

SGS Teknics Manufacturing Private Limited
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	968.12	833.04
	(b) Capital work-in-progress	48(I)	0.64	-
	(c) Right-of-use assets	5	229.52	202.93
	(d) Goodwill	4	1,051.45	1,051.45
	(e) Other intangible assets	6	16.46	4.83
	(f) Intangible assets under development	48(II)	-	8.69
	(g) Financial assets			
	(i) Investments	8	120.75	134.43
	(ii) Other financial assets	9	19.60	14.95
	(h) Income tax asset (net)	10	19.87	23.45
	(i) Other non-current assets	11	5.03	46.67
	Total non-current assets		2,431.44	2,320.44
II	Current assets			
	(a) Inventories	12	2,226.99	1,643.92
	(b) Financial assets			
	(i) Investments	13	196.81	300.88
	(ii) Trade receivables	14	1,647.33	947.59
	(iii) Cash and cash equivalents	15	51.78	60.65
	(iv) Bank balances other than (iii) above	16	6.58	9.54
	(v) Other financial assets	17	6.01	30.51
	(c) Other current assets	18	300.54	218.30
	Total current assets		4,436.04	3,211.39
	Total assets		6,867.48	5,531.83
B	Equity and liabilities			
I	Equity			
	(a) Equity share capital	19	16.13	16.13
	(b) Other equity	20	4,136.51	3,621.18
	Total equity		4,152.64	3,637.31
II	Liabilities			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	5.90	2.38
	(ii) Lease liabilities	43	215.36	192.07
	(b) Provisions	22	40.69	31.58
	(c) Deferred tax liabilities (net)	45.4	43.18	49.31
	(d) Other non-current liabilities	23	37.01	33.06
	Total non-current liabilities		342.14	308.40
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	24	948.44	611.54
	(ii) Lease liabilities	43	20.51	10.70
	(iii) Trade payables	25	-	-
	- Total outstanding dues of micro and small enterprises		82.27	39.36
	- Total outstanding dues of creditors other than micro and small enterprises		1,234.27	838.17
	(iv) Other financial liabilities	26	14.46	11.38
	(b) Other current liabilities	27	32.55	57.88
	(c) Provisions	28	10.67	7.89
	(d) Current tax liabilities (net)	29	29.53	9.20
	Total current liabilities		2,372.70	1,586.12
	Total liabilities		2,714.84	1,894.52
	Total equity and liabilities		6,867.48	5,531.83

See accompanying notes forming part of the standalone financial statements (Note 1-53)

In terms of our report attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration no. 117366W/W-100018

Ananthi

Ananthi Amarnath
 Partner
 (Membership No. 209252)

Place : Chennai
 Date : 17 May 2023



For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Private Limited
 CIN: U31501HR2011PTC044475

Krishna Kumar Pant

Krishna Kumar Pant
 Director
 DIN: 00198916

Place: Gurugram
 Date: 17 May 2023

Ranjeet Singh Lonial

Ranjeet Singh Lonial
 Director
 DIN: 00198890

Place: Gurugram
 Date: 17 May 2023

SGS Teknics Manufacturing Private Limited
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	Year ended 31 March 2023	Year ended 31 March 2022
1	Revenue from operations	30	8,300.03	5,583.62
2	Other income	31	48.50	85.60
3	Total income (1+2)		8,348.53	5,669.22
4	Expenses			
	(a) Cost of materials consumed	32	6,617.14	4,428.13
	(b) Changes in Inventories of finished goods and work-in-progress	33	(263.89)	(138.76)
	(c) Employee benefits expense	34	356.48	269.62
	(d) Finance costs	35	77.44	42.92
	(e) Depreciation and amortisation expense	7	127.45	107.56
	(f) Other expenses	36	749.08	545.97
	Total expenses		7,663.70	5,255.44
5	Profit before tax (3 - 4)		684.83	413.78
6	Tax expense			
	- Current tax	45.1	183.47	113.09
	- Tax pertaining to previous years	45.1	(5.33)	-
	- Deferred tax (net)	45.4	(5.01)	1.00
	Total tax expense		173.13	114.09
7	Profit for the year (5 - 6)		511.70	299.69
8	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss			
	(i) Remeasurement of the defined benefit plans		(4.46)	(0.76)
	(ii) Income tax expenses relating to the above		1.12	0.19
	Total other comprehensive income for the year		(3.34)	(0.57)
9	Total comprehensive income for the year (7 + 8)		508.36	299.12
10	Earnings per equity share of face value of Rs. 10 each - Basic and Diluted (In Rs.)	44	317.28	185.82
See accompanying notes forming part of the standalone financial statements (Note 1-53)				

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Place: Gurugram
 Date: 17 May 2023

SGS Teknics Manufacturing Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
I. Cash flow from operating activities		
Profit before tax	684.83	413.78
Adjustments for:		
Depreciation and amortisation expense	127.45	107.56
Finance costs	77.44	42.92
Dividend income	(1.26)	(2.26)
Mark to market loss on derivative contracts	0.39	1.16
Loss/ (Profit) on sale of property, plant and equipment (net)	0.72	(0.05)
Net gain on fair value changes in financial assets measured at FVTPL	(0.75)	(14.26)
Allowance for expected credit loss and Bad debts written off	14.05	21.24
Liabilities no longer required written back	(3.24)	(6.13)
Interest income	(0.97)	(2.18)
Net gain on account of sale of investment	(4.59)	(7.79)
Government incentive	(2.00)	(2.07)
Unrealised exchange gain (net)	(15.12)	(4.72)
Operating profit before working capital changes	876.95	547.20
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(583.07)	(675.85)
Trade receivables	(718.66)	(186.69)
Other financial assets	15.53	(30.38)
Other assets	(81.51)	(58.24)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	446.44	183.55
Other financial liabilities	1.61	7.10
Other liabilities	(21.38)	3.26
Provisions	16.35	5.75
Cash used in operations	(47.74)	(204.30)
Direct taxes paid (net of refunds)	(159.56)	(115.48)
Net cash flow used in operating activities	(207.30)	(319.78)
II. Cash flow from investing activities		
Capital expenditure towards tangible assets (including capital advances, net of capital payables)	(192.75)	(151.91)
Capital expenditure towards intangible assets (including capital advances)	(19.39)	(2.45)
Proceeds from sale of property, plant and equipment	1.59	3.73
Dividend received	1.26	2.26
Proceeds from sale of investment (net)	123.09	102.15
Net cash used in investing activities	(86.20)	(46.22)
III. Cash flow from financing activities		
Repayment of long term borrowings	(5.21)	(15.99)
Proceeds from long term borrowings	6.00	-
Proceeds from short term borrowings (net)	339.63	269.41
Payment of lease liabilities	(24.84)	(16.73)
Finance costs paid	(62.13)	(32.98)
Decrease in lien marked/ margin money deposits	24.73	57.41
Interest received on deposits	0.62	4.23
Net cash flow from financing activities	278.80	265.35
IV. Decrease in cash and cash equivalents (I + II + III)	(14.70)	(100.65)
V. Cash and cash equivalents at the beginning of the year	60.65	163.10
Add: Effect of exchange differences on restatement of foreign currency cash and cash equivalents	5.83	(1.80)
VI. Cash and cash equivalents at the end of the year	51.78	60.65
VII. Cash and cash equivalents comprise of:		
Cash on hand	0.26	0.32
Balances with banks		
- In current accounts	12.30	19.07
- In EEFC accounts	39.22	41.26
Cash and cash equivalents as per note 15	51.78	60.65

Reconciliation of change in liabilities arising from financing activities is given in note 21.6
 See accompanying notes forming part of the standalone financial statements (Note 1-53)

In terms of our report attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration no. 117366W/W-100018



Ananthi Amarnath
 Partner
 (Membership No. 209252)

Place : Chennai
 Date : 17 May 2023



For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Private Limited
 CIN: U31501HR2011PTC014475



Krishna Kumar Pant
 Director
 DIN: 00198916

Place: Gurugram
 Date : 17 May 2023



Ranjeet Singh Lonial
 Director
 DIN: 00198890

Place: Gurugram
 Date : 17 May 2023

SGS Techniks Manufacturing Private Limited
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

Particulars	No. of shares (In full number)	Amount
Balance as at 1 April 2021	16,12,785	16.13
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	16,12,785	16.13
Balance as on 1 April 2022	16,12,785	16.13
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	16,12,785	16.13

B. Other equity

Particulars	Components of other equity					Surplus in Statement of Profit and Loss	Total
	Capital reserve	Capital redemption reserve	Securities premium account	General reserve	Deemed equity contribution - From Holding Company		
Balance as at 1 April 2021	433.16	1.00	1,477.48	90.00	-	1,320.42	3,322.06
Profit for the year	-	-	-	-	-	299.69	299.69
Other comprehensive income for the year, net of Income tax	-	-	-	-	-	(0.57)	(0.57)
Balance as at 31 March 2022	433.16	1.00	1,477.48	90.00	-	1,619.54	3,621.18
Profit for the year	-	-	-	-	-	511.70	511.70
Capital contribution from parent company	-	-	-	-	6.97	-	6.97
Other comprehensive income for the year, net of Income tax	-	-	-	-	-	(3.34)	(3.34)
Balance as at 31 March 2023	433.16	1.00	1,477.48	90.00	6.97	2,127.90	4,136.51

See accompanying notes forming part of the standalone financial statements (Note 1-53)

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration no. 117366W/W-100018

Ananthi
Ananthi Amarnath
 Partner

(Membership No. 209252)

Place : Chennai

Date : 17 May 2023



For and on behalf of the Board of Directors of
SGS Techniks Manufacturing Private Limited
 CIN: U31101IN2011PTC044475

Krishna
Krishna Kumar Pant
 Director

DIN: 00198916

Place: Gurugram
 Date : 17 May 2023

Ranjeet
Ranjeet Singh Lonial
 Director

DIN: 00198890

Place: Gurugram
 Date : 17 May 2023

SGS Teknics Manufacturing Private Limited
Notes forming part of Standalone Financial Statements for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

Note No	Particulars
1	<p>Corporate information</p> <p>SGS Teknics Manufacturing Private Limited ('the company') is a deemed public limited domiciled in India. The Company was incorporated on 27 April 2011 having CIN number U31501HR2011PTC044475 under the Companies Act 1956. The Company is engaged in the business of providing electronic manufacturing goods and related services.</p> <p>SGS Teknics is having four manufacturing locations in India along with design and development center. The production facilities are located at Gurgaon, Manesar, Baddi and Bangalore.</p>
2	<p>Summary of significant accounting policies</p>
2.1	<p>Statement of compliance</p> <p>These standalone financial statements (referred as financial statements) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.</p>
2.2	<p>Basis of preparation and presentation</p>
(a)	<p>Accounting convention and assumptions</p> <p>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.</p> <p>Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.</p> <p>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.</p>
(b)	<p>Going concern</p> <p>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.</p>
(c)	<p>Basis of presentation</p> <p>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.</p> <p>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').</p> <p>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.</p>
(d)	<p>Current/ Non-current classification</p> <p>The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.</p> <p>An asset is classified as current when it is:</p> <ul style="list-style-type: none"> - Expected to be realised or intended to sold or consumed in normal operating cycle; - Held primarily for the purpose of trading; - Expected to be realized within twelve months after the reporting period; or - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. <p>All other assets are classified as non-current.</p> <p>A liability is current when:</p> <ul style="list-style-type: none"> - Expected to be settled in normal operating cycle; - It is held primarily for the purpose of trading; - It is due to be settled within twelve months after the reporting period; or - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. <p>All other liabilities are classified as non-current.</p>



SGS Teknics Manufacturing Private Limited
Notes forming part of Standalone Financial Statements for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

Note No	Particulars
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(e) **Operating cycle**

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

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

Depreciation on items of property, plant and equipment is provided on the straight-line method, based on the management's estimates of useful lives of the assets, which is similar to the useful life prescribed under Schedule II of the Companies Act, 2013 except for the following class of property, plant and equipment which is depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per schedule II	Revised the useful life from
Stencils (included in plant and machinery)	3 years	15 years	01 April 2021
Electrical Installations	20 years	10 years	01 April 2022

Based on technical assessment made by technical expert and management estimate, the Company depreciates stencils and electrical installations over the estimated useful lives which are different from the useful lives prescribed under Schedule II to the Act. The management believes that these revised estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold land is not depreciated. Leasehold improvements are amortized over the period of the lease.

