
Expected credit loss	7.88	0.74	-	-		8.63
Deferred tax assets (B)	45.89	(3.94)	(0.04)	-	56.32	98.24
Net deferred tax liabilities / (assets) (A-B-C)	25.56	71.13	4.37	-	(56.32)	44.73

(b) As at 31 March 2022

Particulars	Opening balance	Recognised in Profit & Loss	Recognised in OCI	MAT utilization	Recognised in other equity	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between carrying value in tangible and intangible assets as per books of account and Income Tax Act, 1961	76.20	(4.92)	-	-		71.28
Effective interest rate on borrowings	0.75	(0.58)	-	-		0.17
Deferred tax liabilities (A)	76.95	(5.50)	-	-		71.45
Tax effect of items constituting deferred tax assets:						
Employee benefits	26.64	5.61	(0.43)	-		31.83
Provision for contingencies	5.59	-	-	-		5.59
Lease liability net of right-of-use assets	2.64	(2.05)	-	-		0.59
Expected credit loss	7.88	-	-	-		7.88
Mark-to-Market loss on financial instrument	3.05	(3.05)	-	-		-
Deferred tax assets (B)	45.80	0.51	(0.43)	-		45.89
MAT credit entitlement ©	28.73	-	-	(28.73)		-
Net deferred tax liabilities / (assets) (A-B-C)	2.42	(6.01)	0.43	28.73		25.56

International transactions

The Company has entered into international transactions with its associated enterprises. The Management is of the opinion that the Company maintains the necessary documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and believes that the same will not have any impact on the financial statements, particularly on the amount of tax expense for the year ended 31 March 2023 and 31 March 2022.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

44 Provisions

The Company has made provision for contractual warranty obligations and provision for possible contingencies based on the assessment of the amount it expects to incur to meet such obligations. The details of the same are given below:

Provision for warranty:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	0.91	1.42
Provision created during the year	0.42	0.11
Provision utilized / reversed during the year	-	(0.62)
Closing balance	1.33	0.91

Provision for contingencies:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	16.00	16.00
Provision created during the year	-	-
Provision utilized / reversed during the year	(5.00)	-
Closing balance	11.00	16.00

Notes:

- Provision for warranties is estimated in accordance with the Company's accounting policy (refer note 2.14) and is expected to be settled as and when claims are received.
- Whilst the provision for contingencies is considered as short term in nature, the actual outflow with regard to the contingencies depends on various future developments.

45 Financial instruments

45.1 Capital management

The Company manages its capital to ensure that it is able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance. The Company determines the amount of capital required on the basis of an annual budgeting exercise, future capital projects outlay etc. The funding requirements are met through equity, internal accruals and borrowings (short term / long term).

Gearing ratio :

Particulars	As at 31 March 2023	As at 31 March 2022
Debt*	2,512.30	1,325.92
Cash and cash equivalents**	(7,731.00)	(112.04)
Net debt	(5,218.70)	1,213.88
Total equity#	14,550.81	5,438.91
Net debt to equity ratio (in times)	NA	0.22

*Debt is defined as long-term borrowings including current maturities of long term borrowings and short-term borrowings.

**Cash and cash equivalents includes other bank balances (current and non-current portion)

#Equity includes all capital and reserves of the Company that are managed as capital.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

45.2 Categories of financial instruments

As at 31 March 2023

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through Profit or Loss	Financial assets at fair value through OCI	Total carrying value
Financial assets:					
Non-current financial asset					
- Investment in subsidiaries	4,216.75	-	-	-	4,216.75
- Security deposits	-	85.38	-	-	85.38
- Loan to related party	-	33.25	-	-	33.25
- Investment in CCPS	-	-	10.24	-	10.24
- Investment in equity shares	-	-	-	39.81	39.81
- Other bank deposits	-	7,368.19	-	-	7,368.19
	4,216.75	7,486.82	10.24	39.81	11,753.62
Current financial asset					
- Trade receivables	-	2,306.95	-	-	2,306.95
- Investment in mutual fund	-	-	339.62	-	339.62
- Cash and cash equivalents	-	291.53	-	-	291.53
- Other bank balances	-	71.28	-	-	71.28
- Other financial asset	-	48.13	-	-	48.13
	-	2,717.89	339.62	-	3,057.51
Total	4,216.75	10,204.71	349.86	39.81	14,811.13
Financial liabilities :					
Non-current financial liability					
- Borrowings	-	863.08	-	-	863.08
- Security deposit	-	0.20	-	-	0.20
- Lease liabilities	-	37.20	-	-	37.20
	-	900.48	-	-	900.48
Current financial liability					
- Borrowings	-	1,649.22	-	-	1,649.22
- Trade payables	-	3,533.70	-	-	3,533.70
- Lease liabilities	-	14.31	-	-	14.31
- Other financial liabilities	-	422.22	-	-	422.22
	-	5,619.45	-	-	5,619.45
Total	-	6,519.93	-	-	6,519.93

As at 31 March 2022

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through Profit or Loss	Financial assets at fair value through OCI	Total carrying value
Financial assets:					
Non-current financial asset					
- Investment in subsidiaries	4,013.45	-	-	-	4,013.45
- Investment in CCPS	-	-	10.01	-	10.01
- Investment in equity shares	-	-	-	21.22	21.22
- Security deposits	-	37.17	-	-	37.17
	4,013.45	37.17	10.01	21.22	4,081.85

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through Profit or Loss	Financial assets at fair value through OCI	Total carrying value
Current financial asset					
- Trade receivables	-	1,717.95	-	-	1,717.95
- Cash and cash equivalents	-	88.34	-	-	88.34
- Other bank balances	-	23.70	-	-	23.70
- Other financial asset	-	64.73	-	-	64.73
	-	1,894.72	-	-	1,894.72
Total	4,013.45	1,931.89	10.01	21.22	5,976.57
Financial liabilities :					
Non-current financial liability					
- Borrowings	-	34.78	-	-	34.78
- Lease liabilities	-	36.28	-	-	36.28
	-	71.06	-	-	71.06
Current financial liability					
- Borrowings	-	1,291.14	-	-	1,291.14
- Trade payables	-	1,483.01	-	-	1,483.01
- Lease liabilities	-	13.27	-	-	13.27
- Other financial liabilities	-	159.72	-	-	159.72
	-	2,947.14	-	-	2,947.14
Total	-	3,018.20	-	-	3,018.20

45.3 Financial risk management framework:

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk) and credit risk.

The Company has not offset financial assets and financial liabilities.

45.4 Market risk:

The Company's activities are exposed to finance risk, interest risk & credit risk. However, the Company is primarily exposed to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

45.5 Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and consequently exposures to exchange rate fluctuation arises. These exposures are reviewed periodically with reference to the risk management policy followed by the Company.

The Company does trade financial instruments which are not designated as hedges for accounting purposes, but provide an economic hedge of the particular transaction risk or a risk component of the transaction. Fair value changes in such derivative instruments are recognised in the statement of profit and loss.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

As at 31 March 2023

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year that have not been hedged by a derivative instrument or otherwise are as follows:

A. Outstanding assets

Particulars	Currency	Foreign currency in Million	Rs. in Million
Bank balance - EEFC	USD	0.42	34.31
	EUR	0.20	17.83
Loan to related party Receivables	USD	0.40	33.25
	EUR	1.72	153.98
	USD	8.35	686.40

B. Outstanding liabilities

Particulars	Currency	Foreign currency in Million	Rs. in Million
Long-term borrowings (Including current maturities of long term borrowings)	EUR	0.42	37.51
Payables (including payables on purchase of fixed assets)	USD	25.82	2,122.24
	EUR	0.84	75.51
	AUD	0.00	0.10
	SGD	0.00	0.31
	GBP	0.01	1.45
	JPY	1.75	1.10

As at 31 March 2022

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year that have not been hedged by a derivative instrument or otherwise are as follows :

A. Outstanding assets

Particulars	Currency	Foreign currency in Million	Rs. in Million
Bank balance - EEFC	USD	0.12	9.06
	EUR	0.06	5.02
Receivables	USD	11.50	871.07
	EUR	1.36	114.49

B. Outstanding liabilities

Particulars	Currency	Foreign currency in Million	Rs. in Million
Long-term borrowings (Including current maturities of long term borrowings)	USD	0.70	58.78
Short-term borrowings	USD	7.76	588.48
Payables (including payables on purchase of fixed assets)	USD	11.74	890.16
	EUR	0.36	30.47
	GBP	0.00	0.21
	JPY	0.29	0.18

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

45.6 Foreign currency sensitivity analysis :

The Company is mainly exposed to the currencies of USD, EUR,GBP and JPY

The following table details the Company's sensitivity to a 5% increase and decrease in the Indian rupees against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Indian Rupees strengthens 5% against the relevant currency. For a 5% weakening of the Indian Rupees against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

Impact on profit /(loss) and equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(44.52)	44.52	(19.49)	19.49
EUR	1.91	(1.91)	0.90	(0.90)
GBP	(0.05)	0.05	(0.01)	0.01
JPY	(0.04)	0.04	(0.01)	0.01

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the respective reporting period.

45.7 Interest rate risk management

Interest rate is the risk that an upward / downward movement in interest rates would adversely / favourably affect the borrowing costs of the Company.

Fair value sensitivity analysis for floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate. If interest rates had been 25 basis points higher or lower and all other variables were constant, the Company's profit after tax would have changed by the following:

Impact on profit /(loss) and equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	25 bps increase	25 bps decrease	25 bps increase	25 bps decrease
Impact on profit for the year	(1.47)	1.47	(1.15)	1.15

45.8 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the risk management policy of the Company. The Company invests its surplus funds in bank fixed deposits and mutual funds.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

Liquidity and interest risk tables :

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table below represents principal and interest cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total contractual cash flows	Carrying amount
As at 31 March 2023					
Borrowings	1,715.20	947.73	53.56	2,716.49	2,512.30
Lease liabilities	19.02	43.06	-	62.08	51.51
Trade payables	3,533.70	-	-	3,533.70	3,533.70
Other financial liabilities	422.22	-	0.20	422.42	422.42
Total	5,690.14	990.79	53.76	6,734.69	6,519.93
As at 31 March 2022					
Borrowings	1,292.79	36.15	-	1,328.94	1,325.92
Lease liabilities	17.85	43.46	-	61.31	49.55
Trade payables	1,483.01	-	-	1,483.01	1,483.01
Other financial liabilities	159.72	-	-	159.72	159.72
Total	2,953.37	79.61	-	3,032.98	3,018.20

The amount included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest determined at the end of the reporting period.

45.9 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on a regular basis.

45.10 Commodity risk

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the Company. The key raw material for the Company are Printed Circuit Boards (PCB), Integrated Circuits (IC) and Transistors. The Company imports its few raw materials and due to ongoing situation in international market, these raw material is in shortage or available at higher prices resulting in reduced margins. The Company keeps on negotiating with its customers to recover through price hike of the finished products.

45.11 Fair value measurement

The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value / amortized cost:

- Long-term fixed-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

45 Financial instruments (Contd..)

- (b) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (c) Fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the respective reporting period. The own non-performance risk as at 31 March 2023 and 31 March 2022 was assessed to be insignificant.

(i) Financial Assets that are measured at fair value through OCI/Profit and loss

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

Particulars	Amount		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2023	As at 31 March 2022		
Investment in CCPS - FVTPL	10.24	10.01	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data
Investment in equity Shares - FVOCI	39.81	21.22	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data
Investments in mutual fund	339.62	-	Level I	The fair value is calculated based on the inputs for the assets that are based on observable market data

There are no transfer between level 1, level 2 and level 3.

(iii) Financial Assets that are not measured at fair value:

Particulars	Amount	
	As at 31 March 2023	As at 31 March 2022
Investment in subsidiaries [^]	4,216.75	4,013.45

[^] The aforesaid value represents the cost, as carried in books as per the accounting policy of the Company. Refer note 7.

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013

I. Ratio analysis and its elements

The below non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(a) Current ratio = Current assets / Current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets	7,207.49	3,385.00
Current liabilities	6,157.22	3,575.72
Ratio (in times)	1.17	0.95
% Change from previous year	23.65 %	

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

(b) Debt equity ratio

(1) As per guidance note of ICAI debt equity ratio = Total debt / Total shareholder's equity

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt*	2,512.30	1,325.92
Total equity	14,550.81	5,438.91
Ratio (in times)	0.17	0.24
% Change from previous year	(29.18)%	

*Total debt includes long term borrowings and short term borrowings.

Reason for change more than 25%:

The Company got listed in the Financial Year 22-23 on stock exchange resulting in an increase in equity share capital and securities premium reserve resulting in an improved ratio.

(2) Company believes that the debt equity ratio computed as Long term debt / Average shareholder's equity, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Long term debt*	894.34	58.29
Average equity**	9,994.86	3,910.31
Ratio (in times)	0.09	0.01
% Change from previous year	500.27 %	

*Long term debt includes long term borrowing and current maturities of long-term borrowings

**Average equity represents the average of opening and closing equity.

Reason for change more than 25%

The Company got listed in the Financial Year 22-23 on stock exchange resulting in an increase in the equity share capital and securities premium reserve. The Company has obtained an additional long term loan to fund its expansion plans resulting in an increase of long term debt.

(c) Debt service coverage ratio = Earnings available for debt services / Total interest and principal repayments

Particulars	As at 31 March 2023	As at 31 March 2022
Profit after tax (A)	550.12	306.07
Add: Non cash operating expenses and finance cost		
- Depreciation and amortisation (B)	171.31	130.93
- Finance cost *(C)	10.56	10.25
- Other non-cash operating expenses (D)	43.73	25.83
Total non cash operating expenses and finance cost (Pre-tax) (E=B+C+D)	225.60	167.01
Total non cash operating expenses and finance cost (Post-tax) (F = E*(1-Tax rate))	146.78	108.66
Earnings available for debt services (G = A+F)	696.90	414.73

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
Expected interest outflow on long term borrowings ^{**} (H)	68.49	1.65
Lease payments for next one year (I)	19.02	17.85
Principal repayments (J)	31.26	520.21
Total interest and principal repayments (K = H + I + J)	118.77	539.70
Ratio (in times) (L = G / K)	5.87	0.77
% Change from previous year	663.58 %	

* Finance cost is excluding interest on short term borrowings

** Expected interest outflow on long term borrowings and principal repayments represent the expected outflows until 31 March 2024 / 31 March 2023 (one year from the balance sheet date)

Reason for change more than 25%:

The Company has closed a short term loan during the year and also availed a long term loan to fund its expansion plans with a moratorium period of 12 months (Moratorium only for principal repayments), hence reducing repayment obligation in the upcoming year and leads to an improved ratio. The Company's Profit before tax has also increased during the year.

(d) Return on equity ratio = Net profit after tax / Average equity

Particulars	As at 31 March 2023	As at 31 March 2022
Average equity*	550.12	306.07
Ratio (in %)	9,994.86	3,910.31
% Change from previous year	5.50%	7.83%
	(29.68)%	

*Average equity represents the average of opening and closing equity.

Reason for change more than 25%:

While the Company's net profit after tax has increased, the Company has got listed in the Financial year 22-23 on stock exchange thereby increasing the equity share capital and securities premium. Significant part of the proceeds from IPO are parked in deposit account for future capital expansion and hence not yielding any direct enhancement in the existing operations resulting in a reduction in the ration"

(e) Inventory turnover ratio = Cost of materials consumed / average inventory

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed*	8,695.12	4,487.42
Average inventory**	2,314.55	959.34
Ratio (in times)	3.76	4.68
% Change from previous year	(19.69)%	

*Cost of materials consumed comprises of cost of raw materials consumed, consumption of spares, purchases of stock-in-trade and changes in inventories

**Average inventory represents the average of opening and closing inventory.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

(f) Trade receivables turnover ratio = Credit sales / average trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Credit sales (net)*	12,029.70	6,611.61
Average trade receivables#	1,672.06	1,306.46
Ratio (in times)	7.19	5.06
% Change from previous year	42.16 %	

*Credit sales includes sale of products, services, scrap sales and GST component on such sales

Trade receivables is included gross of ECL and net of customer advances. Average trade receivables represents the average of opening and closing trade receivables."

Reason for change more than 25%:

The Company has been able to negotiate better terms with its customers resulting in a reduction of average credit period and an improvement in the debtors Turnover Ratio.

(g) Trade payables turnover ratio = Credit purchases / Average trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Credit purchases (net)*	13,476.27	6,008.27
Average trade payables#	2,500.80	1,297.98
Ratio (In times)	5.39	4.63
% Change from previous year	16.41 %	

*Credit purchases includes purchases of raw-material, stock-in-trade and all other expenses including corresponding GST Input credit availed except cash and non-cash transaction like rates and taxes, bank charges, CSR, loss on sale of assets and mark-to-market loss.

#Trade payables excludes employee benefits payables. Average trade payables represents the average of opening and closing trade payables.

(h) Net capital turnover ratio

(1) As per guidance note of ICAI net capital turnover ratio = Net sales / Working capital

Particulars	As at 31 March 2023	As at 31 March 2022
Sales* (A)	11,726.51	6,540.95
Current assets (B)	7,207.49	3,385.00
Current liabilities	6,157.22	3,575.72
Working capital (D = B-C)	1,050.27	(190.72)
Ratio (in times) (E = A/D)	11.17	(34.30)
% Change from previous year	(132.56)%	

*Sales represents total income

Reason for change more than 25%:

The Company's improved receivables turnover ratio and the repayment of short-term loan from HSBC has significantly improved the working capital along with corresponding increase in sales. This has resulted in an improved capital turnover ratio. Along with corresponding increase in sales, this has resulted in an improved capital turnover ratio

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

- (2) Company believes that the net capital turnover ratio computed as Net sales / Working capital excluding short term borrowings, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Sales* (A)	11,726.51	6,540.95
Current assets (B)	7,207.49	3,385.00
Current liabilities (C)**	4,539.26	2,308.09
Working capital (D = B-C)	2,668.23	1,076.91
Ratio (in times) (E = A/D)	4.39	6.07
% Change from previous year	(27.64)%	

*Sales represents total Income

**Current liabilities excludes short term borrowings, includes current maturities of long-term borrowing

Reason for change more than 25%:

The Company's improved receivables turnover ratio and the repayment of short-term loan from HSBC has significantly improved the working capital along with corresponding increase in sales. This has resulted in an improved capital turnover ratio. Along with corresponding increase in sales, this has resulted in an improved capital turnover ratio

(i) Net profit ratio

- (1) As per guidance note of ICAI net profit ratio = Net profit after tax / Total Sales

Particulars	As at 31 March 2023	As at 31 March 2022
Net-profit after tax	550.12	306.07
Sales#	11,726.51	6,540.95
Ratio (in %)	4.69%	4.68%
% Change from previous year	0.26 %	

#Sales represents total income

- (2) Company believes that net profit ratio computed as Net profit before tax / Total sales, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Net-profit before tax	863.72	478.95
Sales#	11,726.51	6,540.95
Ratio (in %)	7.37%	7.32%
% Change from previous year	0.59 %	

#Sales represents total income

(j) Return on capital employed (pre -tax)

- (1) As per guidance note of ICAI = Earnings before interest and taxes (EBIT) / Capital employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (A)	863.72	478.95
Finance costs (B)	139.12	33.67
EBIT © = (A)+(B)	1,002.84	512.62
Capital employed #	12,875.57	2,810.00
Ratio (in %)	7.79%	18.24%
% Change from previous year	(57.31)%	

#Capital employed has been computed as (total assets excluding investments in subsidiaries/associates and intangible assets) - (current liabilities excluding short term borrowings and lease liabilities) - (long term provisions)

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

Reason for change more than 25%:

While the Company's net profit before tax has increased, the Company has got listed in the Financial year 22-23 on stock exchange thereby increasing the equity share capital and securities premium. Significant part of the proceeds from IPO are parked in deposit account for future capital expansion and hence not yielding any direct enhancement in the existing operations resulting in a reduction in the ratio.

- (2) Company believes that this shall be computed as Earnings before interest and taxes (EBIT) / Average capital employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (A)	863.72	478.95
Finance costs (B)	139.12	33.67
EBIT © = (A)+(B)	1,002.84	512.62
Average capital employed #	7,842.79	2,453.56
Ratio (in %)	12.79%	20.89%
% Change from previous year	(38.80)%	

#Average capital employed represents the average of opening and closing capital employed.

Reason for change more than 25%:

While the Company's net profit before tax has increased, the Company has got listed in the Financial year 22-23 on stock exchange thereby increasing the equity share capital and securities premium. Significant part of the proceeds from IPO are parked in deposit account for future capital expansion and hence not yielding any direct enhancement in the existing operations resulting in a reduction in the ratio.

- (k) Return on investment = Net profit after tax / Average equity

The Company believes that Return on equity (ROE) ratio as disclosed above is an apt measure of Return on investment ratio as well.

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit after tax	550.12	306.07
Average equity*	9,994.86	3,910.31
Ratio (in %)	5.50%	7.83%
% Change from previous year	(29.68)%	

*Average equity represents the average of opening and closing total equity.

Reason for change more than 25%:

While the Company's net profit before tax has increased, the Company has got listed in the Financial year 22-23 on stock exchange thereby increasing the equity share capital and securities premium. Significant part of the proceeds from IPO are parked in deposit account for future capital expansion and hence not yielding any direct enhancement in the existing operations resulting in a reduction in the ratio.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others

I. Loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties'

As at 31 March 2023

Type of borrower	Amount of loan or advance in the nature of loan outstanding	In the nature of loan / advance	Percentage to the total loans and advances in the nature of loans	Repayable on demand / without specifying any terms or period of repayment
Related parties	33.25	Loan	100%	No

As at 31 March 2022

Type of borrower	Amount of loan or advance in the nature of loan outstanding	In the nature of loan / advance	Percentage to the total loans and advances in the nature of loans	Repayable on demand / without specifying any terms or period of repayment
Related parties	2.57	Advance	NA	To be adjusted against subsequent supply of goods or services.

II Capital work in progress (CWIP)

CWIP predominantly comprises of the following:-

Particulars	As at 31 March 2023	As at 31 March 2022
Plant and machinery	25.71	10.30
Buildings	173.66	274.71
Electrical equipment	-	94.70
Others	3.81	10.92
Total	203.18	390.63

As at 31 March 2023

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	203.18	-	-	-	203.18

As at 31 March 2022

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	390.63	-	-	-	390.63

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others (Contd..)

III Intangible assets under development aging schedule

As at 31 March 2023

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	49.36	-	-	-	49.36

As at 31 March 2022

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.69	-	-	-	8.69

IV The ageing schedule of trade receivables is as follows:

a) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Not Due	Total*
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) Undisputed trade receivables – considered good	370.26	144.20	23.41	13.68	56.37	1,723.73	2,331.65
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others (Contd..)

b) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Not Due	Total*
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) Undisputed trade receivables – considered good	404.29	29.42	45.52	8.56	54.57	1,199.11	1,741.47
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-

Receivables over one year includes Rs. 57.57 Million for the year ended 31 March 2023 (Rs. 179.21 Million for the year ended 31 March 2022) from certain customers with a corresponding payable to / advance received from respective parties / their group entities.

* The ageing has been given based on gross trade receivables without considering expected credit loss allowance.

V. The ageing schedule of trade payables is as follows:

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	-	-	-	-	9.55	9.55
(ii) Others	1,803.09	82.86	8.49	76.74	1,552.96	3,524.15
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	1.47	-	0.03	0.07	14.22	15.79
(ii) Others	571.05	12.70	13.05	75.23	795.19	1,467.22
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others (Contd..)

VI. Comparison of quarterly returns furnished to banks with books of account

The Company is filing statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan. The below is summary of quarterly statement filed with the banks duly compared with the books of accounts.

For the year ended 31 March 2023

Quarter ended	Inventory			Receivables		
	As per quarterly return (A)	As per books (B) (refer note ii)	Difference (C = B - A)	As per quarterly return (D)	As per books (refer note iv) (E)	Difference (F = E - D)
30-Jun-22	1,218.01	1,539.71	321.70	1,919.30	1,958.87	39.57
30-Sep-22	2,684.91	2,688.17	3.26	2,190.88	2,221.22	30.34
31-Dec-22	3,520.25	3,531.34	11.09	1,817.29	1,853.35	36.06
31-Mar-23	3,458.95	3,481.17	22.22	2,093.73	2,331.65	237.92

For the year ended 31 March 2022

Quarter ended	Inventory			Receivables		
	As per quarterly return (A)	As per books (B) (refer note ii)	Difference (C = B - A)	As per quarterly return (D)	As per books (refer note iv) (E)	Difference (F = E - D)
30-Jun-21	628.68	859.45	230.77	1,202.03	1,361.79	159.76
30-Sep-21	793.00	792.01	(0.99)	1,606.89	1,824.72	217.83
31-Dec-21	1,000.78	1,000.20	(0.58)	1,270.58	1,557.20	286.62
31-Mar-22	950.35	1,147.93	197.58	1,412.33	1,741.47	329.14

Notes:

- (i) The variance in inventories is on account of certain year end adjustments such as overhead and labour allocation and other adjustment entries recorded in books post filing of the returns with the banks.
- (ii) Inventory as per books of accounts disclosed above for the year FY 22-23 and FY 21-22 excludes goods in transit, inventory of certain divisions of the Company and allowance for obsolete and non-moving inventory except for quarter ended March 2022.
- (iii) The variance in receivables is on account of certain aged debtors more than one year not included in returns filed with Banks as well as period end adjustments such as restatement of foreign currency receivables, reconciliation based on confirmation, etc. being carried out in books post filing of the returns with the banks.
- (iv) Gross receivables (without factoring expected credit losses) for the year FY 22-23 and FY 21-22 excludes receivables of certain division of the Company except for quarter ended March 2022.
- (v) The variance in the returns/statements filed by the Company were subsequently rectified to submit the information as per books of accounts with the banks.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others (Contd..)

