Management Discussion and Analysis

INDUSTRY OVERVIEW

The calendar year **(CY)** 2023 saw a notable resurgence in global automobile sales following a period of economic stability and a gradual easing of supply chain challenges in CY 2022. According to S&P Global Mobility, total global light vehicle sales in CY 2023 numbered ~86 million units, 8.9% higher than the previous year. All our international markets i.e. North America, Europe, and Asia saw strong growth in annual sales volumes. Notwithstanding the ongoing Russia-Ukraine war, high inflation, widespread strikes in US factories, and rising interest rates, North American and European markets registered a significant rebound compared to the preceding year. The Asian market also performed well owing to the increased global demand for Chinese EVs and increased car sales in Japan, driven by a lower baseline resulting from semiconductor and component shortages.

In India, the mass-market passenger vehicle **(PV)** industry crossed the 4 million mark and registered highest-ever yearly sales in CY 2023. The demand for tractors remained low because of irregular monsoon patterns and decreased exports[1]. Alleviation of supply chain shortages, especially in semiconductors, from CY 2021 and CY 2022 led to substantially higher PV sales in CY 2023 despite various industry-specific challenges such as fuel and car price inflation, rising interest rates, and unfavourable geopolitical situations. As a result, global automobile production remains strong, benefiting from normalising supply chains and increasing affordability of battery electric vehicles **(BEVs)**.

COMPANY OVERVIEW

Sona BLW Precision Forgings Limited **(Sona Comstar)** is one of the world's leading mobility technology companies, designing, manufacturing, and supplying highly engineered, mission-critical, high-quality, complex, and bespoke systems and components for global mobility OEMs for both electrified and non-electrified powertrain segments.

It was incorporated in 1995 as Sona Okegawa Precision Forgings Limited, a JV between Sona Group and Mitsubishi Materials. The Company pioneered the technology of precision-formed bevel gears in the Indian automotive market. Later, the Company acquired Thyssen Krupp's precision forging business, BLW, which was the inventor of this technology, and renamed itself Sona BLW. In 2019, it acquired Comstar Automotive to add motor capabilities and formed a new brand identity – Sona Comstar. In 2023, it acquired a majority stake in NOVELIC and added capabilities in Sensors and Software.

Headquartered in Gurugram, India, Sona Comstar is a leading supplier for the fast-growing global EV market, with 29% of its product revenues being generated from the battery electric vehicle **(BEV)** segment. It is also a global supplier with 10 manufacturing and assembly facilities across India, the US, Mexico, and China, and 72% of its sales being undertaken for the international markets. The Company has a diversified revenue base across geographies, products, vehicle segments, and customers.

An innovation-driven Company, Sona Comstar develops and delivers mechanical, electrical, electronic systems and components, as well as automotive software and semiconductor chip design services for various forms of mobility. It aspires to become one of the world's most respected and valuable mobility technology companies.

BUSINESS PERFORMANCE

In Financial Year **(FY)** 2023-24, the Company's revenue grew by 19%, while EBITDA and net profit grew by 30% and 31%, respectively. Even though the existing business grew marginally, given several industry challenges, various new programs that commenced production during the year or ramped up, proved to be the key growth drivers. The domestic business faced several challenges during the year, such as lower electric two-wheeler production due to vehicle homologation for new battery standards, pricing fallout and lower demand for a few electric two-wheeler OEMs after FAME II subsidy reductions.

During the year, we completed the acquisition of NOVELIC and added a new business vertical of Sensors and Software. With this acquisition, we expanded our technology landscape and modified our Vision statement, replacing the word 'auto technology' with 'mobility technology' to include all forms of future mobility. We also revamped our technology roadmap to reflect our efforts to develop technologies for electric, personalised, intelligent, and connected **(E.P.I.C.)** mobility.

Our consistent growth over the years is a result of our relentless focus on and execution of our four strategic priorities: electrification, global market significance, diversification, and technology.

Electrification

Our BEV revenue grew by a staggering 32% to INR 8,859 million. It now contributes 29% to our total product revenue. During FY 2023-24, we were awarded 12 new EV programs and added four new EV customers. Amongst our most notable program wins were those for a rotor-embedded differential sub-assembly, along with an epicyclic geartrain and rotor shaft, for a North American new-age OEM of electric passenger vehicles, and an integrated motor controller for an Indian two-wheeler OEM for their first new electric model. These two wins demonstrate our technical ability to provide solutions for any powertrain architecture needed by our customers.

The other programs were for diverse applications, such as differential assembly for electric commercial vehicles, hub-wheel traction motor for electric two-wheelers, mid-drive traction motor and controller for electric off-highway vehicles, mid-drive traction motor for electric three-wheelers, and spool gear and differential assembly for electric passenger vehicles.