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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

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.



Note No	Particulars
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2.4 Goodwill and other intangible assets

i. Goodwill

Goodwill represents the purchase consideration in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

ii. Other intangible assets

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:

Particulars	Useful life
Software	3 years
Goodwill	Infinite

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 Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.



SGS Teknics Manufacturing Private Limited**Notes forming part of Standalone Financial Statements for the year ended 31 March 2023**

(All amounts are in million Indian rupees unless otherwise stated)

Note No	Particulars
2.7 (a)	<p>A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU.</p> <p>Leases</p> <p>The Company as a lessee</p> <p>The Company's lease asset classes consist of leases for buildings . The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:</p> <ul style="list-style-type: none">(i) 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;(ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and(iii) 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:<ul style="list-style-type: none">a) The Company has the right to operate the asset; orb) The Company designed the asset in a way that predetermines how and for what purpose it will be used. <p>At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.</p> <p>At the inception or remeasurement of a Lease Contract that contains a lease component. 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 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.</p> <p>As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.</p> <p>Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.</p> <p>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.</p> <p>Lease payments included in the measurement of the lease liability comprise the following:</p> <ul style="list-style-type: none">(i) fixed payments, including in-substance fixed payments;(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;(iii) amounts expected to be payable under a residual value guarantee; and(iv) 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. <p>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.</p> <p>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.</p>



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Note No	Particulars
	<p>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.</p> <p>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.</p>
(b)	The Company as a lessor
	<p>Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.</p> <p>When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.</p> <p>For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.</p>
2.8	Inventories
	<p>Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares, are carried at the lower of cost and net realisable value.</p> <p>Cost of inventories comprises all costs of purchase (net of recoverable taxes, where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase.</p> <p>The basis of determining costs for various categories of inventories are as follows: -</p> <p style="padding-left: 40px;">Raw materials, stores and spares - Weighted average method Work-in-progress and finished goods - Material cost plus appropriate share of labour, manufacturing overheads.</p> <p>Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.</p> <p>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.</p>
2.9	Cash & Cash Equivalents
(a)	Cash and cash equivalents (for purposes of Cash Flow Statement)
	<p>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.</p>
(b)	Cash flow statement
	<p>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.</p>
2.10	Foreign currency transactions and translations
(a)	Functional and presentation currency
	<p>Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.</p>
(b)	Transactions and balances
	i. Initial recognition and settlement
	<p>Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.</p>



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Note No	Particulars
	<p>ii. Measurement at the reporting date</p> <p>Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. 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. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.</p>
2.11	<p>Revenue recognition</p> <p>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.</p> <p>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.</p> <p>Further, revenue from sale of goods and services is recognized based on a 5-step methodology which is as follows:</p> <p style="padding-left: 40px;">Step 1: Identify the contract(s) with a customer. Step 2: Identify the performance obligation in contract. Step 3: Determine the transaction price. Step 4: Allocate the transaction price to the performance obligations in the contract. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</p>
(a)	<p>Sale of products</p> <p>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 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.</p> <p>Advance from customers and unbilled revenue is recognized under other current liabilities which is released to revenue on satisfaction of performance obligation.</p>
(b)	<p>Sale of services</p> <p>Income from service activities are recognized over a period of time upon satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.</p>
(c)	<p>Other operating revenues</p> <p>Other operating revenue 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.</p>
2.12	<p>Other income</p>
(a)	<p>Interest income</p> <p>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.</p>
(b)	<p>Dividend income</p> <p>Dividend income is recognized when the right to receive the income is established.</p>
2.13	<p>Employee benefits</p>
(a)	<p>Short term employee benefits</p> <p>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.</p>



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Note No	Particulars
(b)	<p>Defined contribution plans</p> <p>Provident fund/ Employee State Insurance:</p> <p>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.</p>
(c)	<p>Defined benefit plans</p> <p>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.</p> <p>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.</p> <p>The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.</p> <p>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 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.</p> <p>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.</p> <p>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.</p> <p>Annual contributions are made to the employee's gratuity fund, established with the LIC (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.</p>
(d)	<p>Other long-term employee benefits</p> <p>Compensated absences</p> <p>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.</p>
(e)	<p>Employee share based payments</p> <p>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).</p> <p>Equity-settled transactions:</p> <p>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.</p> <p>That cost is recognised, together with a corresponding increase in deemed equity contribution - 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 year 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.</p> <p>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.</p>



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Note No	Particulars
2.14	<p>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.</p> <p>The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.</p> <p>i. Provisions</p> <p>Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.</p> <p>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).</p> <p>ii. Onerous Contracts</p> <p>A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.</p>
2.15	<p>Contingent liabilities and contingent assets</p> <p>Contingent liability is disclosed for</p> <p>(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</p> <p>(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.</p> <p>(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.</p>
2.16	<p>Taxes on Income</p> <p>The income tax expense represents the sum of the tax currently payable and deferred tax.</p> <p>(a) Current tax</p> <p>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.</p> <p>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.</p> <p>(b) Deferred tax</p> <p>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.</p> <p>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.</p>



SGS Teknics Manufacturing Private Limited**Notes forming part of Standalone Financial Statements for the year ended 31 March 2023**

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Note No	Particulars
	<p>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.</p> <p>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.</p> <p>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.</p> <p>(c) Current tax and deferred tax for the year:</p> <p>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.</p>
2.17	<p>Financial instruments</p> <p>Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.</p> <p>(a) Initial recognition</p> <p>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.</p> <p>(b) Subsequent measurement</p> <p>(i) Financial assets</p> <p>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.</p> <p>Classification of financial assets</p> <p>The Company classifies its financial assets in the following measurement categories:</p> <ul style="list-style-type: none">a) those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit or loss), andb) those measured at amortized cost. <p>The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.</p> <p>Amortized cost</p> <p>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.</p> <p>Fair value through other comprehensive income (FVTOCI)</p> <p>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).</p> <p>Fair value through profit or loss (FVTPL)</p> <p>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.</p>



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Note No	Particulars
	<p>Impairment of financial assets</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Evidence that the financial asset is credit-impaired includes the following observable data:</p> <ul style="list-style-type: none"> (i) Significant financial difficulty of the borrower or issuer; (ii) The breach of contract such as a default or being past due as per the ageing brackets; (iii) It is probable that the borrower will enter bankruptcy or other financial re-organisation; or (iv) The disappearance of active market for a security because of financial difficulties. <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Write off policy</p> <p>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.</p>
(ii)	<p>Financial liabilities and equity instruments:</p> <p>Classification as equity or financial liability</p> <p>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.</p> <p>All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.</p> <p>Equity instruments</p> <p>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.</p> <p>Financial liabilities at amortized cost</p> <p>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.</p> <p>Financial liabilities at FVTPL</p> <p>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.</p>



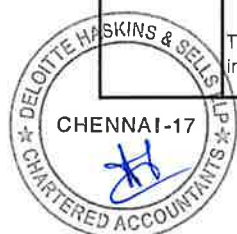
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Note No	Particulars
(c)	Derecognition
(i)	<p>Derecognition of financial assets</p> <p>A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred 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.</p> <p>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.</p>
(ii)	<p>Derecognition of financial liabilities</p> <p>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.</p> <p>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.</p>
(d)	<p>Offsetting</p> <p>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.</p>
(e)	<p>Measurement of fair values</p> <p>A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.</p> <p>Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.</p> <p>Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.</p>
(f)	<p>Derivative financial instruments</p> <p>The Company enters into derivative financial instruments to mitigate its foreign currency risk exposures.</p> <p>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.</p>
2.18	<p>Equity investments in subsidiaries/associate</p> <p>Investment in subsidiaries are carried at cost less accumulated losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and write down immediately to its recoverable amount. On disposal of investment in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss</p>



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Note No	Particulars
2.19	<p>Investment in debentures/bonds, mutual funds and private equity</p> <p>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.</p> <p>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.</p> <p>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.</p>
2.20	<p>Earnings per share</p> <p>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.</p> <p>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.</p>
2.21	<p>Segment reporting</p> <p>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.</p> <p>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.</p> <p>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.</p>
2.22	<p>Borrowing cost</p> <p>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.</p> <p>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.</p> <p>All other borrowing costs are recognised in Statement of profit or loss in the period in which they are incurred.</p>
2.23	<p>Government grant</p> <p>Government grants are recognized where there is reasonable assurance that the grant will be received, and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.</p> <p>When the Company 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.</p>
	<p>Export benefits</p> <p>Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.</p>
2.24	<p>Related party transactions</p> <p>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.</p> <p>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.</p>



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Note No	Particulars
<p>2.25</p>	<p>Use of estimates and judgements</p> <p>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. Actual results may differ from these estimates.</p> <p>Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.</p> <p>This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.</p> <p>Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.</p> <p>The areas involving critical estimates or judgments are :</p> <p>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 2.14 and 2.15) d. Measurement of defined benefit obligation: key actuarial assumptions.(Refer note 2.13) e. Estimation of income tax (current and deferred) – (Refer note 2.16) f. Estimation of impairment of goodwill – (Refer note 2.6)</p> <p>Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.</p>
<p>2.26</p>	<p>Insurance claims</p> <p>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.</p>
<p>2.27</p> <p>(a)</p>	<p>Recent Pronouncements</p> <p>Standards issued/amended but not yet effective</p> <p>The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:</p> <p>Ind AS 1 - Presentation of financial statements</p> <p>This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.</p> <p>Ind AS 8 - Accounting policies, change in accounting estimates and errors</p> <p>This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements</p> <p>Ind AS 12 - Income taxes</p> <p>This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.</p>



SGS Teknics Manufacturing Private Limited
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3 Property, plant and equipment										
Particulars	Freehold land (Refer note 3.1 and 3.2 below)	Building (Refer note 3.1 below)	Plant and machinery (Refer note 3.1 below)	Furniture and fixtures	Lease hold improvements	Computers	Electrical installation	Office equipment	Vehicles (Refer note 3.1 below)	Total
Gross carrying value										
As at 1 April 2021	16.59	132.79	608.87	37.13	-	29.93	86.95	15.95	50.02	978.23
Additions	-	0.94	56.86	11.88	3.95	9.41	2.95	6.03	11.24	103.26
Disposals/ discarded	-	-	(0.50)	-	-	-	-	(0.03)	(4.71)	(5.24)
As at 31 March 2022	16.59	133.73	665.23	49.01	3.95	39.34	89.90	21.95	56.55	1,076.25
Additions	2.69	1.32	172.17	20.37	-	13.34	2.04	3.78	19.41	235.12
Disposals/ discarded	-	-	(0.66)	-	-	(0.38)	-	-	(3.01)	(4.05)
As at 31 March 2023	19.28	135.05	836.74	69.38	3.95	52.30	91.94	25.73	72.95	1,307.32
Accumulated depreciation										
As at 1 April 2021	-	10.90	82.71	7.83	-	11.24	25.47	6.30	7.33	151.78
Depreciation charge for the year	-	6.00	58.36	4.74	0.07	8.07	5.51	3.30	6.94	92.99
Elimination on disposal	-	-	(0.11)	-	-	-	-	(0.01)	(1.44)	(1.56)
As at 31 March 2022	-	16.90	140.96	12.57	0.07	19.31	30.98	9.59	12.83	243.21
Depreciation charge for the year	-	6.02	60.01	6.75	0.31	9.94	3.42	3.64	7.64	97.73
Elimination on disposal	-	-	(0.01)	-	-	-	-	-	(1.73)	(1.74)
As at 31 March 2023	-	22.92	200.96	19.32	0.38	29.25	34.40	13.23	18.74	339.20
Net carrying value										
As at 31 March 2022	16.59	116.83	524.27	36.44	3.88	20.03	58.92	12.36	43.72	833.04
As at 31 March 2023	19.28	112.13	635.78	50.06	3.57	23.05	57.54	12.50	54.21	968.12

3.1 Assets have been pledged/ hypothecated upto the outstanding amount of borrowings as at reporting date (Refer note 21 and 24).