VII Disclosure under Section 186(4) of the Companies Act, 2013

Loans given (A)

Name of related party	Nature of relationship	Nature of Loan	Interest % Per annum	Tenor of loan	Purpose for which loan has been utilised	Amount outstanding	
						As at 31 March 2023	As at 31 March 2022
Syrma Technology Inc	Subsidiary	Unsecured- Considered good	3.5%-4.5%	3 Years	Working Capital	32.86	-

Investments made (B)

S.no	Name of the Company	Investments at Cost	
		As at 31 March 2023	As at 31 March 2022
1	SGS Teknics Manufacturing Private Limited	3,658.82	3,658.82
2	Perfect ID India Private Limited	535.56	339.23
3	Syrma Technology Inc.	15.40	15.40
4	Inotech FEG GmbH	21.22	21.22
5	Airth Research Private Limited	10.01	10.01
	Total	4,241.01	4,044.68

Particulars	As at 31 March 2023	As at 31 March 2022
Total (A)+(B)	4,273.87	4,044.68

VIII. Details of IPO Proceeds

The Company received an amount of Rs. 7,257.22 Million (net of IPO expenses of INR 402.78 Million) from proceeds out of fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

Objects of the issue as per Prospectus	Amount to be utilised as per prospectus	Utilisation upto 31 March 2023	Unutilised amount as on 31 March 2023
Funding capital expenditure	4,030.00	339.54	3,690.46
Funding working capital requirements	1,315.80	672.54	643.26
General Corporate Purposes	1,911.42	-	1,911.42
Total	7,257.22	1,012.08	6,245.14

Net IPO Proceeds which were unutilised as at 31 March 2023 were temporarily invested in Deposits with Scheduled commercial banks.

IX Details of IPO Expenses

The Company has incurred INR 436.86 Million as IPO related expenses and allocated such expenses between the Company and selling shareholder based on agreement between the Company and selling shareholder and in proportion to the total proceeds raised as stated above, amounting to INR 402.78 Million and INR 34.08 Million respectively. The Company's share of expenses of INR 269.80 Million (Net of tax benefit) has been adjusted against Securities Premium as at 31 March 2023.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others (Contd..)

Details of IPO Expenses debited to securities premium during year ended 31 March 2023

Particulars	Amount
IPO Expenses incurred	402.78
Less: Current Tax impact	(76.66)
Less: Deferred Tax impact (Provision)	(56.32)
Net amount debited to securities premium	269.80

X. Other statutory information

- (a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (b) The Company did not have any transactions with companies struck off.
- (c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
- (g) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (h) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
 - (i) The Company does not have any scheme of arrangements which have been approved by the competent authority in terms of sections 230 to 237 of the Act.
- (j) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (k) The Company has utilised the borrowing amount taken from financial institutions for the purpose as stated in the sanction letter.

48 Foreign Exchange Management Act, 1999

The Company has approached the designated authority and is in the process of filing the required documents as may be required with the designated authority in connection with the various foreign exchange transactions of earlier years, relating to certain long outstanding payables to foreign parties and receivable from export customers etc., to ensure compliance with the Foreign Exchange Management Act, 1999.

The management is confident of completing all the required formalities and obtaining the required approvals / ratification from the designated authority (AD bank / RBI as the case may be) and does not estimate any outflow of cash on account of the same.

Notes forming part of Standalone Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

49 Previous year comparatives

Previous year figures have been reclassified to conform to the current year classification/presentation.

50 During the current year, the following entities have been incorporated with the Company being subscriber to the Memorandum of Association of each of the below entities :-

- a. Syrma SGS Design and Manufacturing Private Limited.
- b. Syrma SGS Electronics Private Limited
- c. Syrma SGS Technology and Engineering Services Limited

As at 31 March, 2023 the Company is yet to subscribe to the share capital of the above mentioned entities.

51 Events after the latest reporting period, i.e 31 March 2023

The Board or Directors have recommended a final dividend of 15 % (INR 1.5/- per Equity Share of Rs. 10/- each) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company and hence no provision is created in the standalone financial statements.

52 Approval of financial statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2023, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements at its meeting held on 18 May 2023. The shareholders of the Company have the rights to amend the Standalone Financial Statements in the ensuing Annual general meeting post issuance of the same by the Board of directors.

For and on behalf of the Board of Directors of
Syrma SGS Technology Limited

Sandeep Tandon

Executive Chairman
DIN : 00054553
Place : Mumbai
Date : 18 May 2023

JS Gujral

Managing Director
DIN : 00198825
Place : Mumbai
Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Chennai
Date : 18 May 2023

Rahul Sinnarkar

Company Secretary
Membership number : A39709
Place : Mumbai
Date : 18 May 2023

Consolidated Financial Statements



Independent Auditor's Report

To
The Members of
Syrma SGS Technology Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Syrma SGS Technology Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which and the Group's share of profit in its associate comprise the Consolidated Balance Sheet as at 31st March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries/associate referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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>Inventory Valuation</p> <p>The Parent along with one key subsidiary held an inventory balance of ₹ 5,752.50 million (23% of total assets) as at March 31, 2023, as disclosed in Note 11 and is a material balance for the Company. As described in the accounting policies in Note 13 to the consolidated financial statements, Inventories are valued at the lower of cost on weighted average basis and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary in accordance with Ind AS 2.</p>	<p>Principal audit procedure performed</p> <p>We performed the following procedures with respect to the inventory valuation:</p> <ul style="list-style-type: none"> Performed opening balance testing while migration of inventories to SAP S4 Hana as on April 1, 2022; Evaluate the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect; Obtained understanding and evaluated testing the design and operating effectiveness of controls as established by the management for valuation of inventory;

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Parent along with one key subsidiary migrated to SAP with effect from April 1, 2022. There were certain challenges at the time of migration to SAP which were subsequently rectified by the Company during the year. Considering the adjustment entries recorded manually during the year to address the migration related issues relating to inventory balances, there is a risk that inventories may be stated at values that are not representative of the costs or at values that are more than their net realizable value ('NRV').</p> <p>Accordingly, this has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • For selected samples: <ul style="list-style-type: none"> ✓ Observed the inventory count performed by management; ✓ Agreed the quantity considered in the inventory valuation to the physical verification reports prepared by the management; ✓ Tested the accuracy of the cost of inventory by examining supporting documents such as vendor purchase orders/ contracts, purchase invoices and shipping documents and production records; ✓ For inventory of raw materials, tested the accuracy of the weighted average cost of inventory by recomputing the cost of inventory; ✓ For inventory of work-in-progress and finished goods, recomputed the cost by examining the bill of material and validating the key assumptions relating to overhead allocation; ✓ Obtained an understanding of the determination of net realizable value of inventories and evaluating the reasonableness keeping in view the significant judgements applied by the management for such valuation; ✓ Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/ slow moving items.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate, is traced from their financial statements audited by the other auditors.
- When we read the information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

- (a) We did not audit the financial statements of one subsidiary and two step down subsidiaries, whose financial statements reflect total assets of ₹ 844.34 million as at 31st March, 2023, total revenues of ₹ 949.19 million, total net profit after tax of Rs 182.06 million, total comprehensive income ₹ 185.30 million and net cash inflows/ (outflows) amounting to ₹

66.81 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- (b) We did not audit the financial information of one subsidiary whose financial information reflect total assets of ₹ 35.78 million as at 31st March, 2023, total revenues of ₹ 4.80 million, total net loss after tax of ₹ 13.05 Million, total comprehensive loss of ₹ 12.13 Million and net cash inflows amounting to ₹ 3.28 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.33 million for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of one associate whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies .
- 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 Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiaries companies incorporated in India;
 - iv) (a) The respective Managements of the Parent 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 subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise,

- that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or 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 Parent 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 subsidiaries respectively that, to the best of their knowledge and belief, other than as no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or 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 performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent 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.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ananthi Amarnath

Partner

(Membership No. 209252)

UDIN: 23209252BGXMKI8974

Place: Chennai

Date: May 18, 2023

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements 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 Group as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Syрма SGS Technology Limited (hereinafter referred to as "the Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ananthi Amarnath

Partner

Place: Chennai
Date: May 18, 2023

(Membership No. 209252)
UDIN: 23209252BGXMKI8974

Consolidated Balance Sheet

as at 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	3,837.19	2,339.77
(b) Capital work-in-progress	54III.	203.82	390.63
(c) Right-of-use assets	4	268.60	238.48
(d) Investment property	5	-	4.13
(e) Goodwill	46	1,181.85	1,181.85
(f) Other intangible assets	6	36.31	15.11
(g) Intangible assets under development		49.36	17.38
(h) Financial assets			
(i) Non-current investments	8	59.96	47.10
(ii) Other financial assets	9	7,474.93	52.41
(i) Income tax asset (net)	10	19.87	29.39
(j) Deferred tax asset (net)	49.4	-	1.08
(k) Other non-current assets	11	15.72	212.28
Total non-current assets		13,147.61	4,529.61
II Current Assets			
(a) Inventories	12	5,874.37	2,913.00
(b) Financial assets			
(i) Current investments	13	780.44	362.99
(ii) Trade receivables	14	4,032.47	2,722.34
(iii) Cash and cash equivalents	15.1	464.90	334.11
(iv) Other bank balances	15.2	79.39	34.97
(v) Other financial assets	16	47.78	73.76
(c) Other current assets	17	984.59	571.33
Total current assets		12,263.94	7,012.50
Total assets		25,411.55	11,542.11
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	18	1,767.78	1,376.17
(b) Other equity	19	13,635.00	4,344.39
Equity attributable to owners of the Company		15,402.78	5,720.56
(c) Non Controlling Interest		26.15	108.41
Total equity		15,428.93	5,828.97
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	869.85	38.92
(ii) Lease liabilities	47	246.64	218.89
(b) Provisions	21	92.05	69.60
(c) Deferred tax liabilities (net)	49.4	137.55	123.70
(d) Other non-current liabilities	22	37.01	33.06
Total non-current liabilities		1,383.10	484.17
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	2,598.53	1,903.48
(ii) Lease liabilities	47	32.22	21.62
(iii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		113.77	76.56
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,767.00	2,327.95
(iv) Other financial liabilities	25	436.68	171.07
(b) Other current liabilities	26	493.43	652.43
(c) Provisions	27	41.59	40.82
(d) Current tax liabilities (net)	28	116.30	35.04
Total current liabilities		8,599.52	5,228.97
Total liabilities		9,982.62	5,713.14
Total equity and liabilities		25,411.55	11,542.11

Notes 1 to 59 form an integral part of these consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Firm Registration no. 117366W/W-100018
Chartered Accountants

Ananthi Amarnath

Partner
Membership number : 209252

Place : Chennai
Date : 18 May 2023

For and on behalf of the Board of Directors of
Syrma SGS Technology Limited
CIN : L30007MH2004PLC148165

Sandeep Tandon

Executive Chairman
DIN : 00054553
Place : Mumbai
Date : 18 May 2023

Bijay Kumar Agrawal
Chief Financial Officer

Place : Mumbai
Date : 18 May 2023

JS Gujral

Managing Director
DIN : 00198825
Place : Mumbai
Date : 18 May 2023

Rahul Sinnarkar

Company Secretary
Membership number : A39709
Place : Mumbai
Date : 18 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
1 Revenue from operations	29	20,483.88	10,197.20
2 Other income	30	437.49	122.78
3 Total income (1+2)		20,921.37	10,319.98
4 Expenses			
(a) Cost of raw materials consumed	31	15,592.59	7,358.29
(b) Purchases of stock-in-trade	32	164.52	20.84
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(352.26)	(193.72)
(d) Employee benefits expense	34	1,059.72	597.15
(e) Finance costs	35	215.88	63.72
(f) Depreciation and amortization expense	7	311.99	194.29
(g) Other expenses	36	2,141.62	1,470.39
Total expenses		19,134.06	9,510.96
5 Profit before tax (3 - 4)		1,787.31	809.02
6 Tax expense:			
- Current tax	49	486.96	269.79
- Tax pertaining to previous years	49.1	1.12	-
- Deferred tax (net)	49	68.14	(2.17)
Total tax expense		556.22	267.62
7 Share of Post-acquisition Profit / (Loss) of Associate		(0.33)	25.34
8 Profit for the year (5 - 6+7)		1,230.76	566.74
9 Other comprehensive income			
(A) Items that will not be reclassified to Profit and Loss			
(i) Remeasurement of the defined benefit plans		(4.85)	1.39
(ii) Income tax expenses relating to the above		1.21	(0.47)
(iii) Share of Equity accounted investee		-	(0.21)
		(3.64)	0.71
(B) Items that will be reclassified to Profit and Loss			
(i) Exchange differences in translating financial statements of foreign operations		5.77	(1.72)
(ii) Share of Equity accounted investee		-	0.03
(iii) Fair value gain on equity investments classified as FVTOCI		18.60	-
(iv) Income tax expenses relating to the above		(4.33)	-
Total other comprehensive income for the year		20.04	(1.69)
10 Total comprehensive income for the year (8+9)		1,247.16	565.76
11 Profit for the year attributable to			
Owners of the Company		1,193.20	555.38
Non-controlling interests		37.56	11.36
		1,230.76	566.74
12 Total other comprehensive income for the year attributable to			
Owners of the Company		16.51	(0.89)
Non-controlling interests		(0.11)	(0.09)
		16.40	(0.98)
13 Total comprehensive income for the year attributable to			
Owners of the Company		1,209.71	554.49
Non-controlling interests		37.45	11.27
		1,247.16	565.76
14 Earnings per equity share (Face Value of ₹ 10 each)	48		
- Basic (In ₹)		7.59	4.97
- Diluted (In ₹)		7.50	4.94

Notes 1 to 59 form an integral part of these consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

Ananthi Amarnath

Partner

Membership number : 209252

For and on behalf of the Board of Directors of

Syrma SGS Technology Limited

CIN : L30007MH2004PLC148165

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Place : Chennai

Date : 18 May 2023

Place : Mumbai

Date : 18 May 2023

Consolidated Cash Flow Statement

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,787.31	809.02
Adjustments for:		
Depreciation and Amortisation Expense	311.99	194.29
Finance Costs	215.88	63.72
Mark-to-Market (MTM) gain on financial instrument (net)	(14.67)	(2.24)
Employee stock compensation expense	57.17	35.07
Loss on sale / discard of Property, plant and equipment (Net)	0.50	0.34
Liabilities No Longer Required Written back	(3.31)	(10.04)
Interest income on financial assets carried at amortised cost	(323.15)	(15.91)
Fair value changes of existing investment at the date of acquisition	-	(2.15)
Net gain on account of sale of current investments (mutual funds)	(9.34)	(5.13)
Fair value changes in Non-current investment	(0.23)	-
Gain on termination/modification of leases	(1.49)	(9.65)
Allowance for ECL	7.78	7.18
Net Bad debts Written Off	7.25	
Dividend income from mutual funds	(1.26)	(0.77)
Unrealised Exchange (gain)/ loss (net)	(40.45)	(27.32)
Operating Profit Before Working Capital / Other Changes	1,993.98	1,036.41
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,957.31)	(485.98)
Trade Receivables	(1,292.91)	(548.63)
Other Financial Assets (Current)	59.86	(17.62)
Other Non-current Financial Assets	(55.58)	(19.38)
Other Current Assets	(413.23)	(131.37)
Other Non-current Assets	0.73	(1.04)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	2,482.54	326.90
Other Current financial Liabilities	13.63	0.84
Other Non-current financial Liabilities	-	(6.80)
Other Current Liabilities	(159.49)	210.21
Other Non-current Liabilities	3.95	1.05
Non-Current Provisions	22.45	37.71
Current Provisions	(4.08)	(24.88)
Cash flow from / (Used in) Operations	(305.46)	377.42
Direct Taxes Paid (net)	(397.30)	(232.22)
Net Cash Flow from / (Used in) operating activities	(702.76)	145.20
II. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure towards tangible assets (including capital advances, net of capital creditors)	(1,110.02)	(816.50)
Capital Expenditure towards Intangible assets	(73.94)	(24.75)
Proceeds from sale of property, plant and equipment	1.87	3.73
Acquisition of subsidiaries	(196.33)	(3,110.64)
Investment in assets by acquisition through Slump Sale	(0.30)	
Other Non-current investment	(9.75)	(21.22)
Sale of Non-current investment	13.59	1.65
Investment in bank deposits out of IPO proceeds	(7,368.19)	-
Proceeds from sale of / (Investment in) Current Investment (net)	(401.68)	31.66
Net cash flow from / (used in) investing activities	(9,144.75)	(3,936.07)

Consolidated Cash Flow Statement

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital (including securities premium)	8,760.01	2,715.25
Utilization of Securities Premium (net of current tax)	(326.12)	-
Long Term Borrowings Taken	856.98	8.12
Long Term Borrowings Repaid	(24.09)	(275.28)
Short Term Borrowings taken (net)	689.78	1,036.14
Payment of Lease Liabilities	(45.04)	(22.31)
Finance Costs Paid	(192.17)	(57.40)
Decrease / (Increase) in Lien Marked / Margin Money Deposits	(39.75)	164.78
Interest Received on Lien Marked / Margin Money Deposits	287.58	17.87
Net cash flow from / (Used in) financing activities	9,967.18	3,587.17
IV. Net Increase / (Decrease) in Cash and Cash Equivalents (I + II + III)	119.67	(203.70)
V. Cash and Cash Equivalents at the Beginning of the year	334.11	279.63
Add: Cash and cash equivalents acquired through Business Combination	-	259.68
Add: Effect of exchange differences on restatement of foreign currency cash and cash equivalents	11.12	(1.50)
VI. Cash and Cash Equivalents at the end of the year	464.90	334.11
VII. Cash and Cash Equivalents as per Note 15.1	464.90	334.11
Reconciliation of change in Liabilities arising from financing activities is given in Note 20.3		

Notes 1 to 59 form an integral part of these consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

For and on behalf of the Board of Directors of

Syrma SGS Technology Limited

CIN : L30007MH2004PLC148165

Ananthi Amarnath

Partner

Membership number : 209252

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Place : Chennai

Date : 18 May 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

A. Equity Share Capital (Refer Note 18)

Particulars	No. of shares (In full number)	Amount
Balance as at 1 April 2021	7,48,041	7.48
Changes in equity share capital during the year		
Add: Fresh issue of shares during the year	5,08,380	5.08
Add: Conversion of preference shares	1,06,132	1.06
Add: Bonus issue of shares	13,62,55,300	1,362.55
Balance as at 31 March 2022	13,76,17,853	1,376.17
Changes in equity share capital during the year		
Add: Fresh issue of shares during the year	3,86,11,284	386.12
Add: Exercise of employee stock option	5,48,705	5.49
Balance as at 31 March 2023	17,67,77,842	1,767.78

B. Other Equity (Refer Note 19)

Particulars	Components of Other Equity attributable to owners of the Group							Non-Controlling interest (B)	Total (A+B)		
	Capital Reserve (out of Amalgamation)	Securities Premium	SEZ Reinvestment Reserve	Surplus in Statement of Profit and Loss	Compulsory Convertible Share (CCPS)	Fair value gain / (loss) on equity investments classified as FVTOCI	Foreign currency translation reserve			Employee Stock Option Reserve	Total attributable to owners of the Company (A)
Balance as at 1 April 2021	8.23	1,167.95	337.41	884.29	10.40	-	(0.01)	-	2,408.27	-	2,408.27
Profit for the year	-	-	-	555.38	-	-	-	-	555.38	11.36	566.74
Premium on conversion of CCPS / issue of equity shares	-	2,719.51	-	-	-	-	-	-	2,719.51	-	2,719.51
Utilisation of securities premium	-	(1,362.55)	-	-	-	-	-	-	(1,362.55)	-	(1,362.55)
Employee stock compensation expense (Refer Note 40)	-	-	-	-	-	-	-	35.07	35.07	-	35.07
Conversion of CCPS	-	-	-	-	(10.40)	-	-	-	(10.40)	-	(10.40)
Other Comprehensive Income for the year (net of income tax)	-	-	-	0.80	-	-	-	-	0.80	(0.09)	0.71
Exchange differences in translating financial statements	-	-	-	-	-	-	(1.69)	-	(1.69)	-	(1.69)
Transfer from / (to) SEZ Reinvestment Reserve	-	-	(21.70)	21.70	-	-	-	-	-	-	-
Balance as at 31 March 2022	8.23	2,524.91	315.71	1,462.17	-	-	(1.70)	-	4,344.39	108.41	4,452.80

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

B. Other Equity (Refer Note 19) (Contd..)

Particulars	Components of Other Equity attributable to owners of the Group										Total attributable to owners of the Company (A)	Non-Controlling interest (B)	Total (A+B)
	Capital Reserve (out of Amalgamation)	Securities Premium	SEZ Reinvestment Reserve	Surplus in Statement of Profit and Loss	Compulsory Convertible Preference Share (CCPS)	Fair value gain / (loss) on equity investments classified as FVTOCI	Foreign currency translation reserve	Employee Stock Option Reserve					
Arising on account of business combination	1.67	-	-	-	-	-	-	-	-	-	1.67	-	1.67
Acquisition of non-controlling interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(19.71)	(19.71)
Premium on issue of equity shares and exercise of ESOP	-	8,399.19	-	-	-	-	-	-	-	-	8,399.19	-	8,399.19
Profit for the year	-	-	-	1,193.20	-	-	-	-	-	-	1,193.20	37.56	1,230.76
Utilisation of securities premium (Net of income tax)	-	(269.80)	-	-	-	-	-	-	-	-	(269.80)	-	(269.80)
Employee stock compensation expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to equity and securities premium	-	-	-	-	-	-	-	-	-	-	57.18	-	57.18
Other Comprehensive Income for the year, net of income tax	-	-	-	(3.53)	-	-	-	-	-	14.27	10.74	-	(30.74)
Exchange differences in translating financial statements	-	-	-	-	-	-	-	-	-	-	5.77	-	5.77
Excess consideration over net assets upon acquisition of non-controlling interest	-	-	-	(76.60)	-	-	-	-	-	-	(76.60)	-	(76.60)
Transfer from / (to) SEZ Reinvestment Reserve	-	-	(271.50)	271.50	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	9.90	10,654.30	44.21	2,846.74	-	14.27	4.07	61.51	13,635.00	26.15	13,661.15		

Notes 1 to 59 form an integral part of these consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Firm Registration no. 117366W/W-100018

Chartered Accountants

Ananthi Amarnath

Partner

Membership number : 209252

Place : Chennai

Date : 18 May 2023

For and on behalf of the Board of Directors of

Syrra SGS Technology Limited

CIN : L30007MH2004PLC148165

Sandeep Tandon

Executive Chairman

DIN : 00054553

Place : Mumbai

Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer

Place : Mumbai

Date : 18 May 2023

JS Gujral

Managing Director

DIN : 00198825

Place : Mumbai

Date : 18 May 2023

Rahul Sinnarkar

Company Secretary

Membership number : A39709

Place : Mumbai

Date : 18 May 2023

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

1 Corporate information

Syrma SGS Technology Limited (Formerly known as Syrma Technology Private Limited till 13 September 2021, "the Company or Holding Company") is a public limited Company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is located at Unit F601, Floral Deck Plaza, Andheri East, Mumbai.

The Company is engaged in the business of manufacturing various electronic sub-assemblies, assemblies and box builds, disk drives, memory modules, power supplies / adapters, fiber optic assemblies, magnetic induction coils and RFID products and other electronic products. The Company has 5 state of the art manufacturing facilities most of which hold all key accreditations required for the industry.

The name of the Holding Company has been changed from Syrma Technology Private Limited to Syrma SGS Technology Private Limited with effect from 14 September 2021. W.e.f. 20 October 2021, the Company has changed its constitution from private limited Company to public limited company resulting in change of name to Syrma SGS Technology Limited.

The Holding Company has investments in three Subsidiaries, SGS Teknics Manufacturing Private Limited (Referred as "SGS Teknics") Perfect ID India Private Limited (Referred as "Perfect ID") and Syrma Technology Inc. The Holding company along with three subsidiaries are referred to as "the Group" hereinafter. Also refer Note no 2.2 (b)(II) & Note 46.

2 Summary of Significant accounting policies

2.1 Statement of Compliance

The consolidated financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules") and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act.

2.2 Basis of preparation and presentation

(a) Principles and Particulars of Consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow, consolidated

Statement of changes in equity and notes forming part of consolidated financial statements that form an integral part thereof.

The consolidated Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company.

(b) Basis of consolidation

(i) Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but where there is no control or joint control over those policies. The financial results, assets and liabilities of associate is incorporated in these Consolidated Financial Information using the equity method of accounting. An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment and is disclosed separately. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

Under the equity method, the investment in an associate is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income (OCI) of the associate. The statement of profit and loss reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity.

Distributions received from associate is recognised as reduction in the carrying amount of the investments. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate),

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method of accounting, the Company determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate.

When a Company entity transacts with an associate of the Company, profit or losses resulting from the transactions with associate are recognised in the Company's Consolidated Financial Statements only to the extent of interests in the associate that are not related to the Company. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

(ii) Subsidiary

(i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and

(v) The particulars of subsidiaries / associates, which is included in consolidation and the Company's holding therein, are as under

S. No.	Name of the entity	Relationship	Country of Incorporation	Proportion of Ownership - As at 31 March 2023	Proportion of Ownership - As at 31 March 2022
1	SGS Tekniks Manufacturing Private Limited (Refer Note 1)	Subsidiary	India	100%	100%
2	SGS Infosystem Private Limited	Subsidiary of 1 (above)	India	99.68%	99.68%
3	SGS Solutions GMBH	Subsidiary of 1 (above)	Deutschland	66%	66%
4	Perfect ID India Private Limited (Refer Note 2)	Subsidiary	India	100%	75%

also unrealized profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

(ii) The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made, is recognized as 'Goodwill'. On the other hand, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

(iii) Non-Controlling Interest (NCI) in the Net Assets of the Consolidated Subsidiaries consists of:

- The amount of Equity attributable to holders of NCI at the date on which the investment in the Subsidiary is made; and
- The NCI's share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

NCI share in the Net Profit / (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

(iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No.	Name of the entity	Relationship	Country of Incorporation	Proportion of Ownership - As at 31 March 2023	Proportion of Ownership - As at 31 March 2022
5	Perfect IOT Wireless Solutions LLP	Associate of 4 (above)	India	50%	50%
6	Syrma Technology Inc	Subsidiary	USA	100%	100%

Note 1: The Company had initially acquired 322,557 shares of SGS constituting 20% of the share capital of SGS vide Shareholders' agreement dated 23rd October 2020 between the Company, promoters of Company, SGS Tekniks and erstwhile promoters of SGS Tekniks. Subsequently, vide Shareholders' agreement dated 16 September 2021 between the Company, SGS Tekniks and erstwhile promoters of SGS Tekniks, the Company has acquired the balance 1,290,228 shares constituting 80% of the share capital of SGS Tekniks pursuant to which SGS has become a wholly owned subsidiary of the Company.