[1][**Source**: The Society of Indian Automobile Manufacturers (SIAM) Tractor Manufacturers Association (TMA)]

Global market significance

We increased our global market share for our legacy products – differential gears and starter motors – to 8.1% and 4.2%, respectively. We also expanded our order book by winning new programs from global customers. In FY 2023-24, we won 39 new programs, which added INR 51 billion to our strong 10-year net order book[1] of INR 226 billion. Of this, 79% is contributed by EV programs, which indicates that our product revenue share from EVs will grow further in the coming years.

Diversification

We continue to keep our revenue well-diversified across powertrain, geography, products, and market segments. In terms of powertrain, during FY 2023-24, most of our revenue came from power source neutral products, which stood at 37% of the product revenue, followed by battery EV (29%), micro-hybrid/hybrid (24%), and ICE dependent (10%).

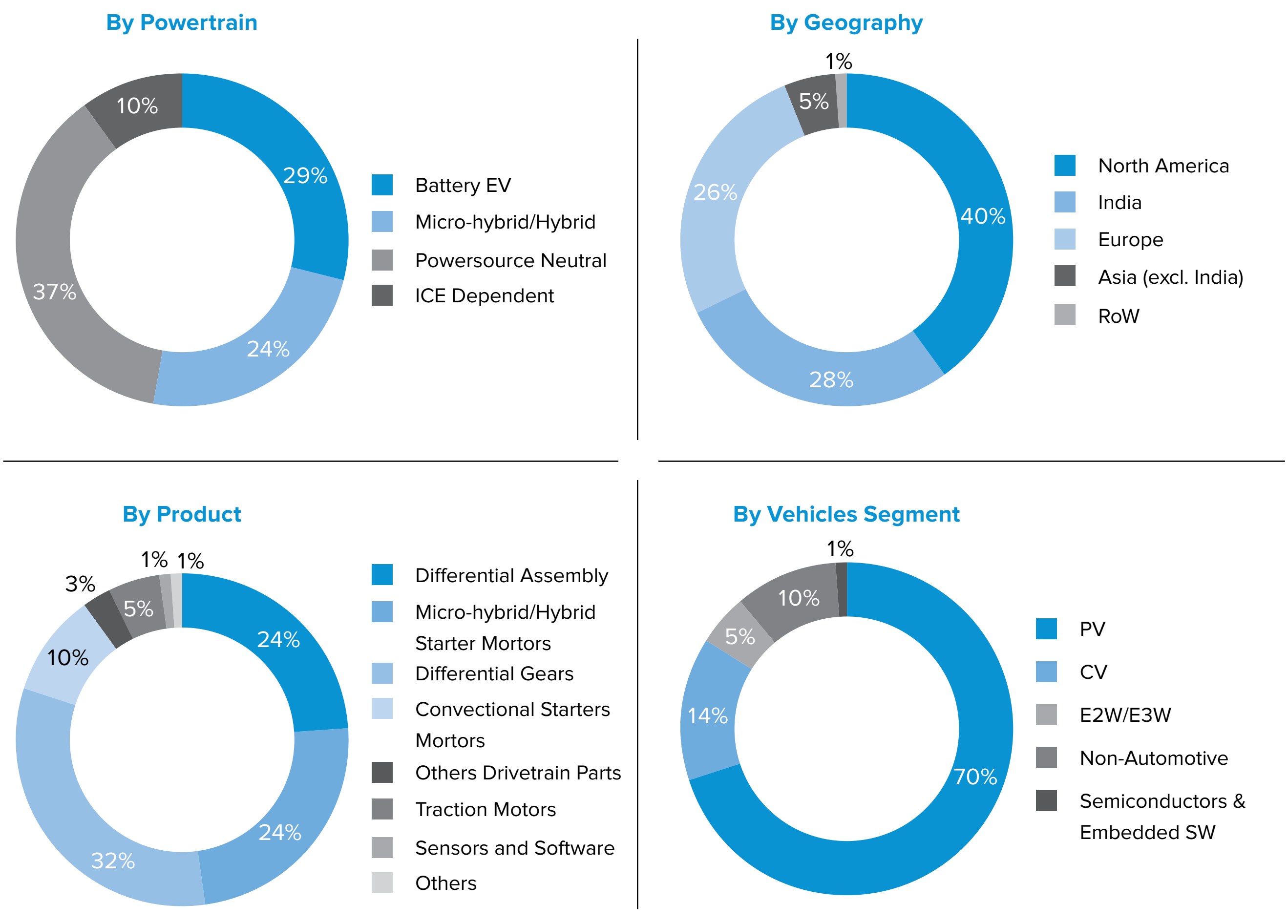
In terms of geography, North America remained our largest market, contributing to 40% of our revenue, followed by India (28%), Europe (26%), Asia (5%) and the rest of the world (1%).