3.2 Title deeds of immovable property not held in name of the Company:

As at 31 March 2023 and 31 March 2022

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land (Plot no 88, HPSIDC, Baddi, Himachal Pradesh)	4.07	SGS Teknics Private Limited	No	12 June 2006	The title deeds are in the name of SGS Teknics Private Limited, that was amalgamated with the Company as per the order of the Honourable High Court of Punjab & Haryana through order dated 15 September 2012.
Property, plant and equipment	Freehold land (A3 infocity, Sector 34, Gurugram)	9.67	SGS Teknics Private Limited	No	07 January 2004	The title deeds are in the name of SGS Teknics Private Limited, that was amalgamated with the Company as per the order of the Honourable High Court of Punjab & Haryana through order dated 15 September 2012.



SGS Teknics Manufacturing Private Limited
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4 Goodwill

Particulars	As at 31 March 2023	As at 31 March 2022
Gross carrying amount	1,051.45	1,051.45

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Goodwill	Amount
Balance as at 31 March 2022	1,051.45
Impairment during the year	-
Balance as at 31 March 2023	1,051.45

The carrying amount of Goodwill INR 1,051.45 Million is carried over in books of accounts as a result of amalgamation happened between SGS Teknics Manufacturing Private Limited and SGS Teknics Private Limited, as per the order of High Court of Punjab and Haryana at Chandigarh through order dated 15 September 2012. Goodwill is subject to impairment testing every year in line with requirement of Ind AS - 36.

Allocation of goodwill to cash generating units:

Goodwill does not generate cash flows independently 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, growth rates and projected Earning Before Interest, Depreciation and Taxes (EBIDTA) margins. Management has estimated discount rates using pre-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.

The Group has conducted a sensitivity analysis on the impairment test of CGU carrying value. Change in the discount rate and growth rate by +/- 1% and +/- 2% points would not impact in carrying value of goodwill (with other factors remains constant). 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	As at 31 March 2023	As at 31 March 2022
Discount rate	11.50%	14.70%
Terminal growth rate	5%	5%
Budgeted EBIDTA margin	8.6% - 12.8%	8.6% - 11.8%

Sensitivity analysis	As at 31 March 2023	
	WACC	Value in Use
Decrease in discount rate by 2%	9.50%	15,074
Decrease in discount rate by 1%	10.50%	12,188
Discount rate	11.50%	10,194
Increase in discount rate by 1%	12.50%	8,734
Increase in discount rate by 2%	13.50%	7,621

Sensitivity analysis	As at 31 March 2022	
	WACC	Value in Use
Decrease in discount rate by 2%	12.70%	6,551
Decrease in discount rate by 1%	13.70%	5,747
Discount rate	14.70%	5,110
Increase in discount rate by 1%	15.70%	4,594
Increase in discount rate by 2%	16.70%	4,167

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The estimated recoverable amount of CGU including Goodwill is more than the carrying amount at year end, consequently the company has not provided for any impairment loss. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.



SGS Teknics Manufacturing Private Limited
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5 Right-of-use (ROU) assets

Particulars	Building
Gross carrying value	
As at 1 April 2021	74.83
Additions	194.12
Disposals/ discarded	(55.87)
As at 31 March 2022	213.08
Additions	46.17
Disposals/ discarded	(0.05)
As at 31 March 2023	259.20
Accumulated depreciation	
As at 1 April 2021	17.04
Depreciation expense for the year	11.11
Elimination on disposal	(18.00)
As at 31 March 2022	10.15
Depreciation expense for the year	21.32
Elimination on disposal	(1.79)
As at 31 March 2023	29.68
Net carrying value	
As at 31 March 2022	202.93
As at 31 March 2023	229.52

6 Intangible assets

Particulars	Computer software	Total
Gross carrying value		
As at 1 April 2021	11.63	11.63
Additions	2.45	2.45
Disposals/ Discarded	-	-
As at 31 March 2022	14.08	14.08
Additions	20.03	20.03
Disposals/ Discarded	-	-
As at 31 March 2023	34.11	34.11
Accumulated amortisation		
As at 1 April 2021	5.79	5.79
Amortisation expense for the year	3.46	3.46
Elimination on disposal/ adjustments of assets	-	-
As at 31 March 2022	9.25	9.25
Amortisation expense for the year	8.40	8.40
Elimination on disposal	-	-
As at 31 March 2023	17.65	17.65
Net carrying value		
As at 31 March 2022	4.83	4.83
As at 31 March 2023	16.46	16.46

7 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Depreciation of property, plant and equipment	97.73	92.99
(b) Amortisation of intangible assets	8.40	3.46
(c) Depreciation on ROU assets	21.32	11.11
Total	127.45	107.56



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8 Non-current investments

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Investment carried at cost		
Unquoted equity shares - Subsidiary		
11,960,000 (previous year 11,960,000) equity shares of SGS Infosystems Private Limited	119.60	119.60
16,500 (previous year 16,500) equity shares of SGS Solutions GmbH	1.15	1.15
(b) Investment carried at fair value through profit & loss		
Unquoted - Investment in debentures or bonds		
100 (previous year 200 units) @ INR 100,000 each Citicorp Finance India Limited, debentures	-	13.68
Total	120.75	134.43

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate book value of unquoted investments	120.75	134.43
Aggregate amount of impairment in the value of investments	-	-

9 Other non-current financial assets

(unsecured, considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	17.96	10.02
Other bank deposits		
- Under lien (Refer note 9.1)	-	3.37
- Margin money	-	1.30
Loans to employees	1.64	0.26
Total	19.60	14.95

9.1 Fixed deposits of 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 [net of provision of tax INR 282.39 millions (31 March 2022: INR 442.31 million)]	15.65	19.23
Amount paid under protest (Refer note 37)	4.22	4.22
Total	19.87	23.45

11 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	4.72	45.63
Prepaid expenses	0.31	1.04
Total	5.03	46.67



SGS Tekniks Manufacturing Private Limited
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(All amounts are in million Indian rupees unless otherwise stated)

12 Inventories

(at lower of cost and net realisable value)

Particulars	As at	As at
	31 March 2023	31 March 2022
Raw materials	1,478.64	1,172.30
- Goods-in-transit	165.66	152.82
	1,644.30	1,325.12
Work-in-progress	363.06	187.92
Finished goods	219.63	130.88
Total	2,226.99	1,643.92

12.1 The cost of inventories recognised as expense in statement of profit and loss.

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Cost of inventories	6,353.25	4,289.37

12.2 The mode of valuation of inventories has been stated in note 2.8

12.3 The above includes, the cost of inventories recognised as expense in respect of write down of inventories are as follows:

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Write down of inventories	7.90	14.81

13 Current investments

Particulars	As at	As at
	31 March 2023	31 March 2022
Investment in mutual funds and unquoted funds - at FVTPL		
- Investments in mutual funds - quoted (Refer note 13.1)	192.15	249.79
- Investment in unquoted funds (Refer note 13.3)	4.66	51.09
	196.81	300.88

13.1 Investments in mutual funds - quoted
As at 31 March 2023

Particulars	No of units	Amount
IDFC bond fund- short term plan fortnightly dividend - (Direct Plan) (Refer note 13.2)	33,32,576	34.61
Franklin India short term income plan - Growth	255	1.51
SBI short term debt fund growth	7,36,441	19.98
Nippon India short term fund- Direct growth plan growth option (STAGG)	3,14,265	14.95
Nippon India low duration fund- Direct growth plan growth option (LPAGG)	3,697	12.35
Axis banking & PSU debt fund - Regular growth	12,605	28.16
Invesco India short term fund - Growth (ST-RG)	7,214	21.78
Kotak bond (Short term) - Growth (Regular plan)	4,21,650	18.60
ABSL banking & PSU debt fund - Growth	75,733	23.43
Nippon India dynamic bond fund - Growth	5,41,322	16.78
Total		192.15

As at 31 March 2022

Particulars	No of units	Amount
IDFC bond fund- short term plan fortnightly dividend - (Direct Plan) (Refer note 13.2)	32,14,423	33.37
Franklin India short term income plan - Growth	359	1.69
IDFC Bond Fund-Short Term Plan- Growth	4,65,004	21.61
ICICI Prudential Regular Savings Fund Growth	97,000	5.42
ICICI Prudential Short Term Fund Growth	3,78,146	18.07
SBI short term debt fund growth	7,36,441	19.18
Nippon India short term fund- Direct growth plan growth option (STAGG)	3,14,265	14.31
Nippon India low duration fund- Direct growth plan growth option (LPAGG)	3,697	11.71
Axis banking & PSU debt fund - Regular growth	12,605	26.98
Invesco India short term fund - Growth (ST-RG)	7,214	21.12
Kotak bond (Short term) - Growth (Regular plan)	4,21,650	17.96
ABSL banking & PSU debt fund - Growth	75,733	22.46
HDFC corporate bond fund regular - Growth	7,53,484	19.69
Nippon India dynamic bond fund - Growth	5,41,322	16.22
Total		249.79

13.2 Under a lien agreement due to a secured term loan from Citibank until 28 April 2022


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13.3 Investment in unquoted funds

As at 31 March 2023

Particulars	Amount
India REIT Mumbai redevelopment fund	0.50
Milestone domestic scheme III	0.20
Nippon yield maximiser alternative investment fund - Scheme I	0.33
Emerald lands private limited	2.30
Peninsula brookfield India real estate fund	1.33
Total	4.66

As at 31 March 2022

Particulars	Amount
Multiples Private Equity fund scheme I	1.03
India REIT fund scheme IV	0.34
India REIT Mumbai redevelopment fund	1.12
Milestone domestic scheme III	0.28
Nippon yield maximiser alternative investment fund - Scheme I	0.68
Quest multi PMS series I	8.40
Avendus enhanced return fund series II	24.14
India whizdom fund II	10.71
Emerald lands private limited	2.30
Peninsula brookfield India real estate fund	2.09
Total	51.09

Particulars	As at 31 March 2023	As at 31 March 2022
Quoted investments		
Aggregate cost of quoted investments	189.69	241.50
Aggregate market value of quoted investments	192.15	249.79
Aggregate amount of impairment in value of investments	-	-
Unquoted investments		
Aggregate cost of unquoted investments	3.84	46.50
Aggregate market value of unquoted investments	4.66	51.09
Aggregate amount of impairment in value of investments	-	-

14 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good – Unsecured (Refer note 14.2)	1,690.07	980.36
Credit impaired	3.21	3.21
Gross receivables	1,693.28	983.57
Allowance for expected credit loss	(45.95)	(35.98)
Total	1,647.33	947.59
The above amount of trade receivables also includes amount receivable from its related parties (Refer note 42.3)	35.46	1.92

14.1 Movement in expected credit loss (ECL) allowance

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of the year	35.98	22.55
Add: Provision of ECL allowance	9.97	13.81
Less: Utilization of ECL allowance	-	(0.38)
Balance at end of the year	45.95	35.98

14.2 The trade receivables, include certain customers having more than 10% of the total outstanding trade receivable balance.