Note 2: The Company has acquired 1,690,613 shares of Perfect ID constituting 75% of the share capital of Perfect ID vide Investment agreement dated 11th October 2021 between the Company, Perfect ID and erstwhile promoters of Perfect ID.

Further, the Company additionally acquired 338,182 shares on 24th August 2022, and 225,445 shares on 24th March 2022 of Perfect ID constituting 15% and 10% of the share capital of Perfect ID vide Investment agreement dated 11th October 2021. Perfect ID is a wholly owned subsidiary of the Company as on 31 March 2023.

(c) Accounting Convention and Assumptions

These consolidated Financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period, as stated in the accounting policies set out below.

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 into 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.

Going Concern

The directors have, at the time of approving the consolidated Financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated Financial Statements.

(d) Basis of presentation

The consolidated Balance sheet, the consolidated Statement of Profit and Loss, the Consolidated

Statement of Changes in Equity, are presented in the format prescribed under Division II of Schedule III of the Act, as amended from time to time, for Companies that are required to comply with Ind AS. The Consolidated Statement of Cash Flows has been presented as per the requirements of Ind AS 7 - Statement of Cash Flows.

The consolidated Financial statements are presented in Indian rupees (INR), the functional currency of the Group. Items included in the consolidated Financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated Financial statements.

(e) Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset / liability is expected to be realized / settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset / liability is held primarily for the purpose of trading;
- the asset / liability is expected to be realized / settled within twelve months after the reporting period;

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income (OCI), as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair values, except that:

- (i) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively; and
- (ii) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2.4 Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE and intangible asset outstanding at each Balance Sheet date are disclosed as capital advances under Other Non-current assets.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Depreciation on tangible PPE has been provided on the straight-line method pro-rata to the period of use of the assets. The management estimates the useful life of certain asset categories as follows, which is as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset Category	Years
Furniture and Fittings	10 Years
Computer & other peripherals	3 Years to 6 Years

Depreciation and amortization on tangible PPE and intangible assets for the following categories of assets has not been provided in accordance with useful life prescribed in Schedule II to the Companies Act, 2013, in whose case the life of the assets has been assessed as under based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Asset Category	Years
Buildings	9 to 30 Years
Plant and Equipment	
- Plant and Machinery	10 to 15 Years
- Stencils	3 Years
Electrical equipment	10 to 20 Years
Office and Other Equipment	3 to 5 Years
Vehicles	5 to 8 Years

Components of the Group follow different useful lives for the similar block/category of assets. The management believes that this is an accounting estimate which could be different across Holding Company and subsidiaries. The management believes that this is not an accounting policy which needs to be harmonized/made consistent across components of Group in accordance with accounting policy stated in Note 2.2 (B) above.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Reclassification to Investment Property

When the use of property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification. When the investment property is to be sold within 1 year, then same shall be reclassified to current investments.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognised.

2.5 Intangible assets other than Goodwill

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The amortisation period is reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Intangible assets under development

Cost of intangible assets not ready for intended use, as on the Balance Sheet date, is shown as Intangible assets under development.

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

- Computer Software - 3 Years
- Knowhow - 6 Years

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

2.6 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

2.7 Impairment of PPE & Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated Statement of profit and loss.

2.8 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in the production or supply of goods or for services or for administrative purposes. Upon initial recognition, investment property is measured at cost.

Any gain or loss on disposal of investment property is recognised in profit or loss.

The Fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who hold a recognised and relevant professional qualification and has experience in the location and category of the investment property being valued.

2.9 Leases

(a) Policy applicable for Lease Contracts entered on or after 1 April 2019

At inception of a Lease Contract, the Group assesses whether a Lease Contract is, or contains, a lease. A Lease Contract is, or contains, a lease if the Lease Contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a Lease Contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the Lease Contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - a) the Group has the right to operate the asset; or
 - b) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to Lease Contracts entered into, or changed, on or after 1 April 2019. At inception or on reassessment of a Lease Contract that contains a lease component, the Group allocates the consideration in the Lease Contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) Policy applicable for contracts entered before 1 April 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(c) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense over the lease term.

2.10 Inventories

Inventories are valued at the lower of cost on weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

2.11 Cash & Cash Equivalents

(a) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(b) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.12 Foreign currency transactions and translations

(a) Initial recognition

In preparing the consolidated Financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

(b) Foreign Operations

The assets and liabilities of foreign operations (subsidiary company) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of foreign operation), except to the extent that the exchange differences are allocated to NCI.

(c) Measurement at the reporting date

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.13 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and rebates offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

(a) Sale of Products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Advance from customers and Deferred revenue is recognized under other current liabilities which is released to revenue on satisfaction of performance obligation.

(b) Rendering of services:

Income from service activities are recognized over a period of time on satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

(c) Tooling Charges

Tooling charges received from customers in advance is recognised based on completion of the project and the number of units sold to the customer during the respective year. The same is recognised at a point in time or over a period of time depending on the terms of arrangement / contract with the customer and the corresponding satisfaction of performance obligation.

2.14 Other Income

(a) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition.

(b) Dividend income

Dividend income is recognized when the right to receive the income is established.

2.15 Employee Benefits

(a) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Defined contribution plans

Provident fund / Employee State Insurance : The Group makes specified contributions towards Employees' Provident Fund and Employee State Insurance maintained by the Central Government and the Group's contribution are recognized as an expense in the period in which the services are rendered by the employees.

Superannuation fund:

The Group contributes a specified percentage of eligible employees' salary to a superannuation fund administered by trustees and managed by the insurer. The Group has no liability for future superannuation benefits other than its annual contribution and recognizes such contributions as an expense in the period in which the services are rendered by the employees.

National pension scheme:

The Group contributes a specified percentage of the eligible employees salary to the National Pension Scheme of the Central Government. The Group has no liability for future pension benefits and the Company's contribution to the scheme are recognized as an expense in the period in which the services are rendered by the employees.

(c) Defined benefit plans

The Group operates a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service as per the payment of Gratuity Act, 1972.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's gratuity fund, established with the Insurer (Plan asset) every year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

(d) Other long-term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised in Statement of profit or loss in the period in which they arise.

(e) Employee Share Based Payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of The Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.16 Provisions

Provisions are recognised, when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.17 Product Warranty Cost

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to three years.

The estimates used for accounting of warranty liability / recoveries are reviewed periodically and revisions are made as required.

2.18 Contingent liability and contingent assets

Contingent liability is disclosed for

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

- (c) Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.19 Taxes on Income

The income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated Financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment is only recognised to the extent that it

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Group. The carrying amount is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(c) Current tax and deferred tax for the year:

Current and deferred tax are recognised in Consolidated Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.20 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

(a) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

(b) Subsequent Measurement

(i) Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in associates, which are measured at cost.

Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit or loss), and
- b) those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in Statement of profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets,

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of profit or loss and recognized in other income / (expense).

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

Impairment of financial assets

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are measured at amortised cost e.g., cash and bank balances, investment in equity instruments of subsidiary companies, trade receivables and loans etc.

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due as per the ageing brackets;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified

approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated financial statements. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Write off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in Statement of profit or loss.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in Statement of profit or loss.

(ii) Financial liabilities and equity instruments:

Classification as equity or financial liability

Equity and Debt instruments issued by the Group are classified as either financial liabilities or as

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

(c) Derecognition

(i) Derecognition of financial assets

A financial asset is derecognized only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(ii) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations

are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of profit or loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established internal control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(f) Derivative financial instruments

The Group enters into derivative financial instruments to mitigate its foreign currency risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in statement of profit and loss.

2.21 Investment in debentures/bonds, mutual funds and private equity

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Investments in debentures or bonds are measured at amortised cost at carrying value representative of fair value. These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Investment in mutual funds, specific bonds (market linked) and structured product/ private equity (i.e.; unquoted investments) are measured at fair value through profit and loss. Net gains and losses are recognised in Statement of Profit or Loss.

2.22 Earnings Per Share

Basic earnings per share is computed by dividing the net profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and

other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.23 Segment reporting

Operating segments reflect the Group's management structure and the way the financial statements is regularly reviewed by the Group's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

2.24 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in Statement of profit or loss in the period in which they are incurred.

2.25 Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are recognized in the profit or loss, as necessary to match them with the costs that they are intended to compensate.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Export Benefits

Export Benefits are recognized when there is reasonable certainty that the Group will comply with the conditions attached and that the benefit will be received.

2.26 Related Party Transactions

Related party transactions are accounted for based on terms and conditions of the agreement / arrangement with the respective related parties. These related party transactions are determined on an arm's length basis and are accounted for in the period / year in which such transactions occur and adjustments if any, to the amounts accounted are recognised in the year of final determination.

There are common costs incurred by the entity having significant influence / Other Related Parties on behalf of various entities including the Group. The cost of such common costs are accounted to the extent debited separately by the said related parties.

2.27 Use of estimates and judgements

In preparing these consolidated Financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

The areas involving critical estimates or judgments are :

- a. Estimation of useful life of tangible and intangible asset. (Refer Note 2.4, 2.5 and 2.6)
- b. Impairment of trade receivables: Expected credit loss. (Refer Note 2.20)
- c. Recognition and measurement of provisions and contingencies; key assumptions about the likelihood

and magnitude of an outflow of resources. (Refer Note 2.16, 2.17 and 2.18)

- d. Measurement of defined benefit obligation: key actuarial assumptions.(Refer Note 2.15)
- e. Estimation of income tax (current and deferred) – (Refer Note 2.19)
- f. Impairment of goodwill – (Refer Note 2.6)
- g. Fair valuation of Employee Stock Option Plan (ESOP) – (Refer Note 2.15 (e))
- h. Fair valuation of investments – (Refer Note 2.20 (b))

2.28 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.29 Recent Pronouncements

a) Standards issued/amended but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015, by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, as applicable from April 1, 2023, as below:

a. Ind AS 1 - Presentation of financial statements

The amendments specify that Companies should now disclose material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

b. Ind AS 8 - Accounting policies, change in accounting estimates and errors

Definition of 'change in account estimate has been replaced by revised definition of 'accounting estimate'.

- As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- A company develops an accounting estimate to achieve the objective set out by an accounting policy.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

- Accounting estimates include:

- Selection of a measurement technique (estimation or valuation technique)
- Selecting the inputs to be used when applying the chosen measurement technique.

c. Ind AS 12 - Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on

initial recognition, give rise to equal taxable and deductible temporary differences.

The group does not expect any of the aforesaid amendments to have any significant impact in its Consolidated financial statements.

b) Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Group. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Group will give appropriate impact in the financial statements once the code becomes effective and related rules to determine the financial impact are notified.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Land	Buildings on Leasehold land	Plant and Equipment	Furniture and fittings	Office equipments	Computers & other peripherals	Electrical Installation	Vehicles	Tools and moulds	Airconditioning equipment	Total
Gross Carrying Value											
As at 1 April 2021	-	119.19	670.99	22.98	8.28	20.79	65.04	5.47	-	-	912.74
Acquisitions through business combinations	304.70	220.41	646.80	43.14	27.18	34.84	-	62.08	73.54	41.80	1,454.49
Additions	331.50	7.90	112.24	11.19	6.82	22.19	8.25	6.33	12.30	0.13	518.85
Disposals / Discarded	-	-	0.71	-	0.01	-	-	4.99	0.05	-	5.76
Currency Translation	-	-	-	-	(0.25)	-	-	-	-	-	(0.25)
As at 31 March 2022	636.20	347.50	1,429.32	77.31	42.52	77.82	73.29	68.89	85.79	41.93	2,880.57
Acquisitions through business combinations	-	-	0.16	-	-	-	-	-	-	-	0.16
Additions	2.69	429.46	1,033.68	51.13	23.04	57.05	135.72	21.28	-	-	1,754.05
Disposals / Discarded	-	-	0.66	-	-	0.38	-	4.87	-	-	5.91
Adjustments	-	-	37.83	-	-	-	89.89	-	(85.79)	(41.93)	-
Currency Translation	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	638.89	776.96	2,500.33	128.44	65.56	134.49	298.90	85.30	-	-	4,628.87
Accumulated depreciation											
As at 1 April 2021	-	15.81	118.40	5.46	3.80	9.62	6.74	2.02	-	-	161.85
Acquisitions through business combinations	-	18.09	124.86	10.40	12.78	15.31	-	12.14	12.17	12.94	218.69
Depreciation expense for the year	-	10.11	114.83	5.54	4.81	10.20	3.95	5.28	3.92	3.02	161.66
Elimination on disposal	-	-	0.16	-	(0.29)	-	-	1.53	-	-	1.69
Currency Translation	-	-	-	-	-	-	-	-	-	-	(0.29)
As at 31 March 2022	-	44.01	357.93	21.40	21.68	35.13	10.69	17.91	16.09	15.96	540.80
Acquisitions through business combinations	-	-	0.04	-	-	-	-	-	-	-	0.04
Depreciation expense for the year	-	20.70	167.26	11.21	9.91	22.59	12.95	9.74	-	-	254.36
Elimination on disposal	-	-	0.01	-	-	-	-	3.54	-	-	3.55
Adjustments	-	-	1.07	-	-	-	30.98	-	(16.09)	(15.96)	-
Currency Translation	-	-	-	-	0.02	-	-	-	-	-	0.02
As at 31 March 2023	-	64.71	526.29	32.61	31.57	57.72	54.62	24.11	-	-	791.64
Net Carrying Value											
As at 31 March 2022	636.20	303.49	1,071.39	55.91	20.84	42.69	62.60	50.98	69.70	25.97	2,339.77
As at 31 March 2023	638.89	712.25	1,974.04	95.83	33.99	76.77	244.28	61.19	-	-	3,837.19

3.1 Refer Note 20.2 and 23.1 for property, plant and equipment pledged/ hypothecated as securities for borrowings.

3.2 Fair valuation of Land considered upon business combination is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

3 Property, Plant and Equipment (Contd..)

3.3 Title deeds of Immovable Property not held in name of any component of the Group as at 31 March 2023 and 31 March 2022 is as follows:-

Description of item of property	Amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of any component of the Group
Freehold Land (Plot No 88, HPSIDC, Baddi, HP)	9.74	SGS Techniks Private Limited	No	12 June 2006	Title deeds are held in the name of SGS Techniks Private Limited, which was amalgamated into the Company as per the order of the High Court of Punjab and Haryana at Chandigarh through order dated 15 September 2012.
Freehold Land (A3 Infocity, Sector 34, Gurugram)	131.50	SGS Techniks Private Limited	No	07 January 2004	Title deeds are held in the name of SGS Techniks Private Limited, which was amalgamated into the Company as per the order of the High Court of Punjab and Haryana at Chandigarh through order dated 15 September 2012.

4 Right-Of-Use (ROU) Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amounts of:		
Land	23.01	13.42
Building	245.59	225.06
Total	268.60	238.48

Details of movement in the carrying amounts of Right-of-use assets

Particulars	Land	Buildings on Leasehold land	Plant and Equipment
Gross Carrying Value			
As at 1 April 2021	11.07	63.59	74.66
Acquisitions through business combinations	-	58.38	58.38
Additions	6.93	196.01	202.94
Disposals / Discarded	-	-55.87	-55.87
As at 31 March 2022	18.00	262.11	280.11
Additions	14.72	50.52	65.24
Disposals / Discarded	-	-0.05	-0.05
As at 31 March 2023	32.72	312.59	345.31

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

4 Right-Of-Use (ROU) Assets (Contd..)

Particulars	Land	Buildings on Leasehold land	Plant and Equipment
Accumulated depreciation			
As at 1 April 2021	2.82	22.26	25.08
Acquisitions through business combinations	-	15.65	15.65
Depreciation expense for the year	1.76	17.14	18.90
Elimination on disposal	-	-18.00	-18.00
As at 31 March 2022	4.58	37.05	41.63
Depreciation expense for the year	5.13	31.74	36.87
Elimination on disposal	-	-1.79	-1.79
As at 31 March 2023	9.71	67.00	76.71
Net Carrying Value			
As at 31 March 2022	13.42	225.06	238.48
As at 31 March 2023	23.01	245.59	268.60

5 Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount as at beginning of the year	4.13	-
Acquisitions through business combinations	-	4.13
Addition	-	-
Reclassified to current investment	-4.13	-
Depreciation	-	-
Carrying amount as at end of the year	-	4.13

5.1 Fair valuation of Investment property on business combination is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

6 Intangible Assets

Particulars	Computer software	Knowhow	Total
Gross Carrying Value			
As at 1 April 2021	13.38	30.59	43.97
Acquisitions through business combinations	16.40	-	16.40
Additions	7.37	-	7.37
Disposals / Discarded	-	-	-
As at 31 March 2022	37.15	30.59	67.74
Additions	41.96	-	41.96
Disposals / Discarded	-	-	-
As at 31 March 2023	79.11	30.59	109.70

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

6 Intangible Assets (Contd..)

Particulars	Computer software	Knowhow	Total
Accumulated Amortisation			
As at 1 April 2021	6.22	24.53	30.75
Acquisitions through business combinations	8.12	-	8.12
Amortisation expense for the year	7.70	6.06	13.76
Elimination on disposal	-	-	-
As at 31 March 2022	22.04	30.59	52.63
Amortisation expense for the year	20.76	-	20.76
Elimination on disposal	-	-	-
As at 31 March 2023	42.80	30.59	73.39
Net Carrying Value			
As at 31 March 2022	15.11	-	15.11
As at 31 March 2023	36.31	-	36.31

7 Depreciation and Amortisation Expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Depreciation of Property, Plant and Equipment	254.36	161.63
(b) Amortisation of Intangible Assets	20.76	13.76
(c) Depreciation on ROU Assets	36.87	18.90
Total	311.99	194.29

8 Non-current Investment (Refer note 57)

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted		
Investment In Limited Liability Partnership		
Perfect IOT Wireless Solutions LLP	0.16	2.19
Investment in debentures or bonds carried at Fair value through Profit and Loss (FVTPL)		
Unquoted - Debentures		
Citicorp Finance India Limited 100 (100 as at 31 March 2022) @ INR 100,000 each	-	13.68
Unquoted - Compulsorily Convertible Preference Shares (CCPS)		
Airth Research Private Limited 783 (783 as at 31 March 2022) CCPS of Rs 10 each, fully paid up	10.24	10.01
Investment Carried at Fair value through Other Comprehensive Income (FVOCI)		
Unquoted Equity Shares		
Inotech FEG GmbH 4,127 (4,127 as at 31 March 2022) Shares of €10 each, fully paid up	39.81	21.22
Scratchnest Private Limited (291 shares (Nil as at 31 March 2022) at ₹ 10 each, fully paid up)	9.75	-
Total	59.96	47.10

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

8 Non-current Investment (Refer note 57) (Contd..)

8.1 Additional information as required by Schedule III to the Act

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate book value of unquoted investments	59.96	47.10

9 Other Non-current Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Security Deposits measured at amortised cost	105.10	47.48
(b) Other Bank Deposits		
- Margin Money	-	1.30
- Under Lien*	-	3.37
- IPO & Pre-IPO Proceeds	7,368.19	-
(c) Loan to employees	1.64	0.26
Total	7,474.93	52.41

* Fixed deposits of INR Nil (31 March 2022 : 3.37 Millions) under lien for Performance Bank Guarantees issued to customers.

10 Income Tax Asset (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax / Tax deducted at source	15.65	25.17
(Net of Provisions ₹ 282.39 Million as at 31 March 2023 (₹ 442.31 Millions as at 31 March 2022))		
Amount paid under protest (Refer Note 37)	4.22	4.22
Total	19.87	29.39

11 Other Non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Advances	15.41	211.24
Prepaid Expense	0.31	1.04
Total	15.72	212.28

12 Inventories

(At Lower of Cost and Net Realisable Value)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Raw Materials and Components	4,051.36	1,703.69
- Materials-in-Transit	532.44	346.32
	4,583.80	2,050.01
(b) Work-in-Progress	721.03	643.59
(c) Finished Goods (other than those acquired for trading)	462.22	198.99
(d) Stock-in-trade	12.64	1.05
(e) Stores and Spare Parts (including packing materials)	94.68	19.36
Total	5,874.37	2,913.00

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

12 Inventories (Contd..)

12.1 Cost of Inventories (including cost of traded goods) recognised as expense in Statement of Profit and Loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of inventories (including cost of traded goods and spares)	15,452.33	7,287.13

12.2 The mode of valuation of inventories has been stated in Note 2.10

12.3 Movement in allowance for obsolete and non-moving inventory

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	8.34	2.82
Additional allowance created / (reversed) during the year (net)*	6.24	5.52
Balance at end of the year	14.58	8.34

* Allowance for inventory created during the year has been accounted as part of Cost of raw materials consumed(Refer note 31)

12.4 In addition to the above, the cost of inventories recognised as expense in respect of write down of inventories are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Write down of Inventories	16.80	-

13 Current Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investment - Measured at FVTPL		
- Investments in mutual funds - quoted (Refer Note 13.1 below)	773.95	314.20
- Investment in other -unquoted investments (Refer Note 13.1 below)	6.49	48.79
Total	780.44	362.99

13.1 Additional information as required by Schedule III to the Act

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate book value of quoted current investments	773.95	314.20
Aggregate market value of quoted current investments	773.95	314.20
Aggregate book value of unquoted current investments	6.49	48.79

14 Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Considered good – unsecured (Refer Note 14.3)	4,099.91	2,775.53
(b) Receivables - Credit impaired	3.21	6.31
Gross receivables	4,103.12	2,781.84
Allowance for expected credit loss	(70.65)	(59.50)
Net receivables	4,032.47	2,722.34
The above amount of trade receivables also includes amount receivable from its related parties (Refer Note 14.5 & 43.3)	3.29	11.00

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

14 Trade Receivables (Contd..)

14.1 Movement in Expected Credit Loss (ECL) Allowance

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	59.50	46.07
Add: Additional Provision / (Reversal) of ECL allowance	17.75	14.66
Less: Utilization of ECL allowance	-6.60	(1.23)
Balance at end of the year	70.65	59.50

14.2 At Group level, There are no customers who represent more than 10% of the total balance of trade receivables.

14.3 The Group measures the loss allowance for trade receivables at an amount equal to ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

14.4 The Group had entered into a factoring arrangement on a non recourse basis with M/s India Factoring and Financing Solutions Private Limited, in connection with receivables from certain customers. Based on the terms of the arrangement, the amounts received from India Factoring and Financing Solutions Private Limited has been derecognized. The amount of such factored receivables derecognised as at 31 March 2023 is Nil (As at 31 March 2022 - ₹ 193.70 Million).

14.5 The Group has receivable due from the following Parties in which there is a common Director.

Particulars	As at 31 March 2023	As at 31 March 2022
Infinx Services Private Limited	0.32	3.72
TIS International (USA) Inc	2.97	7.28
Total	3.29	11.00

No trade or other receivable is due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member, other than mentioned above.

14.6 Refer Note 54(V) for trade receivables ageing.

14.7 The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix, considering the amounts due from the government undertakings and the other undertakings. Further the Company also establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and recent collection trend.

The provision matrix at the end of the reporting period March 31, 2023 is as follows:

Particulars	Expected Credit Loss %	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Not due	0.31% - 2.31%	0.27% - 2.80%
0-90 days	0.65% - 4.97%	0.59% - 6.02%
91-180 days	5.98% - 11.98%	4.95% - 14.56%
181-270 days	11.08% - 31.26%	12.03% - 34.34%
271-360 days	18.42% - 58.37%	15.74% - 58.11%
More than 360 days	24.61% - 100.00%	20.04% - 100.00%

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

14 Trade Receivables (Contd..)

15.1 Cash and Cash Equivalents (as per Ind AS 7 Cash Flow Statements)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on Hand	18.54	1.33
(b) Balances with Banks		
- In Current Accounts	305.34	82.57
- In EEFC Accounts	94.99	58.19
- In Deposit Accounts	46.03	192.02
Total	464.90	334.11

15.2 Other Bank Balances

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks - Margin Money	79.39	34.97
Total	79.39	34.97

15.3 Fixed deposits of INR 4.69 Millions (31 March 2022 : 3.37 Millions) under lien for Performance Bank Guarantees issued to customers.

16 Other Financial Assets (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Interest accrued, but not due on Fixed Deposits with banks	36.00	2.12
(b) Balance Receivable from Customs Authorities	-	4.06
(c) Export benefits Receivable	3.45	50.21
(d) Advances to employees	3.13	5.54
(e) Derivative contracts entered to mitigate foreign currency risk (Refer Note 16.1)	-	0.39
(f) Other Benefits Receivable from State Government	4.60	2.61
(g) Security deposits	0.60	8.83
Total	47.78	73.76

16.1 Derivative contracts represents fair value of the derivative contracts undertaken related to term loan and working capital loan and interest rates.

17 Other Current Assets

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Goods and Services Tax - Input Credit	524.94	294.67
(b) Advance to Suppliers (Refer note 17.1)	208.29	177.90
(c) Other Advances (Refer Note 17.2)	2.05	80.62
(d) Advances to Employees	0.18	0.15
(e) Prepaid expenses	32.60	17.99
(f) Unbilled Revenue	2.10	-
Total	984.59	571.33

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

17 Other Current Assets (Contd..)

17.1 The Group has given supplier advances to the following parties in which there is a common Director. (Refer Note 43.3)

Particulars	As at 31 March 2023	As at 31 March 2022
Reliable Consultancy Services Pvt. Limited	-	0.57
Total	-	0.57

17.2 Other Advances, as at 31 March 2022, includes fees paid to Stock Exchanges, Securities Exchange Board of India (SEBI), Lawyers, Bankers, Auditors etc., in connection with the IPO of the Company.