In terms of products, differential gears were the biggest contributor with 32% of the revenue, followed by differential assemblies (24%), micro/plug-in hybrid starter motors (24%), conventional starter motors (10%), traction motors & controllers (5%); remaining revenue was from other drivetrain parts, sensors and software, and others.

In terms of market segments, passenger vehicles remain our largest market with 70% of our revenue, followed by commercial vehicles (14%), non-automotive (10%), electric two/three-wheelers (5%), and semiconductors & embedded software (1%).

Diversified Revenue

Breakup of FY24 Revenues



1. Net order book means the aggregate revenue from awarded programs which are either yet to start production or are yet to fully ramp up in the next 10 years after adjusting for the negative impact of all programs that are expected to reach the end of life or be phased out. We have also applied a discount to accommodate any unforeseen delays or changes in program launches that may happen in the future

Technology

During FY 2023-24, we made a significant change in our technology roadmap and aligned it with the E.P.I.C. mobility landscape. We also added to our technology roadmap mmWave radar technology-based products, such as in-cabin sensors, 360° short-range radar sensors, and zone monitoring sensors after acquiring a majority stake in NOVELIC. We added a total of eight new future products to the roadmap, including these three. The others were robotic gears, lightweight differential, steering bevel box, non-auto mobility motors, and integrated motor controller.

For one of the newly added future products, integrated motor controller, we also won a program and commercialised it during the year, offering our customers the advantages of compact design, improved efficiency, better thermal management, and cost-effectiveness. Further advancing on the roadmap, we signed a technology licensing agreement with Equipmake, a UK-based technology company, to get a licence for their patented spoke motor and inverter technology in the power range of 100kW to 440kW for manufacturing and selling them for various EV applications such as cars, buses, commercial vehicles and off-road vehicles.

Three-year journey since the IPO

We made our initial public offer **(IPO)** nearly three years ago, on 24th June, 2021. Since then, our business has been exposed to various external factors that impacted our quarterly performance. However, with our resilient business model, we have overcome those challenges and have been able to generate more than a two-fold growth on most key metrics. A glimpse of our progress on those key metrics is in the following table.

Our performance on key metrics

Metric	FY 2020-21	FY 2023-24	Growth
Revenue (in INR million)	15,663	31,848	2.0x
EBITDA (in INR million)	4,410	9,021	2.0x
Net Profit (in INR million)	2,152	5,173	2.4x
Net Order Book (in INR million)	140,000	226,000	1.6x
BEV Revenue (in INR million)	2,057	8,859	4.3x
BEV Revenue Share	14%	29%	2.1x
No. of EV Programs	15	54	3.6x
No. of EV Customers	10	30	3.0x
Global Market Share in Differential Gears	5.0%	8.1%	1.6x
Global Market Share in Starter Motors	3.0%	4.2%	1.4x
No. of Products in our Portfolio	10	18	1.8x

Opportunities

We believe that the future of mobility is electric, personalised, intelligent, and connected **(E.P.I.C.)**. We started our journey toward electric mobility back in 2016. In the past couple of years, we have initiated our journey toward the remaining three pillars and believe there are ample opportunities in each area.

Electric

A trend that has gained remarkable momentum in recent years is electrification of powertrains. This shift is propelled by various factors: heightened awareness of climate change among all stakeholders, ambitious targets set by OEMs who are aiming for 100% sales of zero-emission vehicles, consumer preferences shifting towards emission reduction, rapidly evolving battery technologies, improved charging infrastructure, and supportive government policies and incentives.

According to the IEA's Global Electric Vehicle Outlook 2024, sales of electric cars, including BEVs and plug-in hybrid electric vehicles (PHEVs), surged to nearly 14 million worldwide in CY 2023, marking a 35% increase from the previous year. The share of electric cars in total car sales spiked from 14% in CY 2022 to 18% in CY 2023. Notably, China led the global electric car sales, accounting for approximately 60% of the market. Europe and the US followed, with 25% and 10% shares, respectively, in global electric car sales. However, in terms of electric car sales growth, the US clocked 40% growth, higher than China and Europe with 35% and 20%, respectively. This surge in EV adoption signals a pivotal moment in the industry's electrification journey, with nearly all major automakers pivoting towards EVs.

The IEA's Stated Policies Scenario (STEPS) projects global electric car sales to reach 40% by CY 2030, an improvement from its last year's projectionof 35%. China, Europe, and the US together will reach a sales share of over 60%, highlighting a continued global shift towards electric mobility.

Personalised

Technological advancements and digitalisation have not only transformed vehicle life cycle stages but also revolutionised customer expectations. Vehicles are now perceived as connected and intelligent digital entities capable of providing personalised experiences. The user experience in connected cars may include basic personalisation features as well as predictive and customisable experiences driven by Artificial Intelligence **(AI)**. This evolution extends beyond the driver to encompass all occupants, offering tailored controls, infotainment, and digital services. Voice and gesture interactions further enhance the user experience, with the potential for vehicles to anticipate occupants' needs, promising a transformative consumer experience in the future.