Particulars	As at 31 March 2023	As at 31 March 2022
No of customers	2	1
Amount outstanding	373.28	162.48

There are no other customers who represent more than 10% of the total balance of trade receivables.



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- 14.3** 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.
- 14.4** No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person. No trade receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.
- 14.5** Refer note 48(III) for trade receivables ageing.
- 14.6** 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	For the year ended 31 March 2023	For the year ended 31 March 2022
Not due	2.31%	2.80%
0-90 days	4.97%	6.02%
91-180 days	11.98%	14.56%
181-270 days	31.26%	34.34%
271-360 days	58.37%	58.11%
More than 360 days	100.00%	100.00%

15 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.26	0.32
Balances with banks		
- In current accounts	12.30	19.07
- In EEFC accounts	39.22	41.26
Total	51.78	60.65

16 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks - Margin money (Refer note 16.1)	6.58	9.54
Total	6.58	9.54

16.1 Fixed deposits of INR 4.69 Millions (31 March 2022 : 3.37 Millions) under lien for performance bank guarantees issued to customers.

**17 Other current financial assets
(unsecured, considered good)**

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued, but not due on fixed deposits with banks	0.55	0.20
Derivative contracts assets*	-	0.39
Security deposits	0.60	2.84
Receivable from Holding Company (Refer note 42.3)	3.06	25.45
Loans to employees	1.80	1.63
Total	6.01	30.51

* Represents fair value of the derivative contracts undertaken related to term loan and working capital loan and interest rates.

**18 Other current assets
(unsecured, considered good)**

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to employees	0.18	0.15
Prepaid expenses	6.81	7.68
Balance with Government authorities	214.43	157.18
Advances to suppliers	77.02	53.29
Unbilled revenue	2.10	-
Total	300.54	218.30



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19 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
Authorised Equity Shares of Rs. 10/- each	30,10,000	30.10	30,10,000	30.10
Issued, subscribed and fully paid up Equity Shares of Rs. 10/- each fully paid up	16,12,785	16.13	16,12,785	16.13
Total	16,12,785	16.13	16,12,785	16.13

19.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 March 2023		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	16,12,785	16.13	16,12,785	16.13
Add: Fresh issue of shares during the year	-	-	-	-
Shares outstanding as at the end of the year	16,12,785	16.13	16,12,785	16.13

19.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares are possible subject to prevalent regulations. In the event of liquidation, the equity share holder are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

19.3 Details of shares held by holding company

Particulars	As at 31 March 2023	As at 31 March 2022
	No. of shares (In full number)	No. of shares (In full number)
Syrma SGS Technology Limited (Equity shares of Rs.10/- each fully paid)	16,12,785	16,12,785

19.4 Details of Shares held by each shareholder holding more than 5% shares in the Company:

Class of Shares / Name of Shareholder	As at 31 March 2023		As at 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
Syrma SGS Technology Limited (Equity shares of Rs.10/- each fully paid)	16,12,785	100.00%	16,12,785	100.00%

19.5 Shareholding of promoters

Name of the promoter	As at	No. of shares (In full number)	% of total shares	% change during the year
	Syrma SGS Technology Limited	31 March 2023 31 March 2022	16,12,785 16,12,785	100.00% 100.00%

Note:

- 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.

19.6 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:

a) The Company has neither issued any bonus shares, nor issued shares for consideration other than cash nor bought back any equity shares during the period of five years immediately preceding the reporting date.

19.7 The Company had executed Share Sale and Purchase and Shareholders' Agreement dated 23 October 2020 and 16 September 2021 with Syrma SGS Technology Limited by virtue of which 20% and 80% of shares of the Company had been sold to Syrma Technology Private Limited by existing share holders as on date of agreement respectively.



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20 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
Opening balance	433.16	433.16
Addition for the year	-	-
Closing balance	433.16	433.16
Capital redemption reserve		
Opening balance	1.00	1.00
Addition for the year	-	-
Closing balance	1.00	1.00
Securities premium account		
Opening balance	1,477.48	1,477.48
Addition for the year	-	-
Closing balance	1,477.48	1,477.48
General reserve		
Opening balance	90.00	90.00
Addition for the year	-	-
Closing balance	90.00	90.00
Deemed equity contribution - From Holding Company		
Opening balance	-	-
Addition for the year	6.97	-
Closing balance	6.97	-
Surplus in statement of profit and loss		
Opening balance	1,619.54	1,320.42
Profit for the year	511.70	299.69
Other Comprehensive Income for the year, net of Income tax	(3.34)	(0.57)
Closing balance	2,127.90	1,619.54
Total	4,136.51	3,621.18

Nature and purpose of other reserves

20.1 Capital reserve

Created as a result of merger scheme, between SGS Tekniks Manufacturing Private Limited, SGS Holding & Leasing Private Limited and SGS Infotech Private Limited in the year ended 31 March 2012.

20.2 Capital redemption reserve

Created on account of redemption of preference shares during the year ended 31 March 2021.

20.3 Securities premium account

Security premium is used to record the premium received on issue of shares. It will be utilised in accordance with the provisions of Companies Act, 2013.

20.4 General reserve

The General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

20.5 Deemed equity contribution - From Holding Company

Created on account of ESOP's allocated by Syrma SGS Technology Limited ("Parent Company") to eligible employees of the Company.

20.6 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.



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21 Borrowings (Non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans from banks	-	-
Vehicle loans from banks	-	1.38
Vehicle loans from financial institutions	5.90	1.00
Total	5.90	2.38

21.1 Terms of secured loans:

As at 31 March 2023

Particulars	Interest rate	No. of installments outstanding	Repayment terms	Amount outstanding as at 31 March 2023
(i) Vehicle loans from banks (refer note 21.3)				
Axis bank limited	8.75%	10	Monthly installments	1.38
(ii) Vehicle loans from financial institutions (refer note 21.4)				
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
Total				8.41
Less: Current maturities of long-term borrowings (Refer note 24)				(2.51)
Long term borrowings from bank and financial institutions				5.90

As at 31 March 2022

Particulars	Interest rate	No. of installments outstanding	Repayment terms	Amount outstanding as at 31 March 2022
(i) Term loans from banks				
Citi Bank Limited (refer note 21.2)	9.25%	1	Principal quarterly & Interest Monthly	2.60
(ii) Vehicle loans from banks (refer note 21.3)				
Axis bank limited	8.75%	22	Monthly installments	2.96
(iii) Vehicle loans from financial institutions (refer note 21.4)				
Mercedes-Benz financial services India private limited	7.60%	23	Monthly installments	2.06
Total				7.62
Less: Current maturities of long-term borrowings (Refer note 24)				(5.24)
Long term borrowings from bank and financial institutions				2.38

21.2 Secured term loan from Citi bank

The Company has availed a term loan from Citi bank Nil (INR. 2.60 million as on 31 March 2022) are secured by way of first ranking pari passu charge with Ratnakar bank limited on moveable fixed assets (excluding those funded out of term loan), land and buildings, Pledge on debt mutual funds of INR. 26.50 million and fixed deposits of INR. 7.50 million and corporate guarantee provided by SGS Infosystem private limited.

21.3 Secured vehicle loan from banks

The Company has availed vehicle loan from Axis bank limited of INR. 1.38 million (INR. 2.96 million as on 31 March 2022) for acquiring a vehicle and is secured by hypothecation of vehicle purchased out of such loan.

21.4 Secured vehicle loan from financial institutions

The Company has availed vehicle loans from Mercedes-Benz financial services India private limited of INR. 7.03 million (INR. 2.06 million as on 31 March 2022) for acquiring a vehicle and is secured by hypothecation of vehicle purchased out of such loan.



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21.5 Above loans are repayable in equal/ unequal monthly instalments as follows:

Term loan from bank maturity	As at 31 March 2023	As at 31 March 2022
Repayable within 1 year	-	2.60
Repayable within 1 - 3 year	-	-
Repayable after 3 years	-	-

Vehicle loan from bank maturity	As at 31 March 2023	As at 31 March 2022
Repayable within 1 year	1.38	1.58
Repayable within 1 - 3 year	-	1.38
Repayable after 3 years	-	-

Vehicle loan from financial institutions maturity	As at 31 March 2023	As at 31 March 2022
Repayable within 1 year	1.13	1.06
Repayable within 1 - 3 year	5.71	1.00
Repayable after 3 years	0.19	-

21.6 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*	7.62	0.79	-	-	-	8.41
Current borrowings	606.30	339.63	-	-	-	945.93
Lease liability	202.77	(24.84)	-	13.62	44.32	235.87

For the year ended 31 March 2022

Particulars	As at 1 April 2021	Cash flow (net)	Exchange difference	Others[^]	New lease	As at 31 March 2022
Non current borrowings*	23.24	(15.99)	0.37	-	-	7.62
Current borrowings	336.89	269.41	-	-	-	606.30
Lease liability	69.40	(16.73)	-	(38.00)	188.10	202.77

Note:

*Non current borrowing includes current maturities of Long term borrowing.

[^]Others includes amortisation of processing fees, interest on lease liability, deletion to lease liability.



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22 Provisions (Non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 38)		
- Gratuity	25.36	18.26
- Compensated absences	15.33	13.32
Total	40.69	31.58

23 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred government grant	16.43	18.43
Employee related payable	20.58	14.63
Total	37.01	33.06

23.1 Movement of deferred government grant

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance of deferred government grant	20.43	22.50
Add : Government grant received	-	-
Less : Government grant recognised during the period	2.00	2.07
Closing balance of deferred government grant	18.43	20.43
Non-current	16.43	18.43
Current	2.00	2.00
	18.43	20.43

24 Short term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Working capital facilities from banks - Secured		
- Cash credit	145.93	306.30
- Working capital loan	150.00	300.00
- Packing credit loan	650.00	-
Current maturities of long-term borrowings (Refer note 21.1)	2.51	5.24
Total	948.44	611.54

24.1 Notes

(a) **Working capital facilities from Citi bank**

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 Company

As at March 31, 2023

Particulars	Amount outstanding as at 31 March 2023	Interest rate range
Cash credit	64.87	6.35% - 9.00%
Packing credit loan	650.00	7.35% - 7.72%

Repayment terms:

Packing credit loan from Citi bank repayable on the respective dates on each drawdown which is generally less than 12 months

As at March 31, 2022

Particulars	Amount outstanding as at 31 March 2022	Interest rate range
Cash credit	107.04	6.25% - 9.00%
Working capital loan	300.00	7.50% - 7.90%

Repayment terms:

Working capital loan from Citi bank repayable on the respective dates on each drawdown which is generally less than 12 months



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(b) **Working capital facilities from HDFC bank**

Cash credit and working capital loan from HDFC Bank is secured by First pari passu charge on all current assets of the borrower (present & future) and on plant & machinery- Second pari passu charge on all movable fixed assets of the borrower (present & future).