18 Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares (In full number)	Amount	No. of shares (In full number)	Amount
(a) Authorised				
Equity Shares of ₹ 10/- each	20,00,00,000	2,090.10	20,00,00,000	2,060.00
Preference Shares of ₹ 100/- each	12,00,000	120.00	12,00,000	120.00
(b) Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 10/- each fully paid up	17,67,77,842	1,767.78	13,76,17,853	1,376.17
Total	17,67,77,842	1,767.78	13,76,17,853	1,376.17

Notes:

18.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares (In full number)	Amount	No. of shares (In full number)	Amount
Equity Shares:				
Shares outstanding as at the beginning of the year	13,76,17,853	1,376.17	7,48,041	7.48
Add: Fresh issue of shares during the year*	3,86,11,284	386.12	5,08,380	5.08
Add: Conversion of preference shares (Refer Note 19.6)	-	-	1,06,132	1.06
Add: Exercise of ESOP	5,48,705	5.49	-	-
Add: Bonus Issue of Shares	-	-	13,62,55,300	1,362.55
Shares outstanding as at the end of the year	17,67,77,842	1,767.78	13,76,17,853	1,376.17
Compulsorily Convertible preference Shares (CCPS):				
Shares outstanding as at the beginning of the year	-	-	1,04,002	10.40
Add: Fresh issue of shares during the year	-	-	-	-
Less: Conversion of CCPS (Refer Note 19.6)	-	-	(1,04,002)	(10.40)
Shares outstanding as at the end of the year	-	-	-	-

* During the year ended 31 March 2022, Company issued Equity shares at ₹ 5,341 per share comprising of face value of ₹ 10 each and securities premium of ₹ 5,331/- each.

* During the year ended 31 March 2023 the Company has made the following issue of equity shares

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

18 Share Capital (Contd..)

Particulars	No. of shares (A) (In full numbers)	Issue price per share (B)	Face Value per share ©	Premium per share (D=B-C)	Amount credited to share capital(E=A*C)	Amount credited to securities premium (F=A*D)
Pre-IPO	37,93,103	290	10	280	37.93	1,062.07
IPO	3,48,18,181	220	10	210	348.19	7,311.82
Total	3,86,11,284				386.12	8,373.89

18.2 Details of Shares held by each shareholder holding more than 5% shares in the Holding Company:

Class of shares / Name of shareholder	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares (In full number)	% Holding in the respective Class of Shares	No. of shares (In full number)	% Holding in the respective Class of Shares
Equity shares of Rs.10/- each fully paid				
Tancom Electronics Private Limited	6,33,19,425	35.82%	6,33,19,425	46.01%
Mr. Jasbir Singh Gujral	1,25,71,000	7.11%	1,25,69,000	9.13%
Mr. Sanjiv Narayan	1,25,69,000	7.11%	1,25,69,000	9.13%
Mr. Ranjeet Singh Lonial	1,25,69,000	7.11%	1,25,69,000	9.13%
Mr. Krishna Kumar Pant	1,25,69,000	7.11%	1,25,69,000	9.13%
South Asia Growth Fund II Holdings, LLC	1,06,48,026	6.02%	1,06,48,026	7.74%

18.3 Shareholding of promoters*

Name of the promoter	Year	No. of shares (In full number)	% of total shares	% change during the year #
Tancom Electronics Private Limited	As at 31 March 2023	6,33,19,425	35.82%	(10.19%)
	As at 31 March 2022	6,33,19,425	46.01%	(47.29%)
Mr. Jasbir Singh Gujral	As at 31 March 2023	1,25,71,000	7.11%	(2.02%)
	As at 31 March 2022	1,25,69,000	9.13%	9.13%
Ms. Veena Kumari Tandon	As at 31 March 2023	15,15,000	0.86%	(2.69%)
	As at 31 March 2022	48,84,360	3.55%	(0.91%)

*Promoter means Promoter as defined in the Act.

% change during the year represents the % change in total holding when compared to the previous year end.

18.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During FY 21-22, the members of the Holding Company at the Extra Ordinary General Meeting (EGM) held on 28 October, 2021 approved the issue of bonus shares in the ratio of 100 equity shares for every 1 equity share as on the date of EGM. Aggregate number of shares allotted as fully paid up by way of bonus shares is 136,255,300 shares of Rs 10 each.

18.5 Disclosure of Rights

The Holding Company has only one class of equity shares having a par value of ₹ 10 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

19 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital Reserve	9.90	8.23
(b) Securities Premium	10,654.30	2,524.91
(c) Special Reserve - Special Economic Zone (SEZ) Reinvestment Reserve	44.21	315.71
(d) Surplus in Statement of Profit and Loss	2,846.75	1,462.17
(e) Fair value gain / (loss) on equity investments classified as FVTOCI	14.27	-
(f) Foreign currency translation reserve	4.07	-1.70
(g) Employee Stock Option Reserve	61.50	35.07
Total	13,635.00	4,344.39

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital Reserve (out of Amalgamation)		
Opening Balance	8.23	8.23
Arising on business combination (Refer Note 46.1)	1.67	-
Addition for the year	-	-
Closing Balance	9.90	8.23
(b) Securities Premium		
Opening Balance	2,524.91	1,167.95
Addition for the year:		
Upon issue of new equity shares (Refer note 18.1)	8,373.89	2,710.17
Upon conversion of CCPS to equity shares	-	9.34
Upon exercise of ESOP	25.30	-
Utilisation / Reversal during the year (Refer note 54 (IX))	-269.80	-1,362.55
Closing Balance	10,654.30	2,524.91
(c) Special Reserve - SEZ Reinvestment Reserve		
Opening Balance	315.71	337.41
Addition for the year	-	-
Utilisation / Reversal during the year	-271.50	(21.70)
Closing Balance	44.21	315.71
(d) Surplus in Statement of Profit and Loss		
Opening Balance	1,462.17	884.29
Profit for the year	1,193.20	555.38
Other Comprehensive Income for the period, net of Income tax	(3.53)	0.80
Transfer from Special Reserve - SEZ Reinvestment Reserve	271.50	21.70
Excess consideration paid over net assets upon acquisition of non-controlling interest	(76.60)	-
Closing Balance	2,846.75	1,462.17
(e) Fair value gain / (loss) on equity investments classified as FVTOCI		
Opening Balance	-	-
Fair value changes during the year	18.60	-
Tax impact on the above	-4.33	-
Closing Balance	14.27	-
(f) CCPS treated as Equity Financial Instruments (Refer Note 19.6)		
Opening Balance	-	10.40
Issue / Conversion of Preference Shares during the year	-	(10.40)
Closing Balance	-	-
(g) Foreign currency translation reserve		
Opening Balance	-1.70	-
Exchange difference on translating financial statement, during the year	5.77	-1.70
Closing Balance	4.07	-1.70

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

19 Other Equity (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
(h) Employee Stock Option Reserve		
Opening balance	35.07	-
Employee stock compensation expense	57.17	35.07
Transfer to equity and securities premium on exercise of options	-30.74	-
Closing balance	61.50	35.07
Total	13,635.00	4,344.39

Notes: Nature and purpose of other reserves

19.1 Capital Reserve

The reserve has been created consequent to the Amalgamation of 3G Wireless Private Limited with the Holding Company and acquisition of the business of Perfect IOT Wireless Solutions Private Limited (the 'associate LLP') through Slump sale by Perfect ID (Subsidiary Company).

19.2 Securities Premium

Securities Premium is used to record the premium realised on issue of securities. The reserve is utilised in accordance with the provisions of the Act. During the year ended 31 March 2023, the securities premium has been utilised against share issue expense (net of tax benefit) in connection with the IPO of the Company. For the year ended 31 March 2022, the securities premium has been utilised against the issue of new bonus shares. (Refer note 18.1)

19.3 Special Reserve - SEZ Reinvestment Reserve

The Special Economic Zone (SEZ) Reinvestment Reserve has been created out of profit of eligible SEZ unit as per provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery.

19.4 Surplus in Statement of Profit and Loss

Surplus in Statement of Profit and Loss represents Group's cumulative earnings since its formation less the dividends / Capitalisation, if any. These reserves are free reserves which can be utilised for any purpose as may be required.

19.5 Fair value gain / (loss) on equity investments classified as FVTOCI

Fair value gain / (loss) on equity investments classified as FVTOCI reserve has been created on account of change in fair value of the investments carried as FVTOCI. (Refer Note 8)

19.6 Compulsorily Convertible Preference Shares (CCPS) treated as Equity Financial Instruments

CCPS treated as Equity Financial Instruments represents 0.01% CCPS issued pursuant to the agreement entered into by the Company with South Asia Growth Fund II Holdings LLC and South Asia EBT Trust. These Preference Shares are entitled to a 0.01% dividend and are not entitled to any other form of distribution of profits by the Company until its conversion to equity shares.

The members at the Extra Ordinary General Meeting held on 19 October 2021 have approved the modification in the conversion ratio of 0.1% Cumulative CCPS from 1:1 as defined in Schedule 7 of the Share Subscription Agreement to 1:1.02048. Consequently, the Board of Directors in their meeting held on 19 October 2021 have approved the conversion of 104,002 preference shares of ₹ 100 each into 106,132 equity shares of ₹ 10 each.

19.7 Employee Stock Option Reserve

Employee Stock Option Reserve relates to the share options granted by the Holding Company to the Company's and subsidiary's employees under its stock option plan. Refer Note 40 for further details.

19.8 Foreign currency translation reserve

Foreign currency translation reserve created on account of exchange differences in translating financial statements of foreign subsidiary.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

20 Borrowings (Non-Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Term Loans from Banks (Secured) (Refer Notes 20.1 & 20.2)	863.08	34.78
Vehicle loans from Banks (Secured) (Refer Notes 20.1 & 20.2)	6.77	4.14
Total	869.85	38.92

20.1 Terms of Secured Loan from Banks:

As at 31 March 2023

Particulars	Interest Rate	No. of Instalments Outstanding / period	Repayment Terms	Amount outstanding as at 31 March 2023
(i) Term loan from RBL:				
Loan 3 (EUR) (Refer Note 20.2(I)(b) below)	3.85%	6 quarters	Principal Quarterly & Interest Monthly	37.37
(ii) Term loan from Axis Bank:				
Term Loan	7.90%	16 quarters*	Principal Quarterly & Interest Monthly	856.98
(iii) Vehicle loans from Axis Bank:				
Term loan (Refer Note 20.2(II)© below)	8.75%	10	Monthly installments	1.38
(iv) Vehicle loans from financial institutions				
Mercedes-Benz financial services India private limited	7.60%	11	Monthly installments	1.03
Mercedes-Benz financial services India private limited	7.57%	36	Monthly installments	6.00
(v) HDFC Bank				
Vehicle Loan (Refer Note 20.2(I)© below)	8.40%	23	Principal & Interest Monthly	1.73
Total				904.49
Less: Current Maturities of Long-Term Borrowings (Refer Note 23)				34.64
Long Term Borrowings from Bank				869.85

* Repayment of Installments starts from April 2024

As at 31 March 2022

Particulars	Interest Rate	No. of Instalments Outstanding	Repayment Terms	Amount outstanding as at 31 March 2022
(i) Term loan from RBL:				
Loan 3 (EUR) (Refer Note 20.2(II)(a) below)	3.85%	10 quarters	Principal Quarterly & Interest Monthly	58.29
(ii) Term loans from Citi Bank				
Term loan (Refer Note 20.2(II)(b) below)	9.25%	1	Principal quarterly & Interest Monthly	2.60
(iii) Vehicle loans from Axis Banks				
Term loan (Refer Note 20.2(II)© below)	8.75%	22	Monthly installments	2.99

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

20 Borrowings (Non-Current) (Contd..)

Particulars	Interest Rate	No. of Instalments Outstanding	Repayment Terms	Amount outstanding as at 31 March 2022
(iv) Vehicle loans from financial institutions				
Mercedes-Benz financial services India private limited	7.60%	23	Monthly installments	2.06
(v) HDFC Bank				
Vehicle Loan (Refer Note 20.2(III)Ⓞ below)	8.40%	35 monthly instalments	Principal & Interest Monthly	2.53
Total				68.47
Less: Current Maturities of Long-Term Borrowings (Refer Note 23)				29.55
Long Term Borrowings from Bank				38.92

20.2 Security

I. As at 31 March 2023

(a) Term Loan from Axis Bank:

First pari-passu Charge on the movable fixed assets of the Company both present and future.

(b) Term Loan from RBL:

Exclusive charge by way of hypothecation on Plant & Machinery, Equipment's at Bawal Plant, Haryana. Second pari-passu Charge on the entire current assets of the Company both present and future under multiple banking arrangement.

(c) Vehicle loan from banks and financial institutions - secured against hypothecation of the vehicles.

II. As at 31 March 2022

(a) Term Loan from RBL:

Exclusive charge by way of hypothecation on Plant & Machinery, Equipment at Bawal Plant, Haryana. Second Pari Passu Charge on the entire current assets of the Company both present and future under multiple banking arrangement.

(b) Term loan from Citibank

a) Exclusive charge on land and building and Plant & Machinery at Manesar facility of SGS Teknics.

b) First exclusive charge on the machineries at Bangalore facility of SGS Teknics.

c) First exclusive charge by way of equitable mortgage on land and building located at:

- Plot no. 174, Sector 4, IMT, Manesar; and

- Plot no. 3, Block A, Infocity, Gurgaon.

d) Corporate guarantee of SGS Infosystems Private Limited.

e) Lien marked to Citibank on Investment in Mutual fund amounting to INR 26.50 million.

f) Pledge on Fixed Deposits of Rs 7.5 Million.

(c) Vehicle loan from banks and financial institutions - secured against hypothecation of the vehicles.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

20 Borrowings (Non-Current) (Contd..)

20.3 Reconciliation of change in Liabilities arising from financing activities:

For the year ended 31 March 2023

Particulars	As at 1 April 2022	Acquisitions through business combinations	Cash flow (net)	Exchange difference	Others [^]	New lease	As at 31 March 2023
Non current borrowings*	68.47	-	832.89	2.29	0.84	-	904.49
Current borrowings	1,873.93	-	689.78	0.18	-	-	2,563.89
Lease liability	240.51	-	-45.04	-	19.74	63.65	278.86

For the year ended 31 March 2022

Particulars	As at 1 April 2022	Acquisitions through business combinations	Cash flow (net)	Exchange difference	Others [^]	New lease	As at 31 March 2022
Non current borrowings*	318.75	17.50	-267.16	-2.30	1.68	-	68.47
Current borrowings	242.46	601.79	1,036.14	-6.46	-	-	1,873.93
Lease liability	52.40	49.95	-22.31	-	9.37	151.10	240.51

* Non current borrowing includes current maturities of Long term borrowing.

[^] Others includes amortisation of processing fees and interest on Lease liability.

21 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 39)		
- Provision for Gratuity	56.86	41.31
- Provision for Compensated Absences	35.19	28.29
Total	92.05	69.60

22 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred government grant (Refer note 51)	16.43	18.43
(b) Other payables	20.58	14.63
Total	37.01	33.06

23 Borrowings (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Working capital facilities from banks - secured	2,563.89	1,377.23
(b) Current Maturities of Long-term Borrowings (Refer Note 20.1)	34.64	29.55
(c) Term Loan from Bank - Secured	-	496.70
Total	2,598.53	1,903.48

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

23 Borrowings (Current) (Contd..)

23.1 Security

- First pari-passu charge on present and future inventories and book debts.
- Second pari-passu Charge by way of hypothecation on movable fixed assets of the Holding Company, both present and future under multiple banking arrangement.
- Second pari-passu charge by way of equitable mortgage on Factory Land & Building property bearing survey number: SF 164/1 PART, situated at Plot no B 27, Phase II, Zone B, area, MEPZ, Tambaram, - 600045, owned by the Holding Company.
- First pari-passu charge on moveable fixed assets, present and future, of the Holding Company located / planned at Chennai, Manesar, Hyderabad & Hosur.
- Cash credit, working capital loan and packing credit from Citi bank is secured by first paripassu charge with another bank on current assets (present and future stocks and book debts of the Company), first paripassu charge on moveable fixed assets (excluding those funded out of term loan) of the Holding Company.
- Cash credit, working capital loan and packing credit from HDFC Bank is secured by First pari-passu charge on all current assets of SGS Tekniks (present & future) and on plant & machinery- Second pari passu charge on all movable fixed assets of SGS Tekniks (present & future).
- Refer Note 54(VII) for the Comparison of Quarterly returns furnished to Banks with books of account.

24 Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprises and small enterprises	113.77	76.56
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,767.00	2,327.95
Total	4,880.77	2,404.51

24.1 Trade payables are non-interest bearing and are normally settled as per due dates.

24.2 Refer Note 54(VI) for trade payables ageing.

25 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital creditors	432.71	170.93
(b) Interest accrued but not due on loans from banks	3.97	0.14
Total	436.68	171.07

26 Other Current Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred revenue (Refer Note below)	16.75	247.15
(b) Deferred government grant (Refer Note 51)	2.00	2.00
(c) Revenue received in advance	420.90	365.27
(d) Statutory Remittances (Contributions to PF and ESI, Withholding Taxes, GST etc.)	50.37	33.88
(e) Other payables	3.41	4.13
Total	493.43	652.43

Note: Deferred revenue represents tooling charges received in advance from one of the customers, recognised as tooling income on the basis of completion of projects and number of units sold to the customer during the respective years.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

27 Provisions (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for warranty (Refer Note 50)	1.33	0.91
(b) Provision for Employee Benefits (Refer Note 39)		
- Provision for Gratuity	21.73	17.35
- Provision for Compensated Absences	7.53	6.56
(c) Provision for Contingencies (Refer Note 50)	11.00	16.00
Total	41.59	40.82

26 Other Current Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Tax	116.30	35.04
(Net of Advance Tax of ₹ 946.14 Million (₹ 489.24 Million as at 31 March 2022))		
Total	116.30	35.04

29 Revenue from Operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of Products (net)		
- Manufactured goods	19,708.73	9,973.90
- Traded goods	167.36	25.46
(b) Sale of Services	222.15	133.44
(c) Other Operating Revenues		
- Export Incentive	1.35	4.84
- Tooling Charges	359.21	37.52
- Sale of Scrap	19.34	21.08
- Service Charge	3.03	-
- Freight Outward	2.71	0.96
Total Other Operating Revenues	385.64	64.40
Total	20,483.88	10,197.20

29.1 Reconciliation of revenue recognized with the contract price is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract price	20,482.53	10,192.36
Adjustment for:		
- Discounts and rebates	-	-
- Refund liability	-	-
Revenue recognised	20,482.53	10,192.36

Note: The aforesaid excludes export incentives recognised under Revenue from Operations.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

29 Revenue from Operations (Contd..)

29.2 Disaggregation of Revenue information

The table below presents disaggregated revenues from contracts with customer (including export incentives) which is recognised based on goods transferred at a point of time by geography and offerings of the Group.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue by Geography		
India	14,288.32	5,521.11
Rest of the world	6,195.56	4,676.09
Total Revenue from Operations	20,483.88	10,197.20

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue by Segment		
Electronic Manufacturing Services	20,297.56	10,148.74
Others	186.32	48.46
Total Revenue from Operations	20,483.88	10,197.20

29.3 Timing of Recognition of Revenue

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Products / services transferred at point in time	20,260.39	10,169.36
Products / services transferred over a period of time	222.15	23.00
Total revenue from contracts with customers	20,482.54	10,192.36

Note: The aforesaid excludes export incentives recognised under Revenue from operations.

29.4 Contract balances

Particulars	As at 31 March 2023	As at 31 March 2022
Receivables, which are included in 'Trade receivables'*	4,103.12	2,781.84
Revenue received in advance, which are included in 'Other current liabilities'	420.90	365.27
Deferred revenue, which are included in 'Other current liabilities'	16.75	247.15

*Represents Gross Trade receivables without considering expected credit loss allowance

30 Other Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest income on financial assets carried at amortised cost		
- Bank deposits	319.44	13.78
- Security deposits	1.69	1.99
- Others	2.02	0.14
Total Interest Income	323.15	15.91

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

30 Other Income (Contd..)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Fair value changes of existing investment at the date of acquisition	-	2.15
(c) Foreign Exchange Gain (net)	71.99	73.19
(d) Dividend income from mutual funds	1.26	0.77
(e) Net gain on account of sale of current investments (mutual funds)	9.34	5.13
(f) Fair value changes in Non-current investment	0.23	-
(g) Government incentive*	0.01	1.11
(h) Insurance / Other Claims	3.07	0.64
(i) Mark-to-Market (MTM) gain on financial instrument (net)	14.67	2.24
(j) Profit on Sale of Property, plant and equipment (Net)	0.22	-
(k) Gain on termination/modification of leases	1.49	9.65
(l) Liabilities No Longer Required Written back	3.31	10.04
(m) Interest income on Income Tax Refund	0.33	-
(n) Miscellaneous Income	8.42	1.95
Total	437.49	122.78

*There are no unfulfilled conditions and other contingencies attached to government assistance

31 Cost of Raw Materials Consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Stock	2,050.01	532.64
Acquisition through Business Combination	4.06	1,234.73
Add: Purchases	18,122.32	7,640.93
	20,176.39	9,408.30
Less: Closing Stock (Refer Note 12)	4,583.80	2,050.01
Consumption of Raw Materials	15,592.59	7,358.29

32 Purchase of Stock-in-Trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of Stock-in-Trade	164.52	20.84
Total	164.52	20.84

33 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Inventories at the End of the year: (Refer Note 12)		
- Finished Goods	462.22	198.99
- Work-in-progress	721.03	643.59
- Stock-in-trade	12.64	1.05
Sub-total (A)	1,195.89	843.63
(b) Inventories at the Beginning of the year:		
- Finished Goods	198.99	26.16
- Work-in-progress	643.59	201.31
- Stock-in-trade	1.05	0.90
(c) Acquisition through Business Combination		
- Finished Goods	-	135.40
- Work-in-progress	-	286.14
- Stock-in-trade	-	-
Sub-total (B)	843.63	649.91
Net (Increase) / Decrease (B)-(A)	(352.26)	(193.72)

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

34 Employee Benefits Expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Salaries, wages and bonus	808.87	424.83
(b) Contribution to provident and other funds (net) (Refer Note 39)	46.73	31.00
(c) Gratuity expense (Refer Note 39)	17.69	10.49
(d) Compensated absences expense	11.43	5.56
(e) Remuneration to Executive Directors	75.97	49.54
(f) Staff welfare expenses	51.04	44.21
(g) Employee stock compensation expense (Refer Note 40)	57.17	35.07
	1,068.90	600.70
Less: Recovery of Salaries from Related Parties (Refer Note 43.2)	-9.18	-3.55
Total	1,059.72	597.15

35 Finance Costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest on borrowings*	181.78	40.39
(b) Interest on lease liability	19.04	9.38
(c) Interest on Unsecured Loan	-	0.04
(d) Factoring Charges	11.23	11.75
(e) Interest on delayed payment of taxes	1.78	1.33
(f) Interest on delayed payments to micro enterprises and small enterprises	2.05	0.83
Total	215.88	63.72

* The Group has capitalised borrowing cost towards qualifying assets amounting to ₹ 16.41 Million (NIL for the year ended 31 March 2022) at a rate of 6% to 7.60% Per annum

36 Other Expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Consumption of stores and spares	47.48	101.72
(b) Stipend to Apprentices	56.99	98.28
(c) Insurance	35.47	24.87
(d) Power and fuel	134.45	71.66
(e) Contract Wages	928.92	487.30
(f) Job Work Charges	135.00	141.29
(g) Freight outward and clearing	65.46	48.78
(h) Rent	6.56	7.64
(i) Repairs and maintenance	-	-
- Plant and machinery	51.42	28.20
- Buildings	24.98	12.06
- Others	73.88	32.42
(j) Advertising and sales promotion	79.37	84.39
(k) Provision for Warranty (Refer Note 50)	0.42	0.11
(l) Travelling and conveyance	133.21	51.58
(m) Communication costs	5.15	4.95
(n) Office maintenance	25.69	11.31
(o) Subscription and membership	1.57	0.75
(p) Development charges	16.71	12.76
(q) Allowance for ECL	17.75	8.30
(r) Bad debts Written Off	13.85	8.44
Less: Utilization of Allowance for ECL	-6.60	-1.12
Net Bad debts Written Off	7.25	7.32
(s) Advances Not Recoverable Written Off	1.47	-
(t) Printing and stationery	12.09	6.75

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

36 Other Expenses (Contd..)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(u) Postage and courier	6.17	2.79
(v) Legal and professional fees	117.79	122.58
(w) Payments to auditor	10.16	7.52
(x) Loss on sale / discard of Property, plant and equipment (Net)	0.72	0.34
(y) Security charges	22.33	12.99
(z) Canteen expense	7.75	3.42
(aa) Bank charges	41.35	22.13
(ab) Festival expenses	-	2.42
(ac) Corporate Social Responsibility	20.46	17.86
(ad) Rates and Taxes	29.11	35.34
(ae) Mark-to-Market (MTM) loss / (gain) on financial instrument	0.39	-
(af) Director Sitting Fees	6.44	1.10
(ag) Commission cost	4.43	6.79
(ah) Miscellaneous expenses	50.27	10.26
	2,178.66	1,487.98
Less: Claims for reimbursement with State Government	-7.37	-9.12
Less: Freight charges reimbursed by customers	-29.67	-8.47
Total	2,141.62	1,470.39

37 Contingent Liabilities and Commitments (to the extent not specifically provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Claims against the Group not Acknowledged as Debt (Also Refer Notes below)		
- Erstwhile customer (Refer Note I (iii) below)	56.17	56.17
- Karnataka VAT related matters	-	14.02
- Income tax demands (Refer Note II (i) below)	4.83	6.58
- Civil Matters (Refer Note II (ii) below)	-	0.18
(b) Commitments [Refer Note (b) below]		
- Capital Commitments	482.21	579.49
- Export obligation under EPCG Scheme	190.13	189.69
- Investment Commitment	22.34	278.54

Notes:

(a) Contingent Liabilities

I Holding Company

- (i) The amounts shown above represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Holding Company or the Claimants, as the case may be and therefore, cannot be predicted accurately.
- (ii) Subsequent to the year ended 31 March 2023, the Holding Company has received demand under section 154 of the Income tax act, 1961 ("IT Act") amounting to INR 46.87 Million for the financial year 2020-21 dis-allowing the benefit of section 10AA of IT Act due to non-filing of Form 56F within the due date. The Holding Company had filed writ petition against the order before the Hon'ble High Court of Bombay to quash the said demand. The Company has received interim relief against the operation of the order and the Company is confident of receiving favorable order.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

37 Contingent Liabilities and Commitments (to the extent not specifically provided for) (Contd..)

- (iii) The Company has filed Special Leave Petition (SLP) before Honorable Supreme Court of India against the Madras High Court Judgment relating to direction to the Company to deposit 50% of the amount in the Court. Supreme court has stayed the order of Madras High court, to pay the said amount. Further, the erstwhile customer, has also filed a counter SLP before the Honorable Supreme Court of India against the Madras High Court Judgment referred above, which is pending hearing. Based on the assessment carried out by the Company, the Management expects a favorable decision in respect of the above. Further, petition against the Company before National Company Law Tribunal, Mumbai Bench, for initiation of Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code has been withdrawn.

II SGS Tekniks, Subsidiary company

- (i) Income Tax Demands being disputed by the Subsidiary Company ₹ 4.84 Million (₹ 6.58 Million as at 31 March 2022). The Subsidiary Company has deposited INR 4.22 Million under protest and the same has been included in the Other non-current assets. The Income tax demand excludes penalty and interest. Based on external consultant advice, the Subsidiary Company has concluded that chances of liability devolving on the company is not probable and hence no provision in respect thereof has been made in the books.
- (ii) Civil matters being disputed by the Subsidiary Company Nil (INR 0.18 Million as at 31 March 2022). Based on legal advice, the Subsidiary company has concluded that chances of liability devolving on the Subsidiary company is not probable and hence no provision in respect thereof has been made in the books.
- (iii) Pending resolution of aforesaid proceedings, it is not practicable for the Subsidiary Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decision pending with various forums/authorities.

(b) Commitments

- (i) Capital Commitments represents estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for.

38 Information as required by Part III of General instructions to Schedule III to the Companies Act, 2013

(i) As at and For the year ended 31 March, 2023

Name of the Entity	Net Assets (i.e. Total Assets minus Total Liabilities)	Share in Profit and Loss	Share in Other Comprehensive Income	Share in Total Comprehensive Income
Holding Company: Syрма SGS Technology Limited				
As a % of consolidated entities	74%	44%	87%	45%
Amount	11,477.83	546.17	14.34	560.51
Subsidiary Company - India, SGS Tekniks Manufacturing Private Limited* (consolidated)				
As a % of consolidated entities	22%	43%	9%	43%
Amount	3,366.92	530.36	1.51	531.87
Subsidiary Company - India, Perfect ID India Private Limited (consolidated)§				
As a % of consolidated entities	3%	10%	(2)%	10%
Amount	522.65	127.10	(0.27)	126.83
Subsidiary Company - Syрма Technology Inc.				
As a % of consolidated entities	0%	(1)%	6%	(1)%
Amount	35.36	(10.46)	0.92	(9.54)
Minority Interests in all subsidiaries				

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

38 Information as required by Part III of General instructions to Schedule III to the Companies Act, 2013 (Contd..)

Name of the Entity	Net Assets (i.e. Total Assets minus Total Liabilities)	Share in Profit and Loss	Share in Other Comprehensive Income	Share in Total Comprehensive Income
As a % of consolidated entities	0%	3 %	(1)%	3 %
Amount	26.15	37.56	(0.11)	37.45
Total				
As a % of consolidated entities	100%	100%	100%	100%
Amount	15,428.91	1,230.76	16.39	1,247.15

(ii) As at and For the year ended 31 March, 2022

Name of the Entity	Net Assets (i.e. Total Assets minus Total Liabilities)	Share in Profit and Loss	Share in Other Comprehensive Income	Share in Total Comprehensive Income
Holding Company: Syrma SGS Technology Limited				
As a % of consolidated entities	45%	54%	(82.00)%	55%
Amount	2,622.21	308.19	0.81	309.01
Subsidiary Company - India, SGS Tekniks Manufacturing Private Limited* (consolidated)				
As a % of consolidated entities	49%	35%	104%	35%
Amount	2,827.95	199.30	(1.03)	198.27
Subsidiary Company - India, Perfect ID India Private Limited (consolidated)\$				
As a % of consolidated entities	5%	4%	27%	4%
Amount	271.57	23.53	(0.27)	23.26
Subsidiary Company - Syrma Inc				
As a % of consolidated entities	-	-	-	-
Amount	(1.17)	(0.94)	-	(0.94)
Minority Interests in all subsidiaries				
As a % of consolidated entities	2%	2%	9%	2%
Amount	108.41	11.36	(0.09)	11.27
Associate Company - India, SGS Tekniks Manufacturing Private Limited #				
As a % of consolidated entities	-	4%	42%	4%
Amount	-	25.28	(0.41)	24.87
Total				
As a % of consolidated entities	100%	100%	100%	100%
Amount	5,828.97	566.74	(0.99)	565.76

* SGS Tekniks Manufacturing Private Limited disclosed above is at Consolidated level, i.e. including two step down subsidiaries.

\$ Perfect ID India Private Limited disclosed above is at Consolidated level, i.e. including share of associate profit accounted under equity method

#SGS Tekniks was an associate of the Company upto 16th September 2021. W.e.f 17th September 2021 SGS Tekniks has become a wholly-owned subsidiary of the Holding Company. Also refer Note 2.2(b) and Note 45.ii.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

39 Employee Benefits

39.1 Defined Contribution Plan

Group's (employer's) contribution to Defined Contribution Plans recognised as expenses in the Statement of Profit and Loss are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer's Contribution to Provident Fund	40.43	27.10
Employer's Contribution to Employee State Insurance	1.78	1.07
Employer's Contribution to Labour Welfare Fund	0.46	0.10
Employer's Contribution to National Pension Fund	1.45	0.67
Employer's Contribution to Superannuation Fund	2.61	2.06
Total	46.73	31.00

39.2 Defined Benefit Plans

Certain entities of the Group have a funded gratuity scheme for covering their employee's gratuity obligation. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Certain entities of the Group make annual contribution to the Group gratuity scheme administered by the Life Insurance Corporation of India.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Investments for these plans are carried out by Life Insurance Corporation of India.
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 investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2023 and 31 March 2022 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

(a) Amount recognised in the total comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Service Cost		
- Current Service Cost	13.71	7.78
- Interest expense on Defined Benefit Obligation	4.55	3.11
- Interest income on plan assets	(0.57)	(0.40)
Components of Defined Benefit Costs recognised in Statement of profit and loss (A)	17.69	10.49

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

39 Employee Benefits (Contd..)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remeasurement of the net defined benefit liability :		
Return on plan assets (excluding amount included in net interest expense)	1.34	0.15
Actuarial (gain) / loss arising from changes in financial assumptions	(0.52)	1.71
Actuarial (gain) / loss arising from experience adjustments	2.02	(1.68)
Actuarial (gain) / loss arising from demographic adjustments	2.01	(1.57)
Components of defined benefit costs recognised in other comprehensive income (B)	4.85	(1.39)
Total (A) + (B)	22.54	9.10

(i) The current service cost and interest expense (net) for the relevant period are included in the "Employee Benefit Expenses" line item in the Statement of Profit and Loss.

(ii) The remeasurement of the net defined benefit liability is included in Other Comprehensive Income.

(b) The amount included in the Balance Sheet arising from the Group's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Net (Asset) / Liability recognised in the Balance Sheet:		
Gratuity:		
Present value of defined benefit obligation	86.57	65.68
Fair value of plan assets	7.99	7.04
(Surplus) / Deficit	78.58	58.65
Current portion of the above	21.73	17.34
Non current portion of the above	56.86	41.31

(c) Movement in the present value of the Defined Benefit Obligation are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Present value of defined benefit obligation at the beginning of the year	65.68	31.54
Acquisitions through business combinations	-	27.58
Expenses Recognised in the Statement of Profit and Loss:		
- Current Service Cost	13.72	7.77
- Interest Expense / (Income)	4.55	3.11
Recognised in Other Comprehensive Income:		
Remeasurement (gains) / losses	3.51	(1.79)
Benefit payments	(0.89)	-2.53
Present value of defined benefit obligation at the end of the year	86.57	65.68

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

39 Employee Benefits (Contd..)

(d) Movement in fair value of plan assets are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Fair value of plan assets at the beginning of the year	7.04	3.99
Acquisitions through business combinations	-	5.17
Income Recognised in Statement of Profit and Loss Account:		
- Expected return on plan assets	0.58	0.38
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)	(1.34)	(0.15)
Contributions by employer (including benefit payments recoverable)	2.40	0.18
Benefit payments	(0.69)	(2.53)
Fair Value of Plan assets at the end of the year	7.99	7.04

The actual return on plan assets as furnished by Insurer is ₹ (0.00) Million and ₹ 0.24 Million for the year ended 31 March 2023 and 31 March 2022 respectively.

(e) The entire Plan Assets are managed by the Insurer. The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity:		
Discount rate	7.39% - 7.55%	6.82% - 7.66%
Expected rate of salary increase	6.2% - 13%	8% - 13%
Expected return on plan assets	6.82% - 7.66%	6.55% - 7.08%
Attrition Rate	6% - 15.82%	6% - 40%
Mortality tables*	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

(i) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

(ii) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

(g) Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase rate, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant :

In respect of Gratuity:

(Increase) / Decrease on the Defined Benefit Obligation	As at 31 March 2023	As at 31 March 2022
(i) Discount rate		
Increase by 100 bps	4.79	3.65
Decrease by 100 bps	(5.46)	(4.11)
(ii) Salary growth rate		
Increase by 100 bps	(4.66)	(3.63)
Decrease by 100 bps	4.32	3.37

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

39 Employee Benefits (Contd..)

(Increase) / Decrease on the Defined Benefit Obligation	As at 31 March 2023	As at 31 March 2022
(iii) Attrition rate		
Increase by 100 bps	0.72	0.51
Decrease by 100 bps	(0.83)	(0.56)
(iv) Mortality rate		
Increase by 10%	0.01	0.02

- (i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- (ii) Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.
- (iii) There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(h) Experience Adjustments

Particulars	As at 31 March 2023	As at 31 March 2022
Projected Benefit Obligation	86.57	65.68
Fair Value of Plan Assets	7.99	7.04
Deficit / (Surplus)	78.58	58.64
Experience Adjustments on Plan Liabilities - (Gains) / losses	3.51	(1.79)
Experience Adjustments on Plan Assets - Gains / (losses)	(1.34)	(0.15)

(i) Effect of Plan on Group's Future Cash Flows

(i) Funding Arrangements and Funding Policy

Certain entities of the Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

- (ii) Expected contributions to post-employment benefit plans during the next one year from the respective year end date is as follows:

Year Ending	Amount
As at 31 March 2023	20.00
As at 31 March 2022	11.21

- (iii) The weighted average duration of the defined benefit obligation during the respective year end is as follows

Year Ending	Weighted average duration
As at 31 March 2023	11.09 to 20.96 years
As at 31 March 2022	5.89 to 20.87 years

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

39 Employee Benefits (Contd..)

(iv) Maturity profile of defined benefit obligation on an undiscounted basis is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Year 1	11.85	9.73
Year 2	6.49	5.63
Year 3	6.02	4.36
Year 4	5.04	4.17
Year 5	6.98	3.21
Next 5 year pay-outs (6-10 years)	102.08	67.42
Total	138.46	94.52

39.3 Compensated Absences

The compensated absences cover the Group's liability for earned leave. Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly the Group has accounted for provision for compensated absences as below

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current portion	35.19	28.29
Current portion	7.53	6.56
Total	42.72	34.85

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an Independent Actuary are as given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Assumptions		
Discount rate	7.39% - 7.55%	6.82% - 7.66%
Expected rate of salary increase	6.2% - 13%	8% - 13%
Attrition Rate	6% - 15.82%	6% - 40%
Mortality tables	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

40 Share-based payments

40.1 Details of the employee share option plan of the Group

On 19 October 2021, the shareholders of the Holding Company have approved the Syrma SGS Employee Stock Option Scheme ("Scheme 1") which forms part of the Syrma SGS Stock Option Plan. Under the Scheme 1, the Holding Company has issued 7,726 options of ₹ 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Holding Company.

On 19 October 2021, the shareholders of the Holding Company have approved the Syrma SGS Employee Stock Option Scheme ("Scheme 2") which forms part of the Syrma SGS Stock Option Plan. Under the Scheme 2, the Holding Company has issued 16,133 options of ₹ 10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. The plan is administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Holding Company.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

40 Share-based payments (Contd..)

Each employee share option converts into one equity share of the Holding Company on exercise of option under Scheme 1 or Scheme 2. Options may be exercised at any time from the date of vesting to the date of their expiry.

The members in the Extra Ordinary General Meeting (EGM) held on 28 October 2021 have approved the issue of bonus shares in the ratio of 100 equity shares for every 1 equity share as on the date of EGM. Consequently, at the time of exercise of share options, each option shall be converted into the ratio of 1:101. The number of options disclosed below are after giving the impact of Bonus issue.

Option Series	Grant Date	No of Options granted (Pre-Bonus)	Number of options (Post-Bonus)	Exercise price in ₹	Vesting period	Fair value of the Options*	Vesting condition
(1) Scheme 1	19-Oct-21	7,726	7,80,326	10	1 to 3 years	56.83	Time based vesting
(2) Scheme 2	19-Oct-21	16,133	16,29,433	10	1 to 4 years	55.52	Time based vesting

* Represents cost recorded by the Group based on fair valuation report

40.2 Vesting schedule

The Holding Company has issued stock options on its own shares to specified employees of the Holding Company and its subsidiary i.e, SGS Tekniks Manufacturing Private Limited. The Holding Company uses fair value to account for the compensation cost of stock options to employees in the financial statements. The following are the vesting pattern of ESOPs:

Particulars	Scheme 1	Scheme 2
At the end of one year of service from grant date	50%	25%
At the end of two years	25%	25%
At the end of three years	25%	25%
At the end of four years	-	25%
Total	100%	100%

40.3 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	Scheme 1		Scheme 2	
	Number of Options (Post- Bonus)	Weighted average exercise price per option	Number of Options (Post- Bonus)	Weighted average exercise price per option
Outstanding as at 1 April 2021	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the year	7,80,326	10	16,29,433	10
Outstanding as at 31 March 2022	7,80,326	10	16,29,433	10
Forfeited during the year	-	-	37,875	10
Exercised during the year	2,07,702	10	3,41,003	10
Granted during the year	-	-	-	-
Outstanding as at 31 March 2023	5,72,624	10	15,91,558	10

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

40 Share-based payments (Contd..)

40.4 Fair value of share options granted during the year

The weighted average fair value of the share options granted (Post-Bonus) during the year ended 31 March 2023 is ₹ 55.94 (Rs 55.94 during the year ended 31 March 2022). The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The various inputs considered in computation of fair value are as follows:

Particulars	Scheme 1	Scheme 2
Grant date share price (Fair value)	65.95	64.36
Exercise price	10	10
Expected volatility	52.90%	50.30%
Dividend yield	2.70%	2.67%
Risk-free interest rate	4.51%	4.78%
Weighted average remaining contractual life (in years)	0.53	1.17

40.5 Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee Stock compensation expense under employee benefit expense (Refer Note 34)	57.17	35.07

41 Segment Reporting

41.1 Business Segment

The Chief Operating Decision Maker evaluates the performance of the Group based on the operating segments as Electronic Manufacturing Services (EMS) and Others. Therefore, there are only two reportable segment called EMS & Others in accordance with the requirement of Ind AS 108 "Operating Segments".

a) As at 31 March 2023

Particulars	EMS	Others	Total
Revenue	20,297.56	186.32	20,483.88
Segment Results before depreciation	1,691.06	4.85	1,695.91
Less: Depreciation and Amortisation	311.99	-	311.99
Segment Results after depreciation	1,379.07	4.85	1,383.92
Less: Unallocated expenses**			34.10
Add: Other Income [^]			437.49
Profit before Tax	1,379.07	4.85	1,787.31
Segment Assets	24,416.14	135.14	24,551.28
Unallocated Assets*			860.27
Total Assets	24,416.14	135.14	25,411.55
Segment Liabilities	9,599.11	129.66	9,728.77
Unallocated Liabilities#			253.85
Capital Employed ***			15,428.93
Total Liabilities	9,599.11	129.66	25,411.55
Other disclosures			
Addition to Non-current assets \$	1,641.18	0.20	1,641.38

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

41 Segment Reporting (Contd..)

b) As at 31 March 2022

Particulars	EMS	Others	Total
Revenue	10,148.74	48.46	10,197.20
Segment Results before depreciation	1,018.62	2.90	1,021.52
Less: Depreciation	311.44	0.55	311.99
Segment Results after depreciation	707.18	2.35	709.53
Less: Unallocated expenses**			23.29
Add: Other Income [^]			122.78
Profit before Tax	707.18	2.35	809.02
Segment Assets	11,033.40	68.15	11,101.55
Unallocated Assets*			440.56
Total Assets			11,542.11
Segment Liabilities	5,545.83	8.57	5,554.40
Unallocated Liabilities#			158.74
Capital Employed***			5,828.97
Total Liabilities			11,542.11
Other disclosures			
Addition to Non-current assets \$	934.03	0.20	934.23

** Unallocated expenses represents Finance costs (excluding interest on borrowings)

[^] Other Income represents interest income, exchange gain etc.

* Unallocated assets represent Non-current investments, current investments, and Income tax asset (net).

Unallocated Liabilities represent Deferred Tax Liability and Current tax liabilities.

***Capital employed represent Total equity.

\$ Additions to non-current assets represents additions to PPE, Intangible assets, CWIP and Intangible assets under development

41.2 Geographical Information

The Group's revenue from external customers by location of operations and information about its non current assets by location of operations are detailed below. The geographical segments considered for disclosure are – India, USA, Germany and Rest of the World.

Revenue by Geographic Market

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	14,288.32	5,521.11
USA	1,238.01	1,260.26
Germany	2,959.25	1,927.68
Rest of the world	1,998.31	1,488.15
Total*	20,483.89	10,197.20

Information about product revenue are as given in Note 29.

* Represents Revenue from operations as per Note 29

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

41 Segment Reporting (Contd..)

Non-current assets** by Geographic Market

Particulars	As at 31 March 2023	As at 31 March 2022
India	5,588.85	4,396.88
Outside India	4.00	2.76
Total	5,592.85	4,399.64

**Represents all Non current assets other than financial assets, deferred tax assets and income tax assets.

41.3 Information about major customers:

Revenue from operations include revenues from major customers contributing individually to more than 10% of the Group's total revenue from operations.

Particulars	As at 31 March 2023	As at 31 March 2022
No of customers	-	1
Amount	-	1,031.71

There is no other single customer who contributed more than 10% to the Group's revenue for the respective years.

42 The Group has incurred Research and Development ("R&D") expenditure during the year. The details are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary	28.78	14.23
Development charges (including material)	5.66	4.53
Total	34.44	18.76

43 Disclosure in respect of Related Parties

43.1 Names of Related Parties and Nature of Relationship

Description of relationship	Name of the related party
Ultimate Holding Company upto 21 October 2021, and Entity with significant influence over Holding Company w.e.f 22 October, 2021	Tancom Electronics Private Limited
Fellow Subsidiaries upto 21 October, 2021 and Entities controlled by entity having significant influence over the Holding Company w.e.f 22 October 2021	Infinx Services Private Limited Reliable Consultancy Services Pvt Limited Tandon Holdings Limited TIS International (USA) Inc
Investment in Associate	Perfect IOT Wireless Solutions LLP
Whole -time Directors (WTD)	Mr. Sandeep Tandon (Executive Chairman) Mr. Jasbir Singh Gujral (Managing Director w.e.f 1 October, 2021)
Key Managerial Personnel (KMP)	Mr. Sreeram Srinivasan (Chief Executive Officer w.e.f 29 November, 2021) Mr. Bijay Kumar Agrawal (Chief Financial Officer w.e.f 4 October, 2021) Mr. Rahul Nitin Sinnarkar (Company Secretary w.e.f 4 October, 2021)

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

43 Disclosure in respect of Related Parties (Contd..)

Description of relationship	Name of the related party
Non-executive Directors	Mr. Jayesh Doshi (w.e.f 27 September,2021)
	Mr. Hetal Madhukant Gandhi (w.e.f 29 November, 2021)
	Mr. Anil Govindan Nair (w.e.f 29 November, 2021)
	Mr. Bharat Anand (w.e.f 29 November, 2021)
	Ms. Smita Amit Jatia (w.e.f 29 November, 2021)
	Ms. Priyanka Gulati (Director w-e-f 08-December-2021)
	Mr. Kunal Shah (w.e.f 29 November, 2021)
Relatives of Directors	Ms. Veena Kumari Tandon (Relative of Mr. Sandeep Tandon)

Notes:

1. Related party relationships are as identified by the Management and relied upon by the auditors.
2. The aforesaid List includes only the list of related parties with transactions during the year except where control exists.

43.2 Transactions with the related parties

Particulars	Name of the Related Party	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Sales of Goods and Services	Infinx Services Pvt.Ltd	0.76	-
	TIS International (USA) Inc	0.11	2.94
	Perfect IOT Wireless Solutions LLP	1.90	-
Expenses (Refer Note h below)			
Purchase of Goods and Services (Also refer Note (f) and (h) below)	TIS International (USA) Inc	-	36.61
	Tandon Holdings Limited	33.18	26.53
	Perfect IOT Wireless Solutions LLP	1.87	0.97
Legal and Professional Charges	Tandon Holdings Limited	25.60	-
Remuneration to WTD and KMP (Refer Note (a) and (b) below)			
(a) Salary	Mr. Sandeep Tandon	24.00	24.00
	Mr. Jasbir Singh Gujral	13.17	6.89
	Mr. Sreeram Srinivasan	20.81	5.25
	Mr. Bijay Kumar Agrawal	11.23	3.41
	Mr. Rahul Nitin Sinnarkar	1.90	0.65
(b) Contribution to Provident Fund	Mr. Sandeep Tandon	2.88	2.88
	Mr. Jasbir Singh Gujral	1.54	0.77
	Mr. Sreeram Srinivasan	0.88	0.30
	Mr. Bijay Kumar Agrawal	0.45	0.18
	Mr. Rahul Nitin Sinnarkar	0.08	0.04
(c) Perquisite	Mr. Sandeep Tandon	5.10	5.15
	Mr. Jasbir Singh Gujral	-	0.16
	Mr. Rahul Nitin Sinnarkar	0.19	-
	Mr. Bijay Kumar Agrawal	7.26	0.18
(d) Reimbursement	Mr. Jasbir Singh Gujral	0.12	-
	Mr. Sreeram Srinivasan	0.82	-
	Mr. Bijay Kumar Agrawal	0.17	-
	Mr. Rahul Nitin Sinnarkar	0.19	-

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

43 Disclosure in respect of Related Parties (Contd..)

Particulars	Name of the Related Party	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration to Non-executive Directors			
(a) Sitting Fees Paid	Mr. Hetal Madhukant Gandhi	0.70	0.23
	Mr. Anil Govindan Nair	0.39	0.15
	Mr. Bharat Anand	0.67	0.09
	Mr. Kunal Shah	0.10	-
	Ms. Priyanka Gulati	0.16	-
	Ms. Smita Amit Jatia	0.34	0.10
(b) Commission Paid (Refer note © below)	Mr. Hetal Madhukant Gandhi	0.32	-
	Mr. Anil Govindan Nair	0.32	-
	Mr. Bharat Anand	0.11	-
	Ms. Smita Amit Jatia	0.21	-
(c) Share Based Payment Transaction Perquisite	Mr. Jayesh Doshi	49.20	-
Other transactions (Refer Note (a) and (f) below)			
Recovery of expenses	Infinx Services Private Limited	2.23	3.55
Reimbursement of Expenses	Infinx Services Private Limited	0.17	0.05
Purchase of undertaking through slump sale	Perfect IOT Wireless Solutions LLP	0.30	-
Advances received	Mr. Jasbir Singh Gujral	-	0.50

43.3 Related Party balances as at the year end

Particulars	Name of the Related Party	As at 31 March 2023	As at 31 March 2022
Assets at Year End			
Security Deposit (Refer Note (e) below)	Reliable Consultancy Services Pvt Limited	10.00	10.00
Trade Receivable	Infinx Services Private Limited	0.32	3.72
	TIS International (USA) Inc	2.97	7.28
Advance to suppliers	Reliable Consultancy Services Pvt Limited	-	0.57
Loans & Advances	Tancom Electronics Private Limited	-	0.00
Loans & Advances to KMP	Mr. Sreeram Srinivasan	-	2.00
Liabilities at year End			
Employee benefit and other dues	Mr. Jasbir Singh Gujral	-	0.63
Trade Payable	Infinx Services Private Limited	-	0.00
	Reliable Consultancy Services Pvt Limited	0.51	-
	Tandon Holdings Limited	5.44	2.15
	TIS International (USA) Inc	-	7.08
	Tancom Electronics Private Limited	-	0.00
	Perfect IOT Wireless Solutions LLP	-	1.15
	Mr. Hetal Madhukant Gandhi	-	0.04
Sitting Fees Payable to Directors	Bharat Anand	0.10	-

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

43 Disclosure in respect of Related Parties (Contd..)

Notes:

- (a) During the previous year ended 31 March 2022, the Holding Company has granted the options to the following

S. No.	Name of the Related Party	No of Options granted (Pre-Bonus) (in units)	Number of Options (post-Bonus) (in units)
1	Mr. Bijay Kumar Agrawal	984	99,384
2	Mr. Rahul Nitin Sinnarkar	27	2,727
3	Mr. Jayesh Doshi	7,030	7,10,030

The receipt of exercise price on exercise of the share option will be disclosed in the year of actual exercise and the Perquisite computed thereon as per Income Tax Act,1961 will also be disclosed in the year of actual exercise.