As at March 31, 2023

Particulars	Amount outstanding as at 31 March 2023	Interest rate range
Cash credit	81.06	6.25% - 8.95%
Working capital loan	150.00	5.38% - 7.61%

Repayment terms:

Working capital loan and packing credit loan from HDFC bank repayable on the respective dates on each drawdown which is generally less than 12 months

As at March 31, 2022

Particulars	Amount outstanding as at 31 March 2022	Interest rate
Cash credit	199.26	6.25%

24.2 In respect of working capital loans, the revised quarterly returns and statements comprising stock statements, book debt statements and other stipulated financial information by the Company with banks are in agreement with the books of accounts.

Refer note 48(V) for the Comparison of quarterly returns furnished to banks with books of account.



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25 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises (Refer note 25.3)	82.27	39.36
Total outstanding dues of creditors other than micro and small enterprises	1,234.27	838.17
Total	1,316.54	877.53

25.1 Trade payables are non-interest bearing and are normally settled as per due dates.

25.2 Refer note 48IV for trade payables ageing and refer note 42.3 for balances payable to related parties

25.3 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*	81.81	39.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.48	2.64
(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;	186.44	125.41
(iv) The amount of interest due and payable for the period of delay in making payment	1.86	1.05
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	4.48	2.64
(vi) The amount of further interest remaining due and payable even in the succeeding period, 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*includes payable towards procurement of capital assets part of other non-current financial liabilities towards MSME amounting to INR 4.02 million (31 March 2022: INR 3.18 million)

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.

26 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payable towards procurement of capital assets (Refer note 25.3)	13.45	11.35
Interest accrued but not due on loans from banks	1.01	0.03
Total	14.46	11.38

27 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue received in advance	10.17	42.32
Deferred government grant (refer note 23.1)	2.00	2.00
Statutory dues	16.97	9.43
Employee benefit related dues (Refer note 42.3)	3.41	4.13
Total	32.55	57.88



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28 Provisions (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 38)		
- Gratuity	6.68	4.86
- Compensated absences	3.99	3.03
Total	10.67	7.89

29 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax	29.53	9.20
[net of advance tax of INR 428.62 million (31 March 2022: INR 109.20 million)]		
Total	29.53	9.20



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30 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products (net)		
- Manufactured goods	8,014.79	5,401.37
Sale of services	203.19	144.40
Other operating revenues		
- Tooling charges	82.04	37.84
- Sale of scrap	0.01	0.01
Total other operating revenues	82.05	37.85
Total	8,300.03	5,583.62

30.1 Also refer note 42.2 for transactions with related parties

30.2 Reconciliation of revenue recognized with the contract price is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	8,300.03	5,583.62
Adjustment for:		
- Discounts and rebates	-	-
- Refund liability	-	-
Revenue recognised	8,300.03	5,583.62

30.3 Disaggregation of revenue information

The table below presents disaggregated revenues from contracts with customers 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.

Revenue by geography	Year ended 31 March 2023	Year ended 31 March 2022
India	6,265.59	3,898.46
Rest of the world	2,034.44	1,685.16
Total revenue from operations	8,300.03	5,583.62

30.4 Timing of recognition of revenue

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products transferred at point in time	8,096.84	5,439.22
Sale of services transferred over a period of time	203.19	144.40
Total revenue from contracts with customers	8,300.03	5,583.62

30.5 Contract balances

Particulars	As at 31 March 2023	As at 31 March 2022
Receivables, which are included in 'Trade receivables'*	1,693.28	983.57
Unbilled revenue, which are included in 'Other current assets'	2.10	-
Revenue received in advance, which are included in 'Other current liabilities'	10.17	42.32

*Represents gross trade receivables without considering expected credit loss allowance

31 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on financial asset measured at amortised cost		
- Fixed deposit	0.59	1.91
- Security deposit	0.38	0.28
- Others	2.02	6.76
Dividend income from mutual funds mandatorily measured at FVTPL	1.26	2.26
Net gain on fair value changes in financial assets measured at FVTPL	0.75	14.26
Net gain on account of sale of investment	4.59	7.79
Net gain on account of foreign exchange fluctuations	28.66	32.08
Gain on sale of property, plant and equipment (net)	-	0.05
Gain on termination/ modification of leases	1.49	9.65
Government incentive (Refer note 31.1)	3.07	3.52
Miscellaneous income (Refer note 42.2)	2.45	0.91
Liabilities no longer required written back	3.24	6.13
Total	48.50	85.60

31.1 There are no unfulfilled conditions and other contingencies attached to government assistance



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32 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock of materials	1,325.12	788.03
Add: Purchases (Refer note 42.2)	6,936.32	4,965.22
	8,261.44	5,753.25
Less: Closing stock of materials (Refer note 12)	1,644.30	1,325.12
Consumption of raw materials	6,617.14	4,428.13

33 Changes in inventories of finished goods & work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Closing stock: (Refer note 12)		
- Finished goods	219.63	130.88
- Work-in-progress	363.06	187.92
Sub-total (A)	582.69	318.80
Opening stock: (Refer note 12)		
- Finished Goods	130.88	53.04
- Work-in-progress	187.92	127.00
Sub-total (B)	318.80	180.04
Net Decrease (B) - (A)	(263.89)	(138.76)

34 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	286.43	211.05
Contribution to provident and other funds (Refer note 38)	12.19	9.78
Gratuity expense (Refer note 38)	5.41	4.47
Compensated absences expense	3.79	2.80
Remuneration to executive directors (Refer note 42.2)	31.30	32.83
Share based payment to employees (Refer note 39)	6.97	-
Staff welfare expenses	13.45	8.69
	359.54	269.62
Less: Recovery of salaries from related parties (Refer note 42.2)	(3.06)	-
Total	356.48	269.62

35 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings		
Interest on term loan and vehicle loan	0.35	1.15
Interest on packing credit loan	25.72	6.12
Interest on cash credit	12.78	13.14
Interest on working capital loan	20.65	12.54
Interest on delayed payments to micro enterprises and small enterprises	2.05	1.17
Interest expense on income tax	1.78	1.33
Interest on lease liability (refer note 43)	14.01	7.43
Interest - others	0.10	0.04
Total	77.44	42.92



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36 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Power and fuel	55.68	46.80
Repair and maintenance		
Building	3.44	1.22
Machinery	16.45	12.33
Others	21.39	8.09
Bank charges	16.52	13.23
Insurance	13.03	10.96
Contract wages	366.76	276.78
Printing and stationery	5.36	4.45
Postage and courier	5.95	4.97
Travelling and conveyance	87.02	50.47
Rates and taxes	2.48	1.51
Allowance for Expected credit loss	9.97	13.81
Bad debts written off	4.08	7.43
Legal and professional charges (Refer note 42.2)	53.33	13.84
Office maintenance	23.10	18.56
Subscription and membership	1.57	1.62
Canteen expenses	7.75	5.26
Mark to market loss on derivative contracts	0.39	1.16
Loss on sale of property, plant and equipment (net)	0.72	-
Expenditure on corporate social responsibility (Refer note 36.2)	7.90	8.05
Payment to auditors (excluding taxes) (Refer note 36.1)	3.86	3.71
Cartage and freight outgoing	41.45	43.18
Testing and development charges	7.79	7.61
Miscellaneous expenses	13.79	8.14
	769.78	563.18
Less: Freight charges reimbursed by customers	(20.70)	(17.21)
Total	749.08	545.97

36.1 Payment to statutory auditors

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Payments to auditors comprises:		
- For Statutory audit	3.75	3.10
- For Certification and other services	-	0.40
- Reimbursement of expenses	0.11	0.21
Total	3.86	3.71

36.2 Corporate social responsibility (CSR) expenditure

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Gross amount required to be spent by the Company during the year	7.90	8.05
Amount of expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	15.10	4.50
Shortfall at the end of the year (Refer note 36.3)	-	(7.20)
Total of previous years shortfall	-	-
Reason for shortfall	NA	Refer note 36.3
Nature of CSR activities		
- Protection of national heritage, art and culture including restoration of buildings	2.00	-
- Promoting education	3.60	4.50
- Prime Minister's national relief fund	9.50	-
Details of related party transactions	NA	NA
Provisions w.r.t CSR Expenditure pursuant to contractual obligation	NA	NA

36.3 Reason for shortfall during the year ended 31 March 2022

As at 31 March 2022, the Company is in the process of identifying prospective projects as per schedule VII of the Companies Act 2013.

During the year ended 31 March 2022, The Company has paid INR. 4.50 million out of which INR 3.65 million has been spent against outstanding balance as at 31 March 2021 and the remaining INR 0.85 is against the year ended 31 March 2022. The shortfall at the year end 31 March 2022 of INR 7.20 million has been contributed to schedule VII activities during the current financial year ended 31 March 2023 (within six months from the end of the financial year 31 March 2022).



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37 Contingent liabilities and commitments (to the extent not specifically provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debt		
- Income tax demands related matters (Refer note (b) below)	4.84	6.58
- Civil related matters	-	0.18
Commitments		
Capital commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	121.94	31.51

37.1 Notes:

- (a) 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.
- (b) (i) The Company has received demand notice from income tax authorities for the following AY 2006-07, 2016-17 and 2017-18 disallowing certain expenditure and exempted incomes claimed by the Company. Income tax demands being disputed by the Company INR 4.84 Million (31 March 2022: INR 6.58 million). The Company has deposited INR 4.22 Million (31 March 2022: INR 4.22 million) under protest and the same has been included in the Income tax asset (net) (refer note 10). The Income tax demand excludes penalty and interest. Based on external consultant advice, the 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 Company: Nil (31 March 2022: INR 0.18 million). Based on legal advice, the 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.



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38 Employee benefits**38.1 Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it

Company's (employer's) contribution to Defined Contribution Plans recognised as expenses in the Statement of Profit and Loss are:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to provident fund	10.91	8.78
Employer's contributions to employee state insurance	0.84	0.84
Employer's contribution to labour welfare fund	0.44	0.16
Total	12.19	9.78

38.2 Defined benefit plans

Gratuity plan: 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. Gratuity is payable to all eligible employees of the Company on the retirement or separation or death or permanent disablement in terms of the provisions of Payment of Gratuity Act, 1972. The Company has funded the liability towards defined benefit obligation with the Life Insurance Corporation (LIC). Rate of return is given by the insurance company. The benefits vest after 5 years of continuous service except in case of death where no vesting conditions apply.

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.

(a) Amount recognised in the total comprehensive income in respect of the defined benefit plan are as follows :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Service cost		
- Current service cost	3.81	3.15
- Interest expense on defined benefit obligation	1.93	1.61
- Interest income on plan assets	(0.33)	(0.29)
Components of defined benefit costs recognised in statement of profit and loss (A)	5.41	4.47
Remeasurement of the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	1.10	0.05
- Actuarial gain from changes in financial assumptions	(1.20)	(0.81)
- Actuarial loss arising from experience adjustments	4.56	1.52
Components of defined benefit costs recognised in other comprehensive income (B)	4.46	0.76
Total (A) + (B)	9.87	5.23



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(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 liability recognised in the balance sheet:		
Present value of defined benefit obligation	36.10	27.63
Fair value of plan assets	(4.06)	(4.51)
Liability recognised in the balance sheet	32.04	23.12
Current portion of the above	6.68	4.86
Non current portion of the above	25.36	18.26

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation at the beginning of the year	27.63	23.07
Expenses recognised in the statement of profit and loss:		
- Current service cost	3.81	3.15
- Interest expense on defined benefit obligation	1.93	1.61
Recognised in other comprehensive income:		
- Actuarial gain from changes in financial assumptions	(1.20)	(0.81)
- Actuarial loss arising from experience adjustments	4.56	1.52
Benefit payments	(0.63)	(0.91)
Present value of defined benefit obligation at the end of the year	36.10	27.63

(d) Movement in fair value of plan assets are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	4.51	4.19
Income recognised in statement of profit and loss account:		
- Expected return on plan assets	0.33	0.29
Recognised in other comprehensive income:		
- Return on plan assets (excluding amount included in net interest expense)	(1.10)	(0.05)
Contributions by employer	0.95	0.99
Benefit payments	(0.63)	(0.91)
Fair value of plan assets at the end of the year	4.06	4.51

(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	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	7.00%
Expected rate of salary increase	8.00%	8.00%
Mortality tables*	IALM (2012-14)	IALM (2012-14)
Expected return on plan assets	7.01%	7.02%
Attrition rate		
- Up to 30 years age	10.50%	40.00%
- From 31 to 44 years	7.00%	15.00%
- Above 44 years	1.00%	7.00%

* 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.