- (b) As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to KMP are not included above.
- (c) The Commission amount disclosed above represents the actual payment made during the year upon receipt of approval of shareholders in general meeting. The amount payable against which provision has been created which is subject to approval of shareholders in general meeting has not been considered for disclosures w.r.t transactions and year-end balances.
- (d) During the year ended 31 March 2022, the Holding Company has issued the Bonus shares to the following -

S. No.	Name of the Related Party	No of Bonus shares
1	Tancom Electronics Private Limited	6,26,92,500
2	Mr. Jasbir Singh Gujral	1,25,69,000
3	Ms. Veena Kumari Tandon	48,36,000

- (e) The security deposit amount disclosed above, is presented at the undiscounted amount and not at amortised cost as carried in the financial statements.
- (f) The entity having significant influence / certain other Related parties, incur certain common costs on behalf of the Company / other entities in the Group. These costs primarily relate to certain marketing, administration, infrastructure and other costs. Such cost have been accounted for in the financial statements of the group based on and to the extent of actual debits received from the group Companies. The Group Companies have confirmed to the management that, as at 31 March 2023, there are no further amounts payable to them by the group, on this accounts other than the amounts disclosed in these financial statements.
- (g) The aforesaid transactions are disclosed only from the date / upto the date, the party has become / ceases to become a related party to the Group.
- (h) The amount of payables/receivables indicated above is after deducting Tax (wherever applicable) and after including Goods and Services Tax (wherever applicable) as charged by/to the counter party as part of the invoice/relevant document

The amount of transactions disclosed above is without considering Goods and Services Tax (wherever input credit has been availed) as charged by/to the counter party as part of the invoice/relevant document and also gross of withholding tax under the Income Tax Act,1961

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

44 Non-Controlling Interest

Following are the details of the Non-wholly owned subsidiaries of the Group that had material Non-controlling interest (NCI) during the year ended 31 March 2022 and 31 March 2023.

Until 31 March 2022, Perfect ID was a subsidiary of the Company having NCI, the Holding Company had shareholding of 75% as on 31 March 2022. During the Financial Year 2023, the Holding Company has acquired additional 10% of stake in Perfect ID during August 2022 and remaining 15% in March 2023 making the same as a wholly owned subsidiary and hence no NCI exists as on 31 March 2023. Accordingly, adjustment amounting to ₹ 76.60 Million representing the excess consideration paid to NCI over the proportionate share of net assets on the respective dates has been given effect in the other equity of Consolidated Financial Statements.

The summarized financial information of the Subsidiary is provided below.

Summarized Statement of Profit and Loss*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income	675.20	185.85
Expenses	(461.59)	(142.37)
Profit Before Tax	213.61	43.48
Tax Expense	54.63	12.17
Share of Profits of Associate	-0.33	0.06
Profit for the Year	158.65	31.37
- attributable to the owners of the Company	129.32	23.53
- attributable to the non-controlling interest	29.33	7.84
Other Comprehensive Income / (Loss)	(0.38)	(0.36)
- attributable to the owners of the Company	(0.27)	(0.27)
- attributable to the non-controlling interest	(0.11)	(0.09)
Total Comprehensive Income	158.27	31.01
- attributable to the owners of the Company	129.06	23.26
- attributable to the non-controlling interest	29.21	7.75

Summarized Balance Sheet

Particulars	As at 31 March 2022
Non-Current Asset	85.49
Current Asset	360.00
Non-Current Liabilities	4.85
Current Liabilities	78.58
Total Equity	362.06
- attributable to the owners of the Company	271.57
- attributable to the non-controlling interest	90.50

Summarized Cash Flow Statement*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net cash generated from operating activities (A)	106.28	31.06
Net cash used in investing activities (B)	(196.88)	(84.55)
Net cash used in financing activities ©	(1.90)	(1.43)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(92.50)	(54.92)

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

44 Non-Controlling Interest (Contd..)

Particulars	As at 31 March 2022
Non Controlling Interest	90.50

*The profits and cash flows disclosed above for the year 21-22, represents the figures from the date of acquisition, i.e 1 November 2021 until 31 March 2022 considered for Consolidation in the Statement of Profit & Loss, Statement of Cash flows.

The Summarised Balance sheet as at 31 March 2023 is not presented since there is no material NCI in Perfect ID as at 31 March 2023.

45 Interest in Associates

The Company was holding an interest of 20% in SGS Tekniks upto 16th September 2021 (Effective from 17th September, 2021, the same has become wholly owned subsidiary. Also refer Note 2.2(b).

Consequently the figures for the FY 22-23 has not been provided and only summarized financial information of the Associate upto 16th September 2021 is provided below:

(i) Summarised financial information of associate:

Particulars	As at 16 September 2021
Current Assets	3,093.12
Non - current Assets	2,127.34
Current Liabilities	1,581.77
Non - Current Liabilities	166.27
Minority Interest	14.39
Equity	3,458.03
Company's Share in equity - 20%	691.61
Fair value Changes as on date of associate*	254.95
Company's Carrying Value of Investment	946.55

*Fair value Changes as on the date of acquisition of 20% refers to changes in the value of land and Investment property on account of Fair valuation to the extent ₹ 51.38 Million and Goodwill at the time of acquisition of 20% amounting to ₹ 203.57 Million included in the carrying amount of investment.

(ii) Summarized Statement of Profit and Loss:

Particulars	For the period 1 April 2021 to 16 September 2021
Revenue from Operations	2,203.08
Cost of Sales	1,615.81
Finance Cost	11.74
Other Expense net of Other Income	393.93
Profit / (loss) for the period / year before tax	181.60
Income Tax	46.27
Profit / (loss) for the period / year after tax	135.33
Profit transferred to Non controlling interest	8.91
Other Comprehensive Income for the period / year	(0.91)
Total Comprehensive Income for the period / year	125.51
Company's Share of profit/ (loss) for the period / year	25.28
Company's Share of total other comprehensive income for the period	(0.18)

(iii) Perfect IOT Wireless Solutions LLP is not considered a material associate and hence the aforesaid disclosures have not been provided.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Business Combination

46.1 Note on Business Combinations

Perfect ID (Subsidiary) has acquired the business of M/s Perfect IOT Wireless Solutions LLP (Perfect IOT) on a Slump sale basis under the Business Transfer Agreement (BTA) dated 1st March 2023 entered into between the parties.

The Business of Perfect IOT comprises of manufacturing of RFID antenna. As a part of BTA, existing business of Perfect IOT including its assets & liabilities were taken-over by Perfect ID. The total cash consideration paid by the Group against the aforesaid slump sale was INR 0.30 millions.

The Group has accounted for the Business Combinations in accordance with the requirement of IND AS 103 "Business Combination" which lays down the principles in respect of accounting for Business Combination of entities or businesses under Acquisition Method. Accordingly, the assets and Liabilities are reflected in the books of the Group at their fair value.

Disclosure Pursuant to IND AS 103 – Business Combination

Particulars	Disclosures
Name and Description of Acquiree	Business of Perfect IOT
Acquisition date	1st March 2023
The percentage of voting interests acquired.	NA - Slump Sale under BTA
The primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree	<p>A. Description of Business Acquired: The Business of Perfect IOT Wireless Solutions LLP comprised of manufacturing of RFID antenna.</p> <p>B. The business of M/s Perfect IOT Wireless Solutions LLP was acquired on a slump sale basis under a Business Transfer Agreement (BTA) dated 1st March 2023 entered into between the parties.</p>

The statement of Net identified assets & liabilities and the consideration transferred (at Fair Value)

Particulars	Amount
Tangible assets	0.12
GST Credit Balance	0.49
Inventory	4.06
Liabilities Taken over	(1.02)
Net Assets Taken Over (A)	3.65
Cash Consideration (B)	0.30
50% of Loss in associate adjusted with Capital Reserve (C)	1.68
Capital Reserve (A - B)	1.67

46.2 Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

(i) Particulars	As at 31 March 2023	As at 31 March 2022
Gross carrying amount	1181.85	1181.85
Gross carrying value		Amount
As at 1 April 2021		-
Acquired as part of subsidiary acquisition/ business combination (Refer note (ii) below)		1,181.85
Impairment during the period (Refer note (iii) below)		-
As at 31 March 2022		1,181.85
Acquired as part of subsidiary acquisition/ business combination (Refer note (ii) below)		-
Impairment during the period (Refer note (iii) below)		-
As at 31 March 2023		1,181.85

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

46 Business Combination (Contd..)

(ii) Breakup of the Goodwill on Business Combination

Particulars	SGS Teknics	Perfect ID	Total
Consideration Transferred	3,658.82	339.23	3,998.05
Add - Share of Profits and Fair value changes upto the date of acquiring control	61.29	-	61.29
Sub-total (A)	3,720.11	339.23	4,059.34
Less - Share of Net assets of the respective entity (B)	2,629.20	248.29	2,877.49
Goodwill (C=A-B)	1,090.91	90.94	1,181.85

The Goodwill computed above is not deductible for tax purposes

Allocation of goodwill to cash generating units:

Goodwill does not generate cash flows independent of other assets or groups of assets, and often contributes to the cash flows of multiple cash-generating units. Goodwill sometimes cannot be allocated on a non-arbitrary basis to individual cash-generating units, but only to groups of cash-generating units. As a result, the lowest level within the entity at which the goodwill is monitored for internal management purposes sometimes comprises a number of cash-generating units to which the goodwill relates, but to which it cannot be allocated. The Management considers its entire property plant and equipment as single "CGU".

The recoverable amounts of the cash generating units ("CGU") is determined from value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, and growth rates. Management has estimated discount rates using post-tax rates that reflect current market assessments of the time value of money, the risks specific to the CGU and projected earnings from current usage of PPE.

Impairment of goodwill

The estimated recoverable amount of CGU including Goodwill is more than the carrying amount at period end, consequently the Group has not provided for any impairment loss. The values assigned to the key assumptions represents management assessment of future trend in the relevant industries and have been based on both historical data from both internal and external sources :-

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	15.34%	13.41%
Terminal value of growth rate	3%	3%

47 Leases

- (a) The Group, at the inception of a contract assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In adopting Ind AS 116, the Group has applied the below practical expedients:

- (i) The Entities in the Group has applied a single discount rate to their respective portfolio of leases with reasonably similar characteristics.
 - (ii) The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
 - (iii) The Group has not applied the requirements of Ind AS 116 for leases of low value assets.
 - (iv) The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
- (b) The Group has taken land and buildings on leases having lease terms of more than 1 year to 12 years, with the option to extend the term of leases. Refer Note 4 for carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

47 Leases (Contd..)

(c) The following is the breakup of current and non-current lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Current	32.22	21.62
Non-current	246.64	218.89
Total	278.86	240.51

(d) The contractual maturities of lease liabilities on an undiscounted basis is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Not Later than One Year	51.95	37.93
Later than one year but not later than Five Years	172.17	128.99
Later than Five Years	150.66	173.60
Total	374.78	340.52

(e) Amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	19.04	9.38
Expenses relating to short term leases	6.56	7.64
Depreciation on right-of-use assets	36.87	18.90
Total	62.47	35.92

(f) Amounts recognised in the Cash Flow Statement:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	45.04	22.31

48 Earnings per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS (Rs in million)	1,230.76	566.74
Net profit attributable to equity shareholders for calculation of diluted EPS (Rs in million)	1,230.76	566.74
Shares		
Number of Equity shares at the beginning of the year	13,76,17,853	7,48,041
Number of CCPS at the beginning of the year	-	1,06,132
Number of Equity Shares issued during the year (Refer Note 18.1)	3,86,11,284	13,68,69,812
Number of CCPS (converted) / issued during the year	-	(1,06,132)
Number of ESOP exercised during the year	5,48,705	-
Total number of equity shares outstanding at the end of the year	17,62,29,137	13,76,17,853

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

48 Earnings per share (EPS) (Contd..)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares outstanding during the year for calculation of basic EPS after considering the impact of bonus issue (A)	16,21,77,036	11,39,20,691
Weighted average number of dilutive component of stock options outstanding during the year (B) (Refer Note below)	18,36,312	9,18,536
Weighted average number of shares outstanding during the year for calculation of Dilutive EPS (C = A+B)	16,40,13,348	11,48,39,227
Face value per share (In ₹)	10.00	10.00
Earning per share		
Basic (In ₹)	7.59	4.97
Diluted (In ₹)	7.50	4.94

Note:

Dilutive component of stock options outstanding as at 31 March 2023 and 31 March 2022, is computed after factoring the impact of issue of bonus shares and ESOP. (Refer Note 18)

49 Taxation

49.1 Tax Expense for the year

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current Tax:		
Current Income Tax Charge	486.96	269.79
Adjustments in respect of prior year	1.12	-
Total	488.08	269.79
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	68.14	(2.17)
Total	68.14	(2.17)
Total tax expense recognised in Statement of profit and loss	556.22	267.62

49.2 Income Tax on Other Comprehensive Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred Tax:		
Arising on income and expenses recognised in Other Comprehensive Income:		
Remeasurement of defined benefit obligation (Refer Note 39)	(1.21)	0.47
Fair value gain on equity investments classified as FVTOCI (refer note 8)	4.33	-
	3.12	0.47
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to Statement of profit and loss	(1.21)	0.47
Items that will be reclassified to Statement of profit and loss	4.33	0.43

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

49 Taxation (Contd..)

49.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Amount	Tax Amount	Amount	Tax Amount
Profit Before tax from Operations	1,787.31	-	809.02	-
Income Tax expense using the Company's Tax rate (Refer Note (i))	-	624.49	-	282.70
Tax Effect of :				
Effect of difference in tax rates between components of Group (Refer Note (ii))	NA	(91.52)	NA	(32.13)
Changes in unrecognised temporary differences	-	-	NA	5.80
Effect of expenses that are not deductible in determining taxable profit	21.13	6.11	16.13	4.72
Change in tax due to foreign jurisdiction	NA	4.57	NA	(0.39)
Income Taxable at specified rate	4.25	1.07	NA	4.33
Tax adjustment for earlier years	(2.71)	1.12	-	-
Difference in written down value considered for deferred tax vs tax filings as at 1 April 2022	7.60	2.66	-	-
Others	30.79	7.72	7.65	2.59
		556.22		267.62

Notes:-

- The tax rate used w.r.t reconciliation above for the year ended 31 March 2023 and 31 March 2022 is the Corporate tax rate of 34.94%, including applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.
- The subsidiaries - SGS Tekniks & Perfect ID has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961. Accordingly, the subsidiaries have recognised provision for income tax and remeasured its net deferred tax asset at concessional rate of 25.17% for the year.

49.4 Following is the analysis of the deferred tax (asset) / liabilities presented in the Balance sheet.

As at 31 March 2023

Deferred Tax Liability (net)

Particulars	As at 31 March 2023					
	Opening balance	Acquisition through business combination	Recognised in Profit & Loss	Recognised in OCI	Recognised in other equity	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between carrying value in Tangible and Intangible assets as per Books of Account and Income Tax Act, 1961	181.37	-	72.95	-	-	254.31
Mark to Market gain on cross currency interest rate swaps	0.07	-	(0.07)	-	-	-
Effective Interest Rate on borrowings	0.17	-	(0.07)	-	-	0.10
Fair valuation of Investments	16.58	-	2.25	4.33	-	23.16
Deferred Tax Liabilities (A)	198.18	-	75.06	4.33	-	277.58

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

49 Taxation (Contd..)

Particulars	As at 31 March 2023					
	Opening balance	Acquisition through business combination	Recognised in Profit & Loss	Recognised in OCI	Recognised in other equity	Closing balance
Tax effect of items constituting deferred tax assets:						
Employee Benefits	53.07	-	3.61	1.21	-	57.89
Provision for Contingencies	5.59	-	(1.75)	-	-	3.84
Lease liability net of Right-of-use assets	(0.03)	-	1.80	-	-	1.77
Expected Credit Loss	16.94	-	0.75	-	-	17.69
Loss allowance	-	-	2.51	-	-	2.51
Tax effect on account of IPO expenses (Refer note 54 (IX))	-	-	-	-	56.32	56.32
Deferred Tax Assets (B)	75.57	-	6.92	1.21	56.32	140.02
Net Deferred Tax Liabilities / (Assets) (A-B-C)	122.61	-	68.14	3.12	(56.32)	137.55

As at 31 March 2022

Deferred Tax Asset (net)

Particulars	As at 31 March 2022					
	Opening balance	Acquisition through business combination	Recognised in Profit & Loss	Recognised in OCI	Recognised in Profit & Loss	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Deferred Tax Liabilities (A)	-	-	-	-	-	-
Tax effect of items constituting deferred tax assets:						
Difference between carrying value in Tangible and Intangible assets as per Books of Account and Income Tax Act, 1961	-	0.34	0.15	-	-	0.49
Right of Use asset	-	0.06	-	-	-	0.06
Employee Benefits	-	0.41	(0.02)	0.13	-	0.52
Deferred Tax Assets (B)	-	0.81	0.14	0.13	-	1.08
Net Deferred Tax Liabilities / (Assets) (A-B)	-	(0.81)	(0.14)	(0.13)	-	(1.08)

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

49 Taxation (Contd..)

Deferred Tax Liability (net)

Particulars	As at 31 March 2022					
	Opening balance	Acquisition through business combination	Recognised in Profit & Loss	Recognised in OCI	MAT utilization	Closing balance
Tax effect of items constituting deferred tax liabilities:						
Difference between carrying value in Tangible and Intangible assets as per Books of Account and Income Tax Act, 1961	76.20	108.64	(2.98)	-	-	181.86
Effective Interest Rate on borrowings	0.75	-	(0.58)	-	-	0.17
Fair valuation of Investments	-	16.77	(0.19)	-	-	16.58
Deferred Tax Liabilities (A)	76.95	125.41	(3.75)	-	-	198.61
Tax effect of items constituting deferred tax assets:						
Employee Benefits	26.64	22.84	3.67	(0.60)	-	52.55
Provision for Contingencies	5.59	-	-	-	-	5.59
Lease liability net of Right-of-use assets	2.64	1.77	(4.50)	-	-	(0.09)
Expected Credit Loss	7.88	7.05	2.01	-	-	16.94
Mark-to-Market Loss on financial instrument	3.05	(0.22)	(2.90)	-	-	(0.07)
Deferred Tax Assets (B)	45.80	31.44	(1.72)	(0.60)	-	74.92
MAT credit entitlement (C)	28.73	-	-	-	(28.73)	-
Net Deferred Tax Liabilities / (Assets) (A-B-C)	2.42	93.97	(2.03)	0.60	28.73	123.69

49.5 International Transactions

The Group has entered into international transactions with its Associated Enterprises. The Management is of the opinion that the Group maintains the necessary documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and believes that the same will not have any impact on the Consolidated financial statements, particularly on the amount of tax expense for the year ended 31 March 2023 and the year ended 31 March 2022.

50 Provisions

The Group has made provision for contractual warranty obligations and provision for possible contingencies based on the assessment of the amount it expects to incur to meet such obligations. The details of the same are given below:

Provision for Warranty:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	0.91	1.42
Provision created during the year	0.42	0.11
Provision Utilized / reversed during the year	-	(0.62)
Closing balance	1.33	0.91

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

50 Provisions (Contd..)

Provision for Contingencies:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	16.00	16.00
Provision created during the year	-	-
Provision Utilized / reversed during the year	(5.00)	-
Closing balance	11.00	16.00

Notes:

- Provision for warranties is estimated in accordance with the Group's accounting policy (Refer Note 2.17) and is expected to be settled as and when claims are received.
- Whilst the provision for contingencies is considered as short term in nature, the actual outflow with regard to the contingencies depends on various future developments.

51 Nature and Movement of Deferred Government Grant

The Group has been awarded with government grant during the year which was allowable and received after completion of installation of certain plant and equipments in specified region. The grant has been recognised as deferred income and is amortised in proportion to depreciation expense charged in books related to such plant and equipments over their useful life.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	20.43	-
Add : Government grant upon business combination	-	21.54
Less : Government grant recognised during the year	(2.00)	(1.11)
Closing balance	18.43	20.43

Particulars	As at 31 March 2023	As at 31 March 2022
Current	2.00	2.00
Non-current	16.43	18.43
Closing balance	18.43	20.43

Amount of Government Grants recognised in profit and loss during the year is

Particulars	As at 31 March 2023	As at 31 March 2022
Export incentives	1.35	4.84
Completion of installation of certain plant and equipments	2.00	1.11
Total amount	3.35	5.95

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments

52.1 Capital Management

The Group manages its capital to ensure that it is able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance. The Group determines the amount of capital required on the basis of an annual budgeting exercise, future capital projects outlay etc. The funding requirements are met through equity, internal accruals and borrowings (short term / long term).

Gearing Ratio :

Particulars	As at 31 March 2023	As at 31 March 2022
Debt*	3,468.38	1,942.40
Cash and Cash equivalents**	(7,912.48)	(373.75)
Net Debt	(4,444.10)	1,568.65
Total Equity#	15,428.93	5,828.97
Net Debt to equity ratio (In times)	NA	0.27

*Debt is defined as long-term borrowings including current maturities of long term borrowings and short-term borrowings.

**Cash and Cash equivalents includes other bank balances (current and non-current portion)

Equity includes all capital, reserves and NCI of the Group that are managed as capital.

52.2 Categories of Financial Instruments

As at 31 March 2023

Financial Assets:

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Non-Current Financial Asset					
- Investment in Associate (Equity Method)	0.16	-	-	-	0.16
- Investment in CCPS	-	-	10.24	-	10.24
- Investment in Equity Instruments	-	-	-	49.56	49.56
- Security Deposits	-	105.10	-	-	105.10
- Other bank deposits	-	7,368.19	-	-	7,368.19
- Loans to employees	-	1.64	-	-	1.64
	0.16	7,474.93	10.24	49.56	7,534.89
Current Financial Asset					
- Investment in mutual fund	-	-	773.95	-	773.95
- Investment in other -unquoted investments	-	-	6.49	-	6.49
- Trade receivables	-	4,032.47	-	-	4,032.47
- Cash and Cash equivalents	-	464.90	-	-	464.90
- Other bank balances	-	79.39	-	-	79.39
- Other Financial Asset	-	47.78	-	-	47.78
	-	4,624.54	780.44	-	5,404.98
Total	0.16	12,099.47	790.68	49.56	12,939.87

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

Financial Liabilities :

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Non-Current Financial Liability					
- Borrowings	-	869.85	-	-	869.85
- Lease Liabilities	-	246.64	-	-	246.64
	-	1,116.49	-	-	1,116.49
Current Financial Liability					
- Borrowings	-	2,598.53	-	-	2,598.53
- Trade payables	-	4,880.77	-	-	4,880.77
- Lease liabilities	-	32.22	-	-	32.22
- Other financial liabilities	-	436.68	-	-	436.68
	-	7,948.20	-	-	7,948.20
Total	-	9,064.69	-	-	9,064.69

As at 31 March 2022

Financial Assets:

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Non-Current Financial Asset					
- Investment in Associate (Equity Method)	2.19	-	-	-	2.19
- Investment in CCPS	-	-	10.01	-	10.01
- Investment in Equity shares	-	-	-	21.22	21.22
- Security Deposits	-	47.48	-	-	47.48
- Other bank deposits	-	4.67	-	-	4.67
- Loans to employees	-	0.26	-	-	0.26
- Investment in debentures and bonds	-	-	13.68	-	13.68
	2.19	52.41	23.69	21.22	99.51
Current Financial Asset					
- Investment in mutual fund	-	-	314.20	-	314.20
- Investment in other -unquoted investments	-	-	48.79	-	48.79
- Trade receivables	-	2,722.34	-	-	2,722.34
- Cash and Cash equivalents	-	334.11	-	-	334.11
- Other bank balances	-	34.97	-	-	34.97
- Other Financial Asset	-	73.37	0.39	-	73.76
	-	3,164.79	363.38	-	3,528.17
Total	2.19	3,217.20	387.07	21.22	3,627.68

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

Financial Liabilities :

Particulars	At cost	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Non-Current Financial Liability					
- Borrowings	-	38.92	-	-	38.92
- Lease Liabilities	-	218.89	-	-	218.89
	-	257.81	-	-	257.81
Current Financial Liability					
- Borrowings	-	1,903.48	-	-	1,903.48
- Trade payables	-	2,404.51	-	-	2,404.51
- Lease liabilities	-	21.62	-	-	21.62
- Other financial liabilities	-	171.07	-	-	171.07
	-	4,500.68	-	-	4,500.68
Total	-	4,758.49	-	-	4,758.49

52.3 Financial Risk Management Framework:

The Group's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk) and credit risk.

The Group has not offset financial assets and financial liabilities.

52.4 Market Risk:

The Group's activities are exposed to finance risk, interest risk & Credit risk. However, the Group is primarily exposed to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

52.5 Foreign Currency Risk Management:

The Group undertakes transactions denominated in foreign currencies and consequently exposures to exchange rate fluctuation arises. These exposures are reviewed periodically with reference to the risk management policy followed by the Group.

The Group does trade financial instruments which are not designated as hedges for accounting purposes, but provide an economic hedge of the particular transaction risk or a risk component of the transaction. Fair Value Changes in such Derivative Instruments are recognised in the Statement of Profit and Loss.