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(g) Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase 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	1.43	1.47
Decrease by 100 bps	(1.58)	1.63
(ii) Salary escalation rate		
Increase by 100 bps	(1.56)	1.60
Decrease by 100 bps	1.44	1.47
(iii) Withdrawal rate		
Increase by 100 bps	0.08	1.60
Decrease by 100 bps	(0.11)	1.47

(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	36.10	27.63
Fair value of plan assets	(4.06)	(4.51)
Deficit / (surplus)	32.04	23.12
Experience adjustments on plan liabilities - (gains) / losses	4.56	1.52
Experience adjustments on plan assets - gains / (losses)	(1.10)	(0.05)

(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
31 March 2023	4.95
31 March 2022	4.16

(iii) The weighted average duration of the defined benefit obligation during the respective year end is as follows:

Year ending	Weighted average duration
31 March 2023	13 years
31 March 2022	13 years

(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	6.68	4.86
Year 2	3.90	1.03
Year 3	2.87	2.23
Year 4	2.52	1.49
Year 5	2.34	1.20
Thereafter	17.81	16.84
Total	36.12	27.65



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38.3 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	15.33	13.32
Current portion	3.99	3.03
Total	19.32	16.35

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		
Attrition rate		
- Up to 30 years age	10.50%	40.00%
- From 31 to 44 years	7.00%	15.00%
- Above 44 years	1.00%	7.00%
Discount rate	7.50%	7.00%
Expected rate of salary increase	8.00%	8.00%



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39 Share-based payments**39.1 Details of the employee share option plan of the Syrma SGS Technology Limited ("The Holding Company")**

On 19 October 2021, the shareholders of the Holding Company have approved the Syrma SGS Employee Stock Option Scheme ("Scheme") which forms part of the Syrma SGS Stock Option Plan. Under the Scheme, Syrma SGS has issued 1938 options of Rs. 10 each to eligible employees of the Company. 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.

Each employee share option converts into one equity share of the Holding Company on exercise of option under Scheme. Options may be exercised at any time from the date of vesting to the date of their expiry.

The members of Holding Company 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	Syrma SGS Employee Stock Option
Grant date	19-Oct-21
No of options granted (pre-bonus)	1,938
Number of options (post-bonus)	1,95,744
Exercise price in Rs.	10
Vesting period	1 to 4 years
Fair value of the options*	55.52
Vesting condition	Time based vesting

*Represents cost recorded by the Company based on fair valuation report of stock option the Holding Company

39.2 Vesting schedule

The Holding Company has issued stock options on its own shares to specified employees of the Company. 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:

Particulars	Scheme
At the end of one year of service from grant date	25%
At the end of two years	25%
At the end of three years	25%
At the end of four years	25%
Total	100%

39.3 Expense recognised in the statement of profit and loss for the year ended 31 March 2023 & 31 March 2022

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Share based payment expense under employee benefit expense (Refer note 34)*	6.97	-

*The same has been considered as Deemed Equity Contribution by the Holding company under Other equity.



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40 Segment reporting

40.1 Business segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The results of the Company are reviewed regularly by the Company's Board of Directors (Chief Operating decision maker) to assess the performance of the Company and to make decisions accordingly. The Company is engaged in the business of manufacturing of electronic components and services and therefore a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given for business segment.

40.2 Geographical information

The Company'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 and Rest of the world.

Revenue by geographic market

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	6,265.59	3,898.46
Rest of the world	2,034.44	1,685.16
Total Revenue from operations	8,300.03	5,583.62

Information about product revenue are as given in Note 30

Non-current assets by geographic market*

	As at 31 March 2023	As at 31 March 2022
India	2,271.22	2,147.61
Total	2,271.22	2,147.61

*Represents all non-current assets other than financial assets, deferred tax assets and income tax assets.

40.3 Information about major customers

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
No of customers	2	2
Amount	2,116.96	1,392.36

There is no other single customer who contributed more than 10% to the Company's revenue for the respective years.

41 Research and development expenditure*

The Company has incurred research and development department ("R&D") expenditure during the period. The details are as follows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salary	28.78	26.97
Development charges (including material)	5.66	6.21
Total	34.44	33.18

*The information is prepared based on the information available with the Company and is relied upon by the auditors.



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42 Disclosure in respect of related parties

42.1 Names of related parties and nature of relationship

Description of relationship	Name of the related party
Ultimate holding company (from 16 September 2021 to 21 October 2021) and Entity with significant influence over the holding Company i.e. 22 October, 2021	Tacoma Electronics Private Limited
Holding Company (i.e. from 16 September 2021)	Syrma SGS Technology Limited
Subsidiary Company	SGS Solutions GmbH, Germany SGS Infosystems Private Limited, India
Fellow subsidiaries (from 16 September 2021 upto 21 October 2021) and entity controlled by entity having significant influence over the holding Company i.e. 22 October 2021	Infinx Services Private Limited Memory Electronics Private Limited Reliable Consultancy Services Pvt. Limited Syrma Tech Singapore Pte Ltd Tandon Holdings Limited Tassel Trading LLP (erstwhile Tassel Trading Company Pvt Ltd) TIS International (USA) Inc Titus Trading and Agencies Limited Advance Power Devices Pvt. Ltd. (Amalgamated into Reliable Consultancy Services Pvt Limited) Advance Motors Technology Private Limited Syrma Tech Singapore Pte Ltd
Key Managerial Personnel (KMP)	Mr. Sanjiv Narayan (Director) Mr. R.S. Lonial (Director) Mr. K.K. Pant (Director) Mr. J.S. Gujral (Director upto 08 December 2021) Mr. Sandeep Tandon (Director upto 08 December 2021)
Key Managerial Personnel (KMP) of the Holding Company	Mr. Sandeep Tandon (Executive Chairman) Mr. Jasbir Singh Gujral (Managing Director i.e. 1 October 2021) Mr. Sreeram Srinivasan (Chief Executive Officer i.e. 29 November 2021) Mr. Bijay Kumar Agrawal (Chief Financial Officer i.e. 4 October 2021) Mr. Rahul Nitin Sinnarkar (Company Secretary i.e. 4 October 2021)
Non-executive Directors	Mr. Hetal Madhukant Gandhi (Director w-e-f 08 December 2021) Ms. Priyanka Gulati (Director w-e-f 08 December 2021) Mr. Vikram Chopra (Director w-e-f 08 December 2021)
Relatives of Key managerial personnel (KMP) of the Holding Company	Ms. Veena Kumari Tandon (Relative of Mr. Sandeep Tandon)

Note: Related party relationships are as identified by the management and relied upon by the auditors.

The list includes only the list of related parties with whom the Company/ The Holding Company has transactions during the year ended 31 March 2023 or 31 March 2022 and/ or balances as at 31 March 2023 or 31 March 2022.



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42 Disclosure in respect of related parties pursuant to Indian Accounting Standard 24 (Contd.)
42.2 Transactions with the related parties

Particulars	Name of the related party	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Sale of products	SGS Solutions GmbH	92.84	60.19
	Syrma SGS Technology Limited	5.79	-
Miscellaneous income	SGS Solutions GmbH	0.89	0.92
Reimbursement of to salaries and expenses pertaining to IPO (Refer note (c) below)	Syrma SGS Technology Limited	3.06	25.45
Expenses			
Purchase of products	SGS Solutions GmbH	4.06	5.97
	Syrma SGS Technology Limited	9.37	-
Legal and professional charges	SGS Solutions GmbH	6.94	0.50
	Tandon Holdings Limited	25.60	-
Development charges/ reimbursement of expenses	SGS Solutions GmbH	3.23	0.64
Rent paid (excluding taxes)	SGS Infosystems Private Limited	3.97	3.78
Reimbursement of certain expenses (Including capital expenditure excluding taxes wherever applicable) (Refer note (c) below)	Syrma SGS Technology Limited	45.35	10.73
Remuneration to executive directors and KMP (Refer note (b) below)			
(i) Short term employee benefits	Mr. J S Gujral	-	5.73
	Mr. R S Lonial	14.11	12.26
	Mr. K K Pant	14.11	12.26
(ii) Contribution to Provident fund	Mr. J S Gujral	-	-
	Mr. R S Lonial	1.54	1.29
	Mr. K K Pant	1.54	1.29
(iii) Perquisite	Mr. J S Gujral	-	0.18
	Mr. R S Lonial	0.36	0.35
	Mr. K K Pant	0.36	0.35
Remuneration to non-executive directors			
Sitting fees paid	Mr. Hetal Madhukant Gandhi	0.19	0.04
	Ms. Priyanka Gulati	0.16	0.04
Other transactions			
Advances received from KMP	Mr. Sanjiv Narayan	-	-
	Mr. J S Gujral	-	0.50
	Mr. R S Lonial	-	2.42
	Mr. K K Pant	-	0.72

42.3 Related party balances as at the year end

Particulars	Name of the related party	As at 31 March 2023	As at 31 March 2022
Trade receivables	SGS Solutions GmbH	35.46	1.92
Other financial assets	Syrma SGS Technology Limited	3.06	25.45
Trade payables	SGS Solutions GmbH	10.42	0.20
	Tandon Holdings Limited	2.95	-
	Syrma SGS Technology Limited	4.17	3.61
Employee benefit and other dues	Mr. Sanjiv Narayan	3.62	3.62
	Mr. J S Gujral	-	0.63
	Mr. R S Lonial	2.82	2.83
	Mr. K K Pant	2.54	2.55
	Mr. Hetal Madhukant Gandhi	-	0.04
	Ms. Priyanka Gulati	-	0.04

- (a) The Subsidiary company "SGS Infosystem Private Limited" has given corporate bank guarantee against borrowing facility provided by CITI Bank to the Company.
- (b) Gratuity and compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs
- (c) 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.
- (d) 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.



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43 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 treated the leases with remaining lease term of less than 12 months as if they were "short term leases".

(ii) The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

(iii) 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 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 5 for carrying amount of right-to-use assets at the end of the reporting period by class of underlying asset.