As at 31 March 2023

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities that have not been hedged by a derivative instrument or otherwise are given below:

A. Outstanding assets

Particulars	Currency	Foreign currency in Million	₹ in lakhs
Bank Balance - EEFC	USD	0.63	51.96
	EUR	0.48	43.03
Receivables	USD	12.32	1,012.54
	EUR	2.02	180.56

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

B. Outstanding liabilities

Particulars	Currency	Foreign currency in Million	₹ in lakhs
Long-term Borrowings (Including current maturities of Long term borrowings)	EUR	0.42	37.51
Payables (including Payables on purchase of fixed assets)	USD	31.71	2,606.36
	EUR	1.15	102.93
	GBP	0.01	1.81
	JPY	43.17	27.07
	CHF	0.01	0.76
	AUD	0.00	0.10
	SGD	0.00	0.31

As at 31 March 2022

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year that have not been hedged by a derivative instrument or otherwise are as follows :

A. Outstanding assets

Particulars	Currency	Foreign currency in Million	₹ in lakhs
Bank Balance - EEFC	USD	0.67	50.71
	EUR	0.09	7.48
Receivables (including other receivables from customers and net of advances)	EUR	1.58	133.33
	USD	14.23	1,077.51

B. Outstanding liabilities

Particulars	Currency	Foreign currency in Million	₹ in lakhs
Long-term Borrowings (Including current maturities of Long term borrowings)	EUR	0.70	58.78
	USD	0.02	2.21
Short-term Borrowings	USD	7.76	588.48
Payables (including Payables on purchase of fixed assets and net of advances)	USD	16.63	959.65
	EUR	12.11	921.16
	GBP	0.36	30.85
	JPY	19.98	12.64
	CHF	0.31	1.76

52.6 Foreign Currency sensitivity analysis :

The Group is mainly exposed to the currencies of USD, EUR, GBP, JPY and CHF.

The following table details the Group's sensitivity to a 5% increase and decrease in the Indian Rupees against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Indian Rupees strengthens 5% against the relevant currency. For a 5% weakening of the Indian Rupees against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

Impact on Profit / (Loss) and Equity

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(49.77)	49.77	(24.18)	24.18
EUR	2.82	(2.82)	0.53	(0.53)
GBP	(0.06)	0.06	(0.02)	0.02
JPY	(1.01)	1.01	(0.48)	0.48
CHF	(0.03)	0.03	-	-

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the respective reporting period.

52.7 Interest Rate Risk Management

Interest rate is the risk that an upward / downward movement in interest rates would adversely / favourably affect the borrowing costs of the Group.

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate. If interest rates had been 25 basis points higher or lower and all other variables were constant, the Group's profit after tax would have changed by the following:

Impact on Profit / (Loss) and Equity

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	25 bps increase	25 bps decrease	25 bps increase	25 bps decrease
Impact on profit for the year	(3.24)	3.24	(1.15)	1.15

52.8 Liquidity Risk Management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the risk management policy of the Group. The Group invests its surplus funds in bank fixed deposits and mutual funds.

Liquidity and Interest Risk Tables :

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table below represents principal and interest cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

As at 31 March 2023

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total contractual cash flows	Carrying Amount
Borrowings	2,664.62	955.36	53.56	3,673.54	3,468.38
Lease Liabilities	51.95	172.17	150.66	374.78	278.86
Trade Payables	4,880.77	-	-	4,880.77	4,880.77
Other financial Liabilities	436.47	-	0.20	436.67	436.68
Total	8,033.81	1,127.53	204.42	9,365.76	9,064.69

As at 31 March 2022

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total contractual cash flows	Carrying Amount
Borrowings	1,905.63	40.54	-	1,946.17	1,942.40
Lease Liabilities	37.93	128.99	173.60	340.52	240.51
Trade Payables	2,404.51	-	-	2,404.51	2,404.51
Other financial Liabilities	171.07	-	-	171.07	171.07
Total	4,519.14	169.53	173.60	4,862.27	4,758.49

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

52.9 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on a regular basis.

52.10 Commodity risk

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the Group. The key raw material for the Group are Printed Circuit Boards (PCB), Integrated Circuit (IC) and Transistors. The Group imports its few raw materials and due to ongoing situation in international market, these raw material is in shortage or available at higher prices resulting in reduced margins. The Group keeps on negotiating with its customers to recover through price hike of the finished products.

52.11 Fair Value Measurement

The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value / amortized cost:

- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

52 Financial Instruments (Contd..)

- (c) Fair values of the Group's interest-bearing borrowings and loans are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the respective reporting periods. The own non-performance risk as at 31 March 2023 and 31 March 2022 was assessed to be insignificant.

(i) Financial Assets and Financial Liabilities that are measured at fair value through Profit or loss:

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

As at 31 March 2023

Particulars	Amount	Fair value measurement as at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets				
Investments in mutual fund	773.95	773.95	-	-
Investment in other investments - unquoted	6.49	6.49	-	-
Derivative contracts entered to mitigate foreign currency risk	-	-	-	-
Investment in CCPS	10.24	-	-	10.24
Investment in Equity Shares	49.56	-	-	49.56
Total	840.24	780.44	-	59.80

As at 31 March 2022

Particulars	Amount	Fair value measurement as at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in debentures or bonds	13.68	-	13.68	-
Investments in mutual fund	314.20	314.20	-	-
Investment in other investments - unquoted	48.79	48.79	-	-
Derivative contracts entered to mitigate foreign currency risk	0.39	-	0.39	-
Investment in CCPS	10.01	-	-	10.01
Investment in Equity Shares	21.22	-	-	21.22
Total	408.29	362.99	14.07	31.23

(ii) Financial Assets and Financial Liabilities that are not measured at fair value through Profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment in associate	0.16	2.19

The aforesaid value represents the value carried in books under the equity method as per the accounting policy of the Group and includes the share of post acquisition profit/(Loss) including other comprehensive income of the associate accounted in these Consolidated Financial Statements of the Company amounting to ₹ (0.33) Million and ₹ 0.06 Million for the year ended 31 March 2023 and 31 March 2022 respectively.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

53 Additional regulatory information as required by Schedule III to the Companies Act, 2013

I. Ratio Analysis and its elements

The below Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(a) Current Ratio = Current Assets / Current Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current Assets	12,263.94	7,012.50
Current Liabilities	8,599.52	5,228.97
Ratio (In times)	1.43	1.34
% Change from previous year	6.34 %	

(b) Debt Equity ratio

(1) As per Guidance note of ICAI Debt equity ratio = Total debt / Total shareholder's equity

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt*	3,468.38	1,942.40
Total equity	15,428.93	5,828.97
Ratio (In times)	0.22	0.33
% Change from previous year	(32.54)%	

*Total debt includes Long term borrowing and Short term borrowings.

Reason for change more than 25%

The Holding Company has got listed in the Financial Year 22-23 on stock exchange resulting in an increase in the equity share capital and securities premium reserve resulting in an improved ratio.

(2) Group believes that the Debt equity ratio computed as Long term debt / Average shareholder's equity, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Long term debt*	904.49	68.47
Average equity**	10,628.95	4,122.36
Ratio (In times)	0.09	0.02
% Change from previous year	412.34 %	

*Long term debt includes long term borrowing and current maturities of long-term borrowings

**Average Equity represents the average of opening and closing equity.

Reason for change more than 25%

The Holding Company has got listed in the Financial Year 22-23 on stock exchange resulting in an increase in the equity share capital and securities premium reserve. The holding Company has obtained an additional long term loan to fund its expansion plans resulting in an increase of long term debt.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

53 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

(c) Debt Service Coverage Ratio = Earnings available for debt services / total interest and principal repayments

Particulars	As at 31 March 2023	As at 31 March 2022
Profit after tax (A)	1,230.76	566.74
Add: Non cash operating expenses and finance cost		
- Depreciation and amortisation (B)	311.99	194.29
- Finance cost ©	215.88	63.72
- Other Non-cash operating expenses (D)	39.69	23.13
Total Non cash operating expenses and finance cost (Pre-tax) (E=B+C+D)	567.56	281.14
Total Non cash operating expenses and finance cost (Post-tax) (F = E (1-Tax rate))	390.93	194.04
Earnings available for debt services (G = A+F)	1,621.69	760.78
Expected interest outflow on long term borrowings (H) *	128.20	34.85
Lease payments for next one year (I)	51.95	37.93
Principal repayments (J) *	34.64	526.25
Total Interest and principal repayments (K =H + I+J)	214.79	599.03
Ratio (In times) (L = G/ K)	7.55	1.27
% Change from previous year	494.49 %	

* Expected interest outflow on long term borrowings and principal repayments represent the expected outflows until 31 March 2024 / 31 March 2023 (one year from the balance sheet date)

Reason for change more than 25%

The holding Company has closed a short term loan during the year and also availed a long term loan to fund its expansion plans with a moratorium period of 12 months (Moratorium only for principal repayments), hence reducing repayment obligation in the upcoming year and leads to an improved ratio. The holding Company's Profit before tax has also increased during the year.

(d) Return on Equity Ratio = Net profit after tax / average equity

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit after tax	1,230.76	566.74
Average equity*	10,628.95	4,122.36
Ratio (in %)	11.58%	13.75%
% Change from previous year	(15.77)%	

*Average Equity represents the average of opening and closing equity.

(e) Inventory Turnover Ratio = Cost of materials consumed / average inventory

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed*	15,452.33	7,287.13
Average Inventory**	4,393.69	2,670.01
Ratio (In times)	3.52	2.73
% Change from previous year	28.86 %	

*Cost of material consumed comprises of cost of raw materials consumed, consumption of spares, purchases of stock-in-trade and changes in Inventories.

**Average inventory represents the average of opening and closing inventory.

Reason for change more than 25%

The group has increased its operations during the year resulting in an increase in cost of materials consumed and lesser inventories maintained thereby increasing the ratio.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

53 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

(f) Trade Receivables turnover ratio = Credit Sales / average trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Credit Sales (Net)*	21,068.60	10,371.45
Average Trade Receivables#	3,049.40	2,226.96
Ratio (In times)	6.91	4.66
% Change from previous year	48.35%	

*Credit sales includes sale of products, services, scrap sales and GST component on such sales

Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing Trade Receivables.

Reason for change more than 25%

The Group has been able to negotiate better terms with its customers resulting in a reduction of average credit period and an improvement in the debtors Turnover Ratio.

(g) Trade payables turnover ratio = Credit purchases / average trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Credit Purchases*	20,337.15	11,391.03
Average Trade Payables#	2,408.46	2,202.30
Ratio (In times)	8.44	5.17
% Change from previous year	63.25 %	

*Credit purchases includes purchases of raw-material, stock-in-trade and all other expenses including GST except cash and non-cash transaction like rates and taxes, bank charges, CSR, loss on sale of assets and Mark-to-Market loss.

#Trade Payables excludes employee benefits payables. Average Trade Payables represents the average of opening and closing Trade Payables.

Reason for change more than 25%

Due to increase in liquidity, the Group has been able to settle the creditors in shorter credit time leading to an increase in ratio.

(h) Net Capital Turnover Ratio

(1) As per Guidance note of ICAI Net Capital Turnover Ratio = Net Sales / Working capital

Particulars	As at 31 March 2023	As at 31 March 2022
Sales* (A)	20,921.37	10,319.98
Current Assets (B)	12,263.94	7,012.50
Current Liabilities (C)	8,599.52	5,228.97
Working Capital (D = B-C)	3,664.42	1,783.53
Ratio (In times) (E = A/D)	5.71	5.79
% Change from previous year	(1.33)%	

*Sales represents Total Income

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

53 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

- (2) Group believes that the Net Capital Turnover Ratio computed as Net Sales / Working capital excluding Short term borrowings, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Sales* (A)	20,921.37	10,319.98
Current Assets (B)	12,263.94	7,012.50
Current Liabilities ©**	6,035.63	3,355.04
Working Capital (D = B-C)	6,228.31	3,657.46
Ratio (In times) (E = A/D)	3.36	2.82
% Change from previous year	19.05 %	

*Sales represents Total Income

**Current Liabilities excludes Short term borrowings, includes current maturities of long-term borrowing

(i) Net profit ratio

- (1) As per Guidance note of ICAI Net profit ratio = Net Profit after tax / Total Sales

Particulars	As at 31 March 2023	As at 31 March 2022
Net-profit after tax	1,230.76	566.74
Sales#	20,921.37	10,319.98
Ratio (in %)	5.88%	5.49%
% Change from previous year	7.12 %	

Sales represents Total Income

- (2) Group believes that Net profit ratio computed as Net Profit before tax / Total Sales, is a more apt way of measuring performance

Particulars	As at 31 March 2023	As at 31 March 2022
Net-profit before tax	1,787.31	809.02
Sales#	20,921.37	10,319.98
Ratio (in %)	8.54%	7.84%
% Change from previous year	8.98 %	

Sales represents Total Income

(j) Return on Capital employed (pre-tax)

- (1) As per Guidance note of ICAI = Earnings before interest and taxes (EBIT) / Capital Employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (A)	1,787.31	809.02
Finance Costs (B)	215.88	63.72
EBIT © = (A)+(B)	2,003.19	872.74
Capital Employed #	18,088.46	6,958.24
Ratio (In %)	11.07%	12.54%
% Change from previous year	(11.71)%	

Capital employed has been computed as (Total assets excluding investments in associates, goodwill and intangible assets/development) - (Current liabilities excluding short term borrowings and lease liabilities) - (Long term provisions)

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

53 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

- (2) Group believes that this shall be computed as Earnings before interest and taxes (EBIT) / Average Capital Employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (A)	1,787.31	809.02
Finance Costs (B)	215.88	63.72
EBIT (C) = (A)+(B)	2,003.19	872.74
Average Capital Employed #	12,523.35	4,527.67
Ratio (In %)	16.00%	19.28%
% Change from previous year	(17.02)%	

Average Capital employed represents the average of opening and closing capital employed.

- (k) Return on Investment = Net profit after tax / average equity

The Group believes that Return on equity ratio as disclosed above is an apt measure of Return on investment ratio as well.

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit after tax	1,230.76	566.74
Average equity*	10,628.95	4,122.36
Ratio (in %)	11.58%	13.75%
% Change from previous year	(15.77)%	

*Average equity represents the average of opening and closing total equity.

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013

II. Loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties'

As at 31 March 2023

Type of borrower	Amount of loan or advance in the nature of loan outstanding	In the nature of loan / advance	Percentage to the total loans and advances in the nature of loans	Repayable on demand / without specifying any terms or period of repayment
Related Parties	Nil	NA	NA	NA

As at 31 March 2022

Type of borrower	Amount of loan or advance in the nature of loan outstanding	In the nature of loan / advance	Percentage to the total loans and advances in the nature of loans	Repayable on demand / without specifying any terms or period of repayment
Related Parties	2.57	Advance	NA	To be adjusted against subsequent supply of goods or services

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

III. Capital work in progress (CWIP)

CWIP predominantly comprises of the following:-

Particulars	As at 31 March 2023	As at 31 March 2022
Plant and Machinery	25.71	10.30
Buildings	173.66	274.71
Electrical Equipment	-	94.70
Others	4.45	10.92
Total	203.82	390.63

As at 31 March 2023

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	203.82	-	-	-	203.82

As at 31 March 2022

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	390.63	-	-	-	390.63

IV. Intangible Assets under Development

As at 31 March 2023

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	49.36	-	-	-	49.36

As at 31 March 2022

(i) Ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.38	-	-	-	17.38

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

V. The ageing schedule of Trade receivables is as follows:

a) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Not Due	Total*
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) Undisputed Trade Receivables – considered good	902.75	173.60	24.10	14.10	57.70	2,927.66	4,099.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	3.21	-	3.21

b) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Not Due	Total*
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	686.98	38.66	45.54	8.56	54.57	1,941.22	2,775.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.36	0.50	1.24	-	3.10
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	3.21	-	3.21

Receivables over one year includes ₹ 57.57 Million for the year ended 31 March 2023 (₹ 179.21 Million for the year ended 31 March 2022) from certain customers with a corresponding payable to / advance received from respective parties / their group entities.

*The ageing has been given based on Gross Trade receivables without considering expected credit loss allowance

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

VI. The ageing schedule of trade payables is as follows:

a) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	33.05	0.86	0.73	-	79.13	113.77
(ii) Others	2,273.69	84.52	8.49	78.99	2,321.30	4,767.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-

b) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	22.88	2.81	0.76	0.07	50.04	76.56
(ii) Others	777.07	16.69	16.02	76.36	1,414.12	2,300.26
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	27.69	27.69

VII. Comparison of Quarterly returns furnished to Banks with books of account

The Group is filing statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan. The below is summary of quarterly statement filed with the banks duly compared with the books of accounts.

For the year ended 31 March 2023

Quarter ended	Inventory			Receivables		
	As per Quarterly Return (A)	As per Books (B) (Refer Note (iii))	Difference (C = B - A) [Refer Note (v)]	As per Quarterly Return (D)	As per Books (E) (Refer Note (iv))	Difference (F = E - D) [Refer Note (v)]
30-Jun-22	3,198.57	3,520.27	321.70	3,070.46	3,156.95	86.49
30-Sep-22	4,839.46	4,842.72	3.26	3,408.94	3,485.07	76.13
31-Dec-22	5,846.46	5,857.55	11.09	3,102.41	3,183.96	81.55
31-Mar-23	5,685.94	5,708.16	22.22	3,741.07	3,978.99	237.92

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

For the year ended 31 March 2022

Quarter ended	Inventory			Receivables		
	As per Quarterly Return (A)	As per Books (B) (Refer Note (iii))	Difference (C = B - A)	As per Quarterly Return (D)	As per Books (E) (Refer Note (iv))	Difference (F = E - D)
30-Jun-21	628.68	859.45	230.77	1,202.03	1,361.79	159.76
30-Sep-21	2,145.37	2,144.38	(0.99)	2,839.59	3,057.42	217.83
31-Dec-21	2,542.72	2,542.14	(0.58)	2,578.93	2,822.46	243.53
31-Mar-22	2,579.40	2,791.85	212.45	2,434.57	2,724.14	289.57

Notes:

- The variance in inventories is on account of certain year end adjustments such as overhead and labour allocation and other adjustment entries recorded in books post filing of the returns with the banks.
- The variance in receivables is on account of certain aged debtors more than one year not included in returns filed with banks as well as period end adjustments such as restatement of foreign currency receivables, reconciliation based on confirmation, etc. being carried out in books post filing of the returns with the banks.
- Inventory as per books of account disclosed above excludes goods in transit, inventory of certain divisions of the Group and allowance for obsolete and non-moving inventory.
- Receivable as per books of accounts excludes allowance for expected credit losses and receivables of certain division of the Group.

VIII. Details of IPO Proceeds

The Company received an amount of ₹ 7,257.22 Million (net of IPO expenses of INR 402.78 Million) from proceeds out of fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

Objects of the issue as per Prospectus	Amount to be utilised as per prospectus	Utilisation upto 31 March 2023	Unutilised amount as on 31 March 2023
Funding capital expenditure	4,030.00	339.54	3,690.46
Funding working capital requirements	1,315.80	672.54	643.26
General Corporate Purposes	1,911.42	-	1,911.42
Total	7,257.22	1,012.08	6,245.14

Net IPO Proceeds which were unutilised as at 31 March 2023 were temporarily invested in Deposits with Scheduled commercial banks.

IX Details of IPO Expenses

The Holding Company has incurred INR 436.86 Million as IPO related expenses and allocated such expenses between the Holding Company and selling shareholder based on agreement between the Company and selling shareholder and in proportion to the total proceeds raised as stated above, amounting to INR 402.78 Million and INR 34.08 Million respectively. The Holding Company's share of expenses of INR 269.80 Million (Net of tax benefit) has been adjusted against Securities Premium as at 31 March 2023.

Details of IPO Expenses debited to securities premium during year ended 31 March 2023

Particulars	Amount
IPO Expenses incurred	402.78
Less: Current Tax impact	(76.66)
Less: Deferred Tax impact (Provision)	(56.32)
Net amount debited to securities premium	269.80

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

54 Additional regulatory information as required by Schedule III to the Companies Act, 2013 (Contd..)

IX. Other Statutory Information

- (a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group did not have any transactions with Companies struck off.
- (c) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (h) The Group has not been declared willful defaulter by any bank or financial Institution or other lender.
- (i) The Group does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (j) The Group has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (k) The Group has utilised the borrowing amount taken from financial institutions for the purpose as stated in the sanction letter.

55 Foreign Exchange Management Act, 1999

The Holding Company has approached the designated authority and is in the process of filing the required documents as may be required with the designated authority in connection with the various foreign exchange transactions of earlier years, relating to certain long outstanding payables to foreign parties and receivable from export customers etc., to ensure compliance with the Foreign Exchange Management Act, 1999.

The Management is confident of completing all the required formalities and obtaining the required approvals / ratification from the designated authority (AD Bank / RBI as the case may be) and does not estimate any outflow of cash on account of the same.

56 Previous Year Comparatives

Previous year figures have been reclassified to conform to the current year classification/presentation.

The figures for the year ended 31 March 2022 includes the figures of three subsidiaries, i.e

- a. SGS Teknics Manufacturing Private Limited along with its subsidiaries - for the period from 17 September 2021 to 31 March 2022 since the acquisition was made on 16th September 2021.

Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2023

(All amounts are in Million Indian Rupees unless otherwise stated)

56 Previous Year Comparatives (Contd..)

- b. Perfect ID India Private Limited - for the period from 1 November 2021 to 31 March 2022 since the acquisition was made on 31st October 2021.
- c. Syrma Technology Inc - for the period from 4 March 2022 to 31 March 2022.

Consequently, the figures for the year ended March 31, 2023 are not comparable with the figures for the year ended March 31, 2022.

57 During the current year, the following entities have been incorporated with the Company being subscriber to the Memorandum of Association of each of the below entities :-

- a. Syrma SGS Design and Manufacturing Private Limited.
- b. Syrma SGS Electronics Private Limited
- c. Syrma SGS Technology and Engineering Services Limited

As at 31 March, 2023 the Company is yet to subscribe to the share capital of the above mentioned entities.

58 Events after the latest reporting period, i.e 31 March 2023

The Board or Directors have recommended a final dividend of 15 % (INR 1.5/- per Equity Share of ₹ 10/- each) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company and hence no provision is created in the Consolidated financial statements.

59 Approval of Financial Statements

In connection with the preparation of the Consolidated financial statements for the year ended 31 March, 2023, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Group and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Group and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the consolidated financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements at its meeting held on 18 May 2023. The shareholders of the Company have the rights to amend the Consolidated Financial Statements in the ensuing Annual general meeting post issuance of the same by the Board of directors.

For and on behalf of the Board of Directors of
Syrma SGS Technology Limited

Sandeep Tandon

Executive Chairman
DIN : 00054553
Place : Mumbai
Date : 18 May 2023

JS Gujral

Managing Director
DIN : 00198825
Place : Mumbai
Date : 18 May 2023

Bijay Kumar Agrawal

Chief Financial Officer
Place : Chennai
Date : 18 May 2023

Rahul Sinnarkar

Company Secretary
Membership number : A39709
Place : Mumbai
Date : 18 May 2023

Syrma SGS Technology Limited

Regd. Office: Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East), Mumbai 400093

CIN: L30007MH2004PLC148165

Email: investor.relations@syrmasgs.com • Website: www.syrmasgs.com

Tel No: +91 22 4036 3000 • Fax No: +91 22 2829 1176

Notice

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of **SYRMA SGS TECHNOLOGY LIMITED** will be held through **VIDEO CONFERENCING/OTHER AUDIO-VISUAL MEANS ON FRIDAY, SEPTEMBER 08, 2023, AT 11:00 A.M. IST** to transact the following business.

ORDINARY BUSINESS:

- To consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2023, along with the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2023, along with the report of the Auditors thereon.
- To declare dividend on Equity Shares for the financial year ended March 31, 2023
- To appoint Mr. Jayesh Doshi (DIN: 00017963), director of the Company, who retires by rotation and being eligible has offered himself for reappointment as a director.
- To appoint Mr. Jasbir Singh Gujral (DIN: 00198825), director of the Company, who retires by rotation and being eligible has offered himself for reappointment as a director.

SPECIAL BUSINESS:

- Ratification of remuneration payable to M/s. Umesh Sagta & Associates, Cost Accountants, Cost Auditors of the Company for FY 2023-24:**

To consider and ratify the remuneration payable to Cost Auditor, and for that purpose to pass the following resolutions, with or without modification(s), as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as amended from time to time, the Company hereby ratifies the remuneration not exceeding Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per annum plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit payable to M/s. Umesh Sagta & Associates,

Cost Accountants, Cost Auditors (Firm Registration No. 001801), as approved by the Board of Directors, to conduct the audit of cost records of the Company for the Financial Year 2023-24.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee thereof) be and is hereby authorized to do all necessary acts, deed, and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable to give effect to this resolution."

- Approval of the 'Syrma SGS – Employee Stock Option Plan 2023'**

To consider and if deemed fit, to pass with or without modification(s) , the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 3 and Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/frequently asked questions issued thereunder, as amended from time to time (collectively referred as **"SBEB Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**"LODR Regulations"**), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (**"SEBI"**), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the shareholders be and is hereby accorded to the introduction and implementation of **'Syrma SGS – Employee Stock Option Plan 2023'** (**"ESOP 2023"** or **"Plan"**), authorising the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of the LODR

Regulations to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding **35,35,557** (Thirty Five Lakhs Thirty Five Thousand Five Hundred and Fifty Seven) employee stock options ("**Options**") to or for the benefit of such eligible employees of the Company, as determined in terms of the Plan, working exclusively with the Company and its subsidiaries, whether in or outside India, exercisable into not more than **35,35,557 (Thirty Five Lakhs Thirty Five Thousand Five Hundred and Fifty Seven)** equity shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid-up ("**Shares**"). The Shares shall be sourced from the Secondary Acquisition, from time to time, through the Trust. However, the Company reserves the right to source the Shares from the primary issuance of the Shares in case circumstances warrant. In any case, the Shares acquired from Secondary Acquisition and/ or primary issuance shall be subject to the ceiling above, where one Option upon exercise shall convert into one Share subject to payment/ recovery of requisite exercise price and applicable taxes, on such terms, condition and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan."

RESOLVED FURTHER THAT the Shares as specified hereinabove shall be transferred by the Trust to the Option grantees upon exercise of Options in accordance with the terms of the grant and provisions of the Plan and such Shares shall rank pari passu in all respects with the then existing Shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Options granted or equity shares are issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the employee stock Options granted earlier, the ceiling of total number of Options and equity shares specified above shall be deemed to be increased to the extent of such additional Options granted or equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said Option grantees."

"RESOLVED FURTHER THAT the trustee(s) of the Trust shall not vote in respect of the shares subscribed, acquired and held by such Trust."

"RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange(s), the shareholding of the Trust shall be shown as 'non-promoter and non-public shareholding."

"RESOLVED FURTHER THAT the trustees of the Trust shall ensure compliance of the provisions of the SBEB Regulations, Rules made under the Companies Act, 2013

and all other applicable laws at all times in connection with acquisition, holding and dealing in the shares of the Company including but not limited to maintenance of proper books of account, records and documents with appropriate disclosures as prescribed."

"RESOLVED FURTHER THAT the Company and the Trust shall conform to the accounting policies prescribed from time to time under the applicable laws including the SBEB Regulations to the extent applicable to the Plan."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to modify, change, vary, alter, amend, suspend or terminate the Plan at any time subject to compliance with applicable laws and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SBEB Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, SBEB Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force."

7. Approval of grant of employee stock options to the employees of subsidiary company(ies) of the Company under 'Syрма SGS – Employee Stock Option Plan 2023'

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 3 and Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/ frequently asked questions issued thereunder, as amended from time to time (collectively referred as "**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**LODR**

Regulations”), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of the LODR Regulations to exercise its powers, including the powers, conferred by this resolution) to grant from time to time, in one or more tranches, such number of employee stock options (“Options”) under the ‘Syрма SGS - Employee Stock Option Plan 2023’ (“ESOP 2023” or “Plan”), to the eligible employees of subsidiary company(ies) who are working on exclusive basis in or outside India, within the ceiling of total number of Options and equity shares, as specified in ESOP 2023 along with such other terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the ESOP 2023.”

8. Approval of secondary acquisition of shares through Trust route for the implementation of ‘Syрма SGS – Employee Stock Option Plan 2023’

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 3 and Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/ frequently asked questions issued thereunder, as amended from time to time (collectively referred as “SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“LODR Regulations”), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the shareholders be and is hereby accorded to authorise the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the

Board has constituted under Regulation 19 of the LODR Regulations to exercise its powers, including the powers, conferred by this resolution) to acquire not exceeding 35,35,557 (Thirty Five Lakhs Thirty Five Thousand Five Hundred and Fifty Seven) equity shares of face value of Rs. 10 (Rupees Ten Only) each fully paid-up (“Shares”), being within the statutory ceiling as per the SBEB Regulations, by way of secondary acquisition, from time to time, in one or more tranches, through the irrevocable employee welfare trust of the Company namely the ‘Syрма SGS Employee Welfare Trust’ (“Trust”), for the purpose of implementation of the Plan in due compliance with the provisions of the SBEB Regulations and other applicable laws.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organization, the ceiling aforesaid in terms of number of Shares intended to be purchased by the Trust from secondary acquisition shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SBEB Regulations and such adjusted number of Shares shall be deemed to be the ceiling as originally approved.”

“RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted under the SBEB Regulations.”

9. Provision of money by the Company for subscription and purchase of its own Shares by the Trust under the ‘Syрма SGS – Employee Stock Option Plan 2023’

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

“RESOLVED THAT pursuant to the provisions of the Section 67(3)(b) of the Companies Act, 2013 read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 3(8) of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/ frequently asked questions issued thereunder, as amended from time to time (collectively referred as “SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“LODR Regulations”), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the shareholders be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of

the LODR Regulations to exercise its powers, including the powers, conferred by this resolution) to grant a loan, provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the irrevocable employee welfare trust of the Company namely the 'Syrma SGS Employee Welfare Trust' ("Trust") by such sum of money not exceeding 5% (Five Percent) of the aggregate of the paid up share capital and free reserves of the Company, with a view to enable the Trust to purchase and/ or subscribe equity shares of the Company of face value of Rs. 10 (Rupees Ten Only) each fully paid-up ("Shares"), from secondary acquisition for the purposes of 'Syrma SGS - Employee Stock Option Plan 2023' ("ESOP 2023" or "Plan")."

"RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the Plan strictly in accordance with the provisions of SBEB Regulations."

"RESOLVED FURTHER THAT the loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust."

"RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient to give effect to this resolution

By order of the Board of Directors
For **Syrma SGS Technology Limited**

Rahul N. Sinnarkar
Company Secretary & Compliance Officer
(Membership No. A39709)

Place : Mumbai
Date : August 01, 2023

NOTES:

1. Pursuant to General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 5, 2022, and Circular No.10/2022 and 11/2022 dated December 28, 2022 respectively, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and pursuant to Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 followed by Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") and all other relevant circular issued from time to time, permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue.

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the Nineteenth Annual General Meeting of the Company is being held through VC/OAVM on Friday, September 08, 2023, at 11:00 A.M. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East) - 400093, which shall be the deemed venue of the AGM.

2. The information required to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, regarding the Directors who are proposed to be appointed/re-appointed and the relative under items 3 and 4 as well as the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business under items 5 to 9 set out above, are annexed hereto.
3. Since this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Institutional / Corporate Members (i.e. other than individuals/HUF/NRI etc.) are required to send scanned copy of Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote E-Voting to the Company's Registrar & Transfer Agent ("RTA"), Link Intime India Pvt. Ltd. at the email address : rnt.helpdesk@linkintime.co.in
6. The record date for the purpose of payment of final dividend will be Friday, September 01, 2023. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 02, 2023, to Friday, September 08, 2023 (both days inclusive) for the same purpose.

7. Final dividend as recommended by the Board of Directors, if approved by the Members, will be paid within a period of 30 days from the date of its declaration to those members whose names appear in the Register of Members as at the close of the business hours of September 01, 2023 in respect of shares held by them in physical form and whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on September 01, 2023 register in respect of shares held by them in dematerialized form.
8. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. Any query related to dividend should be directed to RTA.
9. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Investor Relations by e-mailing at investor.relations@syrmassgs.com or the Company's Registrar and Share Transfer Agent (Link Intime India Private Limited) by e-mailing at rnt.helpdesk@linkintime.co.in for revalidation and encashment before the due dates. Members are requested to note that the dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund. In addition, as per Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund.
10. In line with aforesaid MCA Circulars and SEBI Listing Regulations, 2015, the Notice of the 19th AGM of the Company along with the Annual Report for the financial year 2023 is being sent only through electronic mode to those Members whose email addresses are registered with their respective Depository Participants ("DPs"), Company or Company's RTA. Members may note that the Notice of the AGM and the Annual Report for the year 2023 will also be available on the Company's website at www.syrmassgs.com, and also on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com. The Company has published an advertisement in newspapers containing the details about the AGM i.e. date and time of AGM, venue of the AGM, availability of notice of AGM on the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, manner of providing mandate for dividends, and other matters as may be required.
11. Members having more than one folio in identical names are requested to consolidate the same.
12. The Company has made necessary arrangements for the members to hold their shares in dematerialized form. Members holding shares in physical form are requested to dematerialize their shares by approaching any of the DPs.

13. The Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested and maintained under Section 189 of the Act, and the relevant documents referred to in this Notice will be available electronically for inspection by the Members on all working days between 9.00 a.m. and 11.00 a.m. up to Friday, September 08, 2023 being the date of the AGM. Members seeking to inspect such documents can send an email at: investor.relations@syrmagqs.com
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
16. **INSTRUCTION FOR MEMBERS FOR REMOTE E-VOTING:**

In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of the Regulation 44 of the Listing Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-Voting services provided by Link Intime India Pvt. Ltd., on all resolutions set forth in this Notice. As per the SEBI circular dated December 09, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. **Individual Shareholders holding securities in demat mode with NSDL**
 - i. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
 - ii. 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>
 - iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/

Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

- i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The 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 use your existing Myeasi username & password.
- ii. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are 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.
- iii. If the user is not registered for Easi/Easiest, the 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.
- iv. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from an 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, the user will be able to see the e-Voting option where the e-Voting is in progress and able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful

authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. Link Intime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

II. Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non- Individual Shareholders holding securities in demat mode as on the cut-off date for e-Voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
 - A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit beneficiary ID.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

Shareholders holding shares in **NSDL form**, shall provide 'D' above.

Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

III. Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-Voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

IV. Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-Voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

V. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 8108116767 / 022 -4918 6000.

VI. Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 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@cdsl.com or contact at toll free no. 1800 22 55 33

VII. Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character @!#\$%&, at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your

User ID is Event No + Folio Number registered with the Company

VIII. Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ii. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- iii. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other e-voting Instructions

- i. The remote e-Voting period commences on Tuesday, September 05, 2023 at 9.00 a.m. and ends on Thursday, September 07, 2023, at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, September 01, 2023 (the cut-off

date) may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.

- ii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 01, 2023 (the cut-off date).
- iii. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting and voting during the AGM.
- iv. Ms. Deepti Joshi, Partner, MMJB & Associates LLP, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at <https://syrmassgs.com/> within two days of the AGM of the Company.
- vi. The contact details for Registrar and Transfer Agent: Link Intime India Pvt. Ltd., Tel. No.: 8108116767 / 022 4918 6270, E-mail: rnt.helpdesk@linkintime.co.in

17. Instructions for Members to attend the AGM through (VC/OAVM):

Members are entitled to attend the AGM through VC/OAVM provided by RTA, Link Intime Pvt. Ltd., by following the below mentioned process:

- i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.
- ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- iii. Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:
 1. Open the internet browser and open the URL <https://instameet.linkintime.co.in>
 2. Select the "Company" and "Event date" and register with your following details:
 - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.
 - a. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

- c. Members holding shares in physical form shall provide Folio Number registered with the Company.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **Mobile No.:** Enter your mobile number.
 - D. **Email ID:** Enter your email id, as recorded with your DP/Company/RTA.
3. Click "Go to Meeting": You are now registered for Insta Meet and your attendance is marked for the meeting.

(Note: Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting).

18. Instructions for Members to Vote during the AGM:

- (a) Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (b) If any Votes are cast by the Members through the e-Voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-Voting during the meeting is available only to the Members attending the meeting.
- (c) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. Once the electronic voting is activated by the scrutinizer/moderator during the AGM, the Members who have not exercised their vote through the remote e-Voting can cast the vote as under:
 - i. On the Members VC page, click on the link for e-Voting "Cast your vote."
 - ii. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on "Submit".
 - iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
 - iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

- v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

19. Instructions for Members to Speak during the AGM:

- i. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before September 01, 2023, mentioning their name, demat account number/ folio number, e-mail ID, mobile number, questions to ask, if any, at: rnt.helpdesk@linkintime.co.in
- ii. Only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.
- iii. Members will get confirmation on first cum first basis. In the interest of giving more Shareholder Speakers (Speakers) chance to interact, first 10 Speakers registered with the Company will only be allowed to speak at the AGM for a duration up to 3 minutes each.
- iv. Members will receive "speaking serial number" once they mark attendance for the meeting.
- v. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- vi. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
- vii. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance on or before September 01, 2023, mentioning their name, demat account number/folio number, e-mail ID, mobile number at: investor.relations@syrmasgs.com. These queries will be replied to by the Company suitably by e-mail.

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. instaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance.

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact: - Tel: 8108116767/022-49186175.

20. Instructions for Income Tax compliances with respect to dividend:

- i. The Finance Act, 2020 has abolished dividend distribution tax (DDT). Accordingly, effective from April 01, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source ("TDS") from the amount of dividend paid to shareholders at the prescribed rates. The detailed TDS rates and required documents for claiming non- deduction/ lower deduction of TDS are uploaded in the website of the company at: <https://syrmassgs.com/>
- ii. To avail the benefit of non-deduction/lower deduction of TDS kindly submit the required documents by email to syrmadivtax@linkintime.co.in on or before September 01, 2023:

Or

The forms/documents (duly completed and signed) for claiming tax exemption are required to be uploaded on the url: <https://linkintime.co.in/formsreg/submission-ofform-15g-15h.html>

- On this page the user shall be prompted to select / share the required information therein to register their request

- iii. The forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is: <https://www.linkintime.co.in/client-downloads.html>
- On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"
- iv. The upload of forms/documents (duly completed and signed) on the above-mentioned URL of Link Intime India Private Ltd should be done on or before September 01, 2023, to enable the Company to determine and deduct appropriate TDS / Withholding Tax.
- v. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after September 01, 2023 .
- vi. In terms of the MCA and SEBI circular, in case the Company is unable to pay the dividend to any share holder by electronic mode due to non-availability of the details of their bank account, the Company will dispatch the Dividend Warrants/Demand Drafts to such shareholders by post.
- vii. All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to: syrmadivtax@linkintime.co.in

By order of the Board of Directors
For Syрма SGS Technology Limited

Rahul Sinnarkar

Company Secretary & Compliance Officer
(Membership No: A39709)

Place : Mumbai
Date : August 01, 2023

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

ITEM NO: 3 & 4

Under the provisions of Section 152 of the Act, at least one-third of the directors who are liable to retire by rotation shall retire at every Annual General Meeting of the Company. Mr. Jayesh Doshi, Non-executive Director (DIN 00017963) and Mr. Jasbir Singh Gujral, Managing Director (DIN 00198825), of the Company, retire by rotation at this 19th AGM, and have offered themselves for re-appointment. The Company proposes to fill the vacancy at this 19th AGM or any adjournment thereof by reappointing the retiring directors, Mr. Jayesh Doshi and Mr. Jasbir Singh Gujral.

Mr. Jayesh Doshi & Mr. Jasbir Singh Gujral are interested in this resolution and their relatives may be deemed to be interested in this resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except for the above, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolutions mentioned at Item No. 3 & 4 of the Notice.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards-2 as prescribed by the Institute of Company Secretaries of India is provided in **Annexure-A** hereto.

ITEM NO : 5

The Board of Directors in Board meeting held on May 18, 2023, on recommendation of Audit Committee, approved and appointed M/s Umesh Sagta & Associates, Cost Accountants (FRN:001801) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, at a remuneration not exceeding Rs. 1,50,000/- plus all applicable taxes and reimbursement of expenses to him at actuals.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

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

The Board recommends the Ordinary Resolution at Item No.5 for approval by the Members.

ITEM NO: 6 to 8

Approval of the 'Syrma SGS Technology Limited – Employee Stock Option Plan 2023'

Your Company believes that equity-based compensation plans are effective tools to attract and reward the talents working exclusively with the Company and its subsidiary(ies). With the objective to motivate key employees for their contribution to the corporate growth, to create an employee ownership culture, to retain the best talent in the competitive environment and to encourage them in aligning individual goals with that of the Company's objectives, your Company intends to implement an employee stock option plan namely 'Syrma SGS - Employee Stock Option Plan 2023' ("ESOP 2023" or "Plan") seeking to cover and grant employee stock options ("Options") to eligible employees of the Company and its subsidiary(ies).

The equity shares of face value of Rs. 10 (Rupees Ten only) each of the Company ("Shares") required for the implementation of the proposed Plan shall be sourced from secondary acquisition. The Plan shall be administered through an irrevocable employee welfare trust of the Company namely 'Syrma SGS Employees Welfare Trust' ("Trust"). The contemplated secondary acquisition which shall be done through Trust is well within the ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SBEB Regulations").

For purchase of Shares from secondary acquisition, the Trust shall seek loan from the Company. The loan sought in this regard shall be within the statutory limit.

As per the SBEB Regulations, the Company seeks members' approval by way of a special resolution for:

- (i) Approval of the Plan seeking to cover eligible employees of the Company and its subsidiary Company(ies);
- (ii) Grant of Options to the eligible employees of the subsidiary company(ies) of the Company; and
- (iii) Secondary acquisition of Shares.

In terms of Section 62(1)(b) of the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 6 of the SBEB Regulations, the salient features of the Plan are given as under:

a) Brief description of the Plan:

The Plan contemplates granting of Option to the eligible employees (including Directors) of the Company and its subsidiary company(ies), as may be determined in due compliance of SBEB Regulations and provisions of the Plan. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The eligible employees are expected to get benefit in line with creation of value for the shareholders.

The Nomination and Remuneration Committee ("Committee") of the Company shall supervise the Plan. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan. Whereas the Trust shall administer the Plan.

b) Total number of Options to be granted:

The total number of Options to be granted under the Plan shall not exceed 35,35,557 (Thirty-Five Lakhs Thirty-Five Thousand Five Hundred and Fifty-Seven) Options. The source of Shares shall be from secondary acquisition through the Trust up to 35,35,557 (Thirty-Five Lakhs Thirty-Five Thousand Five Hundred and Fifty-Seven).

The SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under the Plan remains the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the aforesaid the ceiling of Options/Shares shall be deemed to be increased to the extent of such additional Options issued.

c) Identification of classes of employees entitled to participate in the Plan

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

- a. an employee as designated by the Company, who is exclusively working in India or outside India; or
- b. a Director of the Company, whether a whole-time director or not, including a non-executive director, who is not a Promoter or member of the Promoter Group; or
- c. an employee as defined in sub-clauses (i) and (ii), of a Subsidiary Company(ies), in India or outside India;

but does not include

- i. an employee who is a Promoter or belongs to the Promoter Group;
- ii. a director, who either by himself or through his relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
- iii. an independent director.

d) Requirements of vesting and period of vesting

Any Option granted under the Plan shall vest not earlier than minimum vesting period of 1 (one) year and not later than the maximum vesting period of 5 (Five) years from the date of grant as may be determined by the Committee.

Vesting of Options would be subject to continued employment with the Company or Subsidiary Company(ies) of the Company, as the case may be. In addition to this, the Committee, at its discretion, may also specify certain performance criteria subject to satisfaction of which the Options would Vest. A Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity

e) Maximum period within which the Options shall be vested:

All the Options granted on any date shall vest not later than a maximum of **5 (Five)** years from the date of grant of Options as may be determined by the Committee.

f) Exercise price or pricing formula:

Exercise price per Option shall be Rs. 220/- or such price as determined by the Committee which shall be up to a maximum of 25% (Twenty-five percent) discount to the market price of the Share as on grant date.

Market price for this purpose shall mean the latest available closing price of Shares on the stock exchange having higher trading volume on the date immediately preceding the grant date.

g) Exercise period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion of maximum **3 (Three) years** from the date of respective vesting or such other shorter period as may be decided by the Committee at the time of grant.

The vested Option shall be exercisable by the Option grantees by a written application to the Trust expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee or Trust from time to time. Exercise of Options shall be entertained only upon payment of requisite exercise price and satisfaction of applicable taxes by the Option grantees. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Plan:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, etc.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted under the Plan per Employee and in aggregate (taking into account all grants) for such Employee under the Plan, shall not exceed **3,53,557** (Three Lakhs Fifty-Three Thousand Five Hundred and Fifty-Seven Only).

j) Maximum quantum of benefits to be provided per employee:

The maximum quantum of benefits that will be provided to any eligible Employee under the Plan will be the difference between the market value of Company's Shares on the stock exchanges as on the date of exercise of Options and the exercise price paid by the employee.

Apart from grant of Options as stated above, no other benefits are contemplated under the Plan.

k) Route of Plan implementation:

The Plan shall be implemented and administered by the Trust of the Company.

l) Source of acquisition of shares under the Plan:

The Plan contemplates acquisition of Shares not exceeding **35,35,557** (Thirty-Five Lakhs Thirty-Five Thousand Five Hundred and Fifty-Seven) from the secondary acquisition through the Trust. However, the Company reserves the right to source the Shares from the primary issuance of the Shares in case circumstances warrant. In any case, the Shares acquired from Secondary Acquisition and/ or primary issuance shall be subject to the ceiling above.

m) Amount of loan to be provided for implementation of the Plan(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

The Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the Trust, subject to 5% (Five Percentage) of the paid up capital and free reserves, being the statutory ceiling under SBEB Regulations. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust.

The Trust shall utilize the loan amount disbursed from time to time strictly for the acquisition of the Shares to be utilized for the purposes of the Plan.

n) Maximum percentage of secondary acquisition:

The Plan also envisages purchase of Shares not exceeding 2% of the paid-up equity share capital as on March 31, 2023 by way of secondary acquisition through the Trust. This is well within the statutory limit as prescribed under the SBEB Regulations.

o) Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEB Regulations.

p) Method of Option valuation:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

q) Declaration:

In case the company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' report.

r) Period of Lock-in:

The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Plan:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

A draft copy of the Plan is available for inspection at the Company's registered office / corporate office during official hours on all working days till the last date of the e-voting.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the ESOP 2023.

The Board of Directors recommends the Special Resolutions set forth as Item Nos. 6 to 8 of the notice for approval of the shareholders.

Item no 9:

The Company intends to implement a new share-based employee benefit plan namely 'Syrma SGS - Employee Stock Option Plan 2023' ("ESOP 2023" or "Plan") for which approval is sought from the members in separate resolutions at Item Nos. 6, 7 and 8. This proposed Plan shall be administered through an irrevocable employee welfare trust namely 'Syrma SGS Employee Welfare Trust' ("Trust") being set up by the Company. The proposed Plan contemplates acquisition of equity shares ("Shares") of the Company from secondary acquisition.

For facilitating acquisition, the amount of loan to be provided by the Company under the Plan shall not exceed 5% (Five percentage) of the aggregate of the paid up equity share capital and free reserves of the Company being the statutory ceiling as per the Section 67(3)(b) of the Companies Act, 2013 read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of Shares including realization of exercise price and any other eventual income of the Trust.

Necessary details in this regard are provided as under:

b) The class of employees for whose benefit the Plan is being implemented and money is being provided for acquisition of the Shares:

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

- a. an employee as designated by the Company, who is exclusively working in India or outside India; or
- b. a Director of the Company, whether a whole-time director or not, including a non-executive director, who is not a Promoter or member of the Promoter Group; or
- c. an employee as defined in sub-clauses (i) and (ii), of a Subsidiary Company(ies), in India or outside India;

but does not include

- i. an employee who is a Promoter or belongs to the Promoter Group;
- ii. a director, who either by himself or through his relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
- iii. an independent director.

c) The particulars of the Trustee or employees in whose favour such Shares are to be registered:

It is contemplated that designated trustee shall acquire and hold the Shares of the Company in due compliance of the SBEB Regulations and Companies Act, 2013. An Employee shall be a registered owner of Shares pursuant to exercise of vested Options and transfer of corresponding number of Shares by the trustee.

d) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The Trust is in the nature of an irrevocable employee welfare trust with the name 'Syрма SGS Employee Welfare Trust' ("Trust") having its principal office at Unit No. 601, 6th Floor, Floral Deck Plaza, MIDC, Andheri (East) Mumbai – 400093.

Particulars of the Trustee:

SN	Name	Address	Occupation	Nationality
1	KP Corporate Solutions Ltd.	Preetkamal, S. No 256/254, Bungalow no. 2, Green Park Society, Behind Anand Park, Baner, Pune, Maharashtra - 411007, India.	Service (In the field of ESOP consulting)	Indian

The Trustee has no relationship with the promoters, directors, or key managerial personnel of the Company.

e) Any interest of key managerial personnel, directors or promoters in such Plan or trust and effect thereof:

Promoters are not eligible to be covered under the Plan. However, key managerial personnel and directors (excluding independent directors) may be covered under the Plan in due compliance with relevant applicable SBEB Regulations.

f) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The maximum benefits that will be provided to any eligible Employee under the Plan will be the difference between the market value of Company's Shares on the stock exchanges as on the date of exercise of Options and the exercise price paid by the employee.

Apart from grant of Options as stated above, no other benefits are contemplated under the Plan.

g) The details about who would exercise and how the voting rights in respect of the shares to be acquired under the Plan would be exercised:

The trustee of the Trust shall not vote in respect of Shares held in the Trust as per extant SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him/her upon exercise.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the Trust/ resolution, except to the extent of their entitlements, if any, under the Plan.

Consent of the members is being sought by way of a special resolution pursuant to the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 3(8) of the SBEB Regulations.

The Board of Directors recommends the Special Resolution set forth as Item No. 9 of the notice for approval of the shareholders.

By order of the Board of Directors
For Syрма SGS Technology Limited

ANNEXURE A

Details of Director seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2'), issued by The Institute of Company Secretaries of India and are provided herein below:

Name of the Director	Jayesh Nagindas Doshi	Jasbir Singh Gujral
Director Identification Number (DIN)	00017963	00198825
Category	Non-Executive Director	Executive Director (Managing Director)
Date of Birth	02-02-1965	09-08-1955
Age	58 years	67 years
Nationality	Indian	Indian
Date of First Appointment on the Board	September 27, 2021	September 27, 2021
Relationship with Directors, Managers and KMPs	None	None
Qualification	Chartered Accountant, Bachelor of Law	Bachelor of Commerce, Chartered Accountant,
Expertise in specific functional area	Finance & Accounting, Strategy & Planning, Legal, Identification of Risks, Stakeholder relations, Corporate Governance Policy Development	Business know-how, Experience in EMS industry, Finance & Accounting, Strategy & Planning, Identification of Risks, Technology, Stakeholder relations
Details of Board Meetings attended by the Directors during the year	7 (Seven)	7 (Seven)
Terms and Conditions of appointment re-appointment along with remuneration last drawn	Re-appointment at existing terms	Re-appointment at existing terms
Membership of Committees of Syrma SGS Technology Limited	1. Risk Management Committee. 2. Stakeholder Relationship Committee	1. Audit Committee. 2. Risk Management Committee.
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	None	None
Membership/Chairmanship of Committees across other Public Companies	None	None
Number of shares held in the Company	1,59,500 Shares	12,571,000 Shares



Syrma SGS Technology Limited

REGISTERED OFFICE:

Unit No. 601, 6th Floor, Floral Deck Plaza,
MIDC, Andheri (East), Mumbai,
Maharashtra 400 093, India
T: +91 22 40363000
W: www.syrmasgs.com

CHENNAI

Plot No. B27, Phase II, Zone B,
MEPZ-SEZ, Tambaram,
Chennai – 600045, India

GURUGRAM

A-3, Infocity, Sector-34, Gurugram,
Haryana-122001, India

MANESAR

Plot No. 174, Sector 4,
Plot no 22, Sector – 5,
IMT Manesar, Gurugram,
Haryana – 122050, India

BENGALURU

Survey No 27/4 A3,
JR Tech Park, Yarandahalli,
IBommasandra Indl Area,
Phase 4, Bengaluru, India