(c) Movement in lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	202.77	69.40
Add: Addition during the year on account of new leases	44.32	188.10
Add: Finance cost on lease liability (Refer note 35)	14.01	7.43
Less: Impact on lease termination/ modification	(0.39)	(45.43)
Less: Lease payments	(24.84)	(16.73)
Closing balance	235.87	202.77

(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	20.51	10.70
Non-current	215.36	192.07
Total	235.87	202.77

(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	36.04	23.38
Later than one year but not later than five years	136.00	96.35
Later than five years	150.66	173.60
Total	322.70	293.33

(e) Amounts recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	14.01	7.43
Depreciation on right-of-use assets	21.32	11.11
Total	35.33	18.54

(f) Amounts recognised in the statement of cash flow:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total cash outflow for leases	24.84	16.73

44 Earnings per share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS (Rs in million)	511.70	299.69
Net profit attributable to equity shareholders for calculation of diluted EPS (Rs in million)	511.70	299.69
Shares		
Number of equity shares at the beginning of the year	16,12,785	16,12,785
Total number of equity shares outstanding at the end of the year	16,12,785	16,12,785
Weighted average number of equity shares outstanding during the year for calculation of basic EPS (A) (Refer note 44.1)	16,12,785	16,12,785
Face value per share (In Rs.)	10.00	10.00
Earning per share		
Basic and diluted (In Rs.)	317.28	185.82

44.1 There are no dilutive equity shares.



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45 Taxation

45.1 Expense recognised in the statement of profit and loss

Particulars	Year ended	
	31 March 2023	31 March 2022
Current tax:		
In respect of the current year	183.47	113.09
In respect of the prior years	(5.33)	-
Total	178.14	113.09
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(5.01)	1.00
Total	(5.01)	1.00
Total tax expense recognised in statement of profit and loss	173.13	114.09

45.2 Income recognised in other comprehensive income

Particulars	Year ended	
	31 March 2023	31 March 2022
Deferred tax:		
Remeasurement of defined benefit obligation (Refer note 38)	(1.12)	(0.19)
	(1.12)	(0.19)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to statement of profit and loss	(1.12)	(0.19)
Items that will be reclassified to statement of profit and loss	-	-

45.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended		Year ended	
	31 March 2023		31 March 2022	
	Amount	Tax Amount	Amount	Tax Amount
Profit before tax from operations	684.83		413.78	
Income tax expense using the Company's tax rate	-	172.36	-	104.14
Tax effect of :				
Effect of expenses that are not deductible in determining taxable profit	10.05	2.53	8.38	2.11
Income taxable at specified rate	4.27	1.07	9.42	2.37
Income tax pertaining to previous years	(21.18)	(5.33)	-	-
Others	9.93	2.50	21.73	5.47
		173.13		114.09

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 25.168%/ 25.168% respectively, including applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.



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45.4 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	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	62.37	5.29	-	67.66
Mark to market gain on cross currency interest rate swaps	0.10	(0.10)	-	-
Fair valuation of investments	16.58	0.19	-	16.77
Deferred tax liabilities (A)	79.05	5.38	-	84.43
Tax effect of items constituting deferred tax assets:				
Employee benefits	20.73	6.24	1.12	28.09
Expected credit loss allowances	9.06	2.50	-	11.56
Lease liabilities net of right-of-use assets	(0.05)	1.65	-	1.60
Deferred tax assets (B)	29.74	10.39	1.12	41.25
Net deferred tax liabilities/ (assets) (A-B)	49.31	(5.01)	(1.12)	43.18

(b) As at 31 March 2022

Particulars	Opening balance	Recognised in profit & loss	Recognised in OCI	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	61.24	1.13	-	62.37
Mark to market gain on cross currency interest rate swaps	0.39	(0.29)	-	0.10
Fair valuation of investments	13.00	3.58	-	16.58
Deferred tax liabilities (A)	74.63	4.42	-	79.05
Tax effect of items constituting deferred tax assets:				
Employee benefits	17.54	3.00	0.19	20.73
Expected credit loss allowances	5.68	3.38	-	9.06
Lease liabilities net of right-of-use assets	2.91	(2.96)	-	(0.05)
Deferred tax assets (B)	26.13	3.42	0.19	29.74
Net deferred tax liabilities/ (assets) (A-B)	48.50	1.00	(0.19)	49.31



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46 Financial instruments

46.1 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. 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*	954.34	613.92
Cash and cash equivalents**	(58.36)	(74.86)
Net debt	895.98	539.06
Total equity#	4,152.64	3,637.31
Net debt to equity ratio (in times)	0.22	0.15

*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.

46.2 Categories of financial instruments

As at 31 March 2023

Financial assets:

Particulars	At cost	Amortised cost	Financial assets at fair value through profit or loss	Total carrying value
Non-current financial asset				
- Investment in subsidiaries	120.75	-	-	120.75
- Security deposits	-	17.96	-	17.96
- Loans to employees	-	-	-	-
	120.75	17.96	-	138.71
Current financial asset				
- Investment in mutual fund	-	-	192.15	192.15
- Investment in unquoted funds	-	-	4.66	4.66
- Trade receivables	-	1,647.33	-	1,647.33
- Cash and cash equivalents	-	51.78	-	51.78
- Other bank balances	-	6.58	-	6.58
- Other financial asset	-	6.01	-	6.01
	-	1,711.70	196.81	1,908.51
Total	120.75	1,729.66	196.81	2,047.22

Financial liabilities:

Particulars	At cost	Amortised cost	Financial liabilities at fair value through profit or loss	Total carrying value
Non-current financial liability				
- Borrowings	-	5.90	-	5.90
- Lease liabilities	-	215.36	-	215.36
	-	221.26	-	221.26
Current financial liability				
- Borrowings	-	948.44	-	948.44
- Trade payables	-	1,316.54	-	1,316.54
- Lease liabilities	-	20.51	-	20.51
- Other financial liabilities	-	14.46	-	14.46
	-	2,299.95	-	2,299.95
Total	-	2,521.21	-	2,521.21



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As at 31 March 2022

Financial assets:

Particulars	At cost	Amortised cost	Financial assets at fair value through profit or loss	Total carrying value
Non-current financial asset				
- Investment in subsidiary and debentures	120.75	-	13.68	134.43
- Security deposits	-	10.02	-	10.02
- Other bank deposits	-	4.67	-	4.67
- Loans to employees	-	-	-	-
	120.75	14.69	13.68	149.12
Current financial asset				
- Investment in mutual fund	-	-	249.79	249.79
- Investment in unquoted funds	-	-	51.09	51.09
- Trade receivables	-	947.59	-	947.59
- Cash and cash equivalents	-	60.65	-	60.65
- Other bank balances	-	9.54	-	9.54
- Other financial asset	-	30.12	0.39	30.51
	-	1,047.90	301.27	1,349.17
Total	120.75	1,062.59	314.95	1,498.29

Financial liabilities:

Particulars	At cost	Amortised cost	Financial liabilities at fair value through profit or loss	Total carrying value
Non-current financial liability				
- Borrowings	-	2.38	-	2.38
- Lease Liabilities	-	192.07	-	192.07
	-	194.45	-	194.45
Current financial liability				
- Borrowings	-	611.54	-	611.54
- Trade payables	-	877.53	-	877.53
- Lease liabilities	-	10.70	-	10.70
- Other financial liabilities	-	11.38	-	11.38
	-	1,511.15	-	1,511.15
Total	-	1,705.60	-	1,705.60

46.3 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. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimise potential adverse effects on its financial performance. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's senior management assesses these financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives.

46.4 Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. 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.



46.5 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 including derivative financial instruments for hedging its foreign currency risk on borrowings 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 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 - In EEFC accounts	USD	0.17	14.02
	EUR	0.28	25.20
Receivables	USD	3.99	327.63
	EUR	0.55	48.93

B. Outstanding liabilities

Particulars	Currency	Foreign currency in million	Rs. in million
Payables (including Payables on purchase of fixed assets)	USD	5.86	481.93
	EUR	0.42	37.84
	GBP	0.00	0.36
	JPY	41.42	25.97
	CHF	0.01	0.76

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 (except for long term borrowings) are as follows :

A. Outstanding assets

Particulars	Currency	Foreign currency in million	Rs. in million
Bank balance - In EEFC accounts	USD	0.51	38.80
	EUR	0.03	2.46
Payables (including Payables on purchase of fixed assets)	EUR	0.24	20.56
	USD	2.76	208.91

B. Outstanding liabilities

Particulars	Currency	Foreign currency in million	Rs. in million
Short-term borrowings	USD	0.02	2.21
Payables (including Payables on purchase of fixed assets)	USD	4.70	356.44
	EUR	0.37	31.40
	GBP	0.00	0.38
	JPY	19.98	12.43
	CHF	0.02	1.58

46.6 Foreign currency sensitivity analysis:

The Company is mainly exposed to the currencies of USD, EUR, GBP, JPY and CHF (Swiss Franc)

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.

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Impact on profit/ (loss) and equity

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(5.25)	5.25	(4.15)	4.15
EUR	1.36	(1.36)	(0.31)	0.31
GBP	(0.01)	0.01	(0.01)	0.01
JPY	(0.97)	0.97	(0.47)	0.47
CHF	(0.03)	0.03	(0.06)	0.06

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.

46.7 Interest rate risk management

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main exposure to interest risk arises from short term borrowings with floating rate. The Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	945.93	606.30
Fixed rate borrowings	8.41	7.62

Fair value sensitivity analysis for variable 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 working capital loans, cash credit, packing credit loans from banks 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	Year ended 31 March 2023		Year ended 31 March 2022	
	25 bps increase	25 bps	25 bps	25 bps
Impact on profit for the year	(1.77)	1.77	(1.14)	1.14

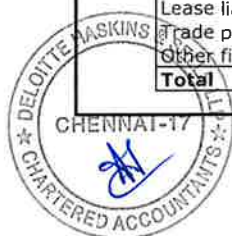
46.8 Liquidity risk management

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.

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	948.44	6.73	-	955.17	954.34
Lease liabilities	36.04	136.00	150.66	322.70	235.87
Trade Payables	1,316.54	-	-	1,316.54	1,316.54
Other financial liabilities	14.46	-	-	14.46	14.46
Total	2,315.48	142.73	150.66	2,608.87	2,521.21
As at 31 March 2022					
Borrowings	611.86	2.51	-	614.37	613.92
Lease liabilities	23.38	96.35	173.60	293.33	202.77
Trade payables	877.53	-	-	877.53	877.53
Other financial liabilities	11.38	-	-	11.38	11.38
Total	1,524.15	98.86	173.60	1,796.61	1,705.60



46.9 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.

46.10 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 Crircuits (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.

46.11 Fair value measurement

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:

(a) 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

(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.

Fair value hierarchy:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level I: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level II: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level III: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(i) Financial assets that are measured at fair value through profit and loss

Particulars	Amount		Fair value hierarchy
	As at 31 March 2023	As at 31 March 2022	
Investment in debentures or bonds	-	13.68	Level III
Investments in mutual fund	192.15	249.79	Level I
Investment in other investments - unquoted	4.66	51.09	Level II
Derivative contracts entered to mitigate foreign currency risk	-	0.39	Level II

(ii) Financial assets that are not measured at fair value:

Particulars	Amount	
	As at 31 March 2023	As at 31 March 2022
Investment in subsidiaries*	120.75	120.75

* The aforesaid value represents the cost, as carried in books as per the accounting policy of the Company. Refer Note 8.



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47 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

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets	4,436.04	3,211.39
Current liabilities	2,372.70	1,586.12
Ratio (In times)	1.87	2.02
% Change from previous year	(7.66)%	

Reason for change more than 25%: NA

(b) Debt equity ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt (Includes Long term and Short term borrowings)	954.34	613.92
Total equity	4,152.64	3,637.31
Ratio (In times)	0.23	0.17
% Change from previous year	36.16 %	

Reason for change more than 25%:

The ratio has increased from 0.17 times as of March 31, 2022, to 0.23 times as of March 31, 2023, primarily as a result of obtaining a working capital loan due to increased business requirements. With a 49% increase in revenue, the augmented working capital requirements led to an escalation in the company's short-term debt.

(c) Debt service coverage ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Profit after tax (A)	511.70	299.69
Add: Non cash operating expenses and finance cost		
- Depreciation and amortisation (B)	127.45	107.56
- Finance cost (C)	17.94	9.97
- Other Non-cash operating expenses (D)	11.92	16.22
Total Non cash operating expenses and finance cost (Pre-tax) (E=B+C+D)	157.31	133.75
Total Non cash operating expenses and finance cost (Post-tax) (F = E * (1-Tax rate))	117.72	100.09
Earnings available for debt services (G = A+F)	629.42	399.78
Expected interest outflow on long term borrowings * (H)	0.46	0.67
Lease payments for next one year (I)	36.04	23.38
Principal repayments * (J)	2.51	5.24
Total Interest and principal repayments (K = H + I+J)	39.01	29.29
Ratio (In times) (L = G/ K)	16.14	13.65
% Change from previous year	18.21 %	

* Expected interest outflow on long term borrowings and principal repayments represent the expected outflows until 31 March 2023 / 31 March 2022 (one year from the Balance Sheet date)

Reason for change more than 25%: NA

(d) Return on equity ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit after tax	511.70	299.69
Average equity*	3,894.98	3,479.69
Ratio (in %)	13.14%	8.61%
% Change from previous year	52.54 %	

*Average equity represents the average of opening and closing equity.

Reason for change more than 25%:

During the year, revenue from operations has been increased significantly by 49% without any additional inflow of funds from the shareholders. Consequently, the ratio has been increased by 52.55% compared to previous years.



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(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*	6,353.25	4,289.37
Average inventory**	1,935.46	1,306.00
Ratio (In times)	3.28	3.28
% Change from previous year	(0.06)%	

*Cost of materials consumed comprises of cost of raw materials consumed, consumption of spares and changes in inventories.

**Average inventory represents the average of opening and closing inventory.

Reason for change more than 25%: NA

(f) Trade receivables turnover ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Credit sales	8,300.03	5,583.62
Average trade receivables*	1,338.43	891.77
Ratio (In times)	6.20	6.26
% Change from previous year	(0.96)%	

*Average trade receivables represents the average of opening and closing trade receivables (Gross of ECL).

Reason for change more than 25%: NA

(g) Trade payables turnover ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Credit Purchases (Net)*	7,643.34	5,479.23
Average Trade Payables#	1,093.47	754.85
Ratio (In times)	6.99	7.26
% Change from previous year	(3.70)%	

*Credit purchases includes purchases of raw-material, all other expenses except cash and non-cash transaction like rates and taxes, bank charges, CSR, loss on sale of assets and Mark-to-Market loss.

#Average Trade Payables represents the average of opening and closing Trade Payables.

Reason for change more than 25%: NA

(h) Net capital turnover ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Sales (A)	8,300.03	5,583.62
Current Assets (B)	4,436.04	3,211.39
Current Liabilities (C)	2,372.70	1,586.12
Working Capital (D = B-C)	2,063.34	1,625.27
Ratio (In times) (E = A/D)	4.02	3.44
% Change from previous year	17.09 %	

Reason for change more than 25%: NA

(i) Net profit ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Net-profit after tax	511.70	299.69
Sales	8,300.03	5,583.62
Ratio (in %)	6.17%	5.37%
% Change from previous year	14.86 %	

Reason for change more than 25%: NA



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j) Return on capital employed (pre -tax)

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (A)	684.83	413.78
Finance Costs (B)	77.44	42.92
EBIT (C) = (A)+(B)	762.27	456.70
Capital Employed *	4,318.12	3,438.34
Ratio (In %)	17.65%	13.28%
% Change from previous year	32.90 %	

*Capital employed has been computed as Sum of Tangible Net worth, Total debt (including lease liabilities) and deferred tax liability

Reason for change more than 25%:

Return on capital employed has increased by 32.90% compared to previous years, primarily due to the organic growth of revenue from operations by 49%, achieved without any additional inflow of funds from shareholders.

(k) Return on investment

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	511.70	299.69
Average equity*	3,894.98	3,479.69
Ratio (in %)	13.14%	8.61%
% Change from previous year	52.54 %	

*Average equity represents the average of opening and closing total equity.

Reason for change more than 25%:

During the year, revenue from operations has been increased significantly by 49% without any additional inflow of funds from the shareholders. Consequently, the ratio has been increased by 52.55% compared to previous years.



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48 Additional regulatory information as required by schedule III to the Companies Act, 2013 - Others

I Capital work in progress (CWIP)

CWIP predominantly comprises of the following:-

Particulars	As at	As at
	31 March 2023	31 March 2022
Others	0.64	-
Total	0.64	-

Ageing schedule as at 31 March 2023:

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	0.64	-	-	-	0.64

As at 31 March 2022

There is no CWIP as on 31 March 2022 and hence the ageing and completion schedule is not applicable.

Notes

There are no projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

II Intangible assets under development

As at 31 March 2023

There is no intangible assets under development as at 31 March 2023 and hence the ageing and completion schedule is not applicable.

As at 31 March 2022

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

Notes

There are no projects under intangibles assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.



SGS Teknics Manufacturing Private Limited
Notes forming part of Standalone Financial Statements for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

III 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	490.12	28.53	0.69	0.42	1.33	1,168.98	1,690.07
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) 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	237.30	8.96	1.35	0.50	1.25	731.00	980.36
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed trade receivables – credit impaired	-	-	-	-	3.21	-	3.21

Note : The ageing has been given based on gross trade receivables without considering expected credit loss allowance.

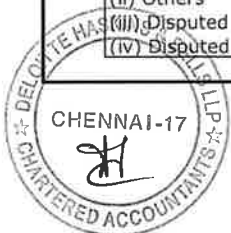
IV The ageing schedule of trade payables is as follows:

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	18.00	0.86	0.73	-	62.68	82.27
(ii) Others	469.38	1.66	-	2.25	760.98	1,234.27
(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	6.71	0.86	0.73	-	31.06	39.36
(ii) Others	253.80	2.35	2.68	1.13	578.21	838.17
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-



SGS Teknics Manufacturing Private Limited
Notes forming part of Standalone Financial Statements for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

V Comparison of quarterly returns furnished to banks with books of account

The Company is filing monthly statement of inventories, trade receivables (gross of allowance for expected credit loss), trade payables, outstanding with other banks and sales to Citi Bank and HDFC Bank for working capital loan. The below is summary of quarterly reconciliation of statements filed to the banks and books of accounts of Company:

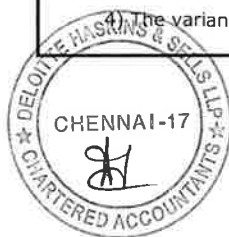
For the year ended 31 March 2023

Citi Bank and HDFC Bank

Quarter ended	Particulars	Amount as per books of accounts of Holding Company	Amount as reported in the quarterly return / statement	Amount of difference
31 March 2023	Inventory	2,226.99	2,226.99	-
31 December 2022	Inventory	2,326.21	2,326.21	-
31 September 2022	Inventory	2,154.55	2,154.55	-
31 June 2022	Inventory	1,980.56	1,980.56	-
31 March 2023	Outstanding with other banks	945.93	946.06	(0.13)
31 December 2022	Outstanding with other banks	953.64	940.52	13.12
31 September 2022	Outstanding with other banks	706.37	603.36	103.01
31 June 2022	Outstanding with other banks	695.67	585.91	109.76
31 March 2023	Sales	8,300.03	8,300.03	-
31 December 2022	Sales	6,005.12	6,005.12	-
31 September 2022	Sales	3,832.97	3,832.97	-
31 June 2022	Sales	1,780.43	1,780.43	-
31 March 2023	Trade payables	1,316.54	1,246.28	70.26
31 December 2022	Trade payables	1,237.55	1,237.55	-
31 September 2022	Trade payables	1,236.53	1,236.53	-
31 June 2022	Trade payables	1,163.63	1,163.63	-
31 March 2023	Trade receivables	1,647.33	1,647.34	(0.01)
31 December 2022	Trade receivables	1,330.61	1,285.12	45.49
31 September 2022	Trade receivables	1,263.85	1,218.06	45.79
31 June 2022	Trade receivables	1,198.08	1,151.16	46.92

Reason for material variance:

- 1) The variance in balances outstanding with other banks arises due to the fact that the Company has given the balances of cash credit accounts as per the bank statements, rather than reporting the balances as per the Holding Company books of accounts and the balances outstanding with other banks is before reinstatement of foreign currency borrowings.
- 2) The variance in trade receivables arises on account of disclosing receivable balances gross of allowance for expected credit loss instead of net of allowance for expected credit loss.
- 3) The variance in trade payables in 31 March 2023 arises on account of disclosing trade payables excluding payables to employees.
- 4) The variance in the statements filed by Company, were subsequently rectified to submit the information as per books of accounts of Company with the banks.



SGS Teknics Manufacturing Private Limited
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 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.



SGS Teknics Manufacturing Private Limited
Notes forming part of Standalone Financial Statements for the year ended 31 March 2023
 (All amounts are in million Indian rupees unless otherwise stated)

For the year ended 31 March 2022

Citi Bank and HDFC Bank*

Particulars	Quarter ended	Amount as per books of accounts of Holding Company	Amount as reported in the quarterly return / statement	Amount of difference
31 March 2022	Inventory	1,643.92	1,629.05	14.87
31 December 2021	Inventory	1,541.94	1,541.94	-
31 September 2021	Inventory	1,352.37	1,352.37	-
31 June 2021	Inventory	1,369.21	1,327.26	41.95
31 March 2022	Sales	5,583.62	5,608.38	(24.76)
31 December 2021	Sales	3,903.53	3,903.53	-
31 September 2021	Sales	2,339.86	2,339.86	-
31 June 2021	Sales	986.00	1,051.07	(65.07)
31 March 2022	Trade payables	813.72	788.77	24.95
31 December 2021	Trade payables	697.57	800.36	(102.79)
31 September 2021	Trade payables	740.01	740.01	-
31 June 2021	Trade payables	654.42	627.25	27.17
31 March 2022	Trade receivables	983.57	1,022.24	(38.67)
31 December 2021	Trade receivables	1,265.26	1,308.35	(43.09)
31 September 2021	Trade receivables	1,232.70	1,232.70	-
31 June 2021	Trade receivables	699.30	760.45	(61.15)

* The Company had started filing monthly statement to HDFC Bank from March 2022 after obtaining new short term borrowings.

Reason for material variance:

- 1) The variance in quarter ended 31 March 2022 and 31 June 2021 is due to certain year end adjustment carried post filing of statements with the banks.
- 2) The variance trade receivable and payables for the quarter ended 31 December 2021 is on account of grossing up of advance from customers/ to suppliers with trade receivables/ payables at the time of filing of returns with the banks.
- 3) The variance in the statements filed by Company, were subsequently rectified to submit the information as per books of accounts of Holding Company with the banks.



SGS Teknics Manufacturing Private Limited
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 Predecessor auditor

The financial statements of the Company for the year ended 31 March 2022, were audited by M/s BSR & Co. LLP Chartered Accountants, the predecessor auditor who have expressed an unmodified opinion.

51 Transfer pricing

As per the transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The transfer pricing study for the financial year ended 31 March 2023 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

52 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date 31 March 2023 and the date of approval of these financial statements 17 May 2023.

53 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 17 May 2023.



For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Private Limited
CIN: U31501HR2011PTC044475

Krishna Kumar Pant
Director

DIN: 00198916
Place: Gurugram
Date : 17 May 2023

Ranjeet Singh Lonial
Director

DIN: 00198890
Place: Gurugram
Date : 17 May 2023