Intelligent

Scalable central computing clusters with embedded AI capabilities will characterise intelligence in future vehicle architectures. Vehicles will leverage extensive sensor technologies to communicate road conditions, enhance safety, and improve efficiency. The development of assisted and autonomous driving remains pivotal, leading to the proliferation of software content in vehicles. As vehicles become increasingly autonomous and connected, the complexity and volume of code will surge, further propelling the evolution of intelligent mobility solutions.

To deliver products with higher levels of automation, automakers and new-age mobility manufacturers will require sufficient sensors and computing power coupled with a software-driven development process. According to a Capgemini report on Connected Mobility, by CY 2030, the Advanced Driver-Assistance Systems **(ADAS)** market will grow to USD 75 billion[2]. In another report on the future of mobility, McKinsey mentions that ADAS and Autonomous Driving **(AD)** could generate between USD 300-400 billion of business in the passenger car market by 2035[3].

Connected

Connectivity is another cornerstone of future mobility, facilitating seamless communication between vehicles, infrastructure, networks, and pedestrians. Vehicle-to-everything (V2X) connectivity promises safer and more efficient commuting, becoming indispensable for smart cities. From Vehicle-to-Customer (V2C) connectivity to Vehicle-to-Vehicle (V2V) and Vehicle-to-Infrastructure (V2I) communication, the automotive industry is on the brink of a connectivity revolution. According to Capgemini, by CY 2030, 95% of cars sold globally will be connected while the number of subscribers with telematics services in cars will reach 376 million worldwide by 2026[2]. McKinsey projects that over 45% of global new car sales could feature advanced personalisation and connectivity levels by CY 2030, underscoring the profound impact of connectivity on future mobility experiences[4].

Personalisation, intelligence, and connectivity, along with the megatrend of electrification, will create a Goldilocks scenario in mobility and reshape the future.

THREATS, CONCERNS, AND RISKS

We have a strong mechanism for anticipating and managing risks. Our robust systems, processes, standards, code of conduct, organisational structure, and appropriate review mechanisms enable us to conduct our business and actively monitor, manage, and mitigate potential risks.

However, the business is susceptible to certain risks and uncertainties arising from the following factors:

Escalation of geopolitical uncertainty

Our business depends on the performance of the automotive sector globally, including key markets such as the US, Europe, India, and Asia. Our operations in multiple countries can be impacted by expected and unexpected changes in the legal and regulatory environments in which we operate. Additionally, geopolitical instability in the countries or regions where we operate could impact our business and challenge its overall performance.

Volatility in key raw materials

The business could be affected by commodity price volatility, which could affect our overall cost of manufacturing operations. Though we have adequate mechanisms to monitor and manage various market risks, the effects of changes in commodity prices cannot always be predicted, hedged, or offset with price increases to eliminate the impact on our overall profitability.

The risk from a potential disruption due to COVID-19 or any other pandemic or event of a similar nature

We operate globally and can be affected by unprecedented crises like the COVID-19 pandemic, which led to a significant downturn in the global economy and substantial curtailment of business activities worldwide. There remains a possibility that this crisis, or a similar public health threat, could substantially affect the business's financial condition and operations.

Change in regulations and industry trends

The automotive industry is subject to environmental and other regulations. Therefore, any adverse impact on the industry in general and on our customers, due to any change in such rules, can affect our business. Further, there has been a gradual shift in the industry from pure ICE-dependent vehicles. An acceleration of this trend will adversely affect our ICE-dependent business.

Risk mitigation, internal control systems, and their adequacy

We believe that managing existing and emerging risks effectively is vital for realising our objectives. We have a well-covered risk management framework that works at different levels across the organisation. Our internal control systems are regularly tested for design, implementation, and operating effectiveness. Overall, we have a robust risk management framework, enabling us to manage and report on risks effectively.

Resilience

Our business witnessed some major headwinds in various aspects, such as geopolitical conflicts, government policies and regulations, and inflationary trends in raw materials.

[2][**Source:** Customer Centricity: Realising the promise of connected mobility – Capgemini, 2023]

[3][**Source:** Autonomous driving's future: Convenient and connected – McKinsey, Jan, 2023].

[4][**Source:** The future of mobility is at our doorstep – McKinsey Centre for Future Mobility, Dec, 2019]

Amidst an improving but nevertheless demanding landscape, in FY 2023-24, our Company showcased robustness as it navigated a series of challenges with remarkable agility and responsiveness. In the face of strikes by the United Auto Workers **(UAW)** in the US, we displayed adept crisis management, swiftly implementing contingency plans to mitigate production disruptions and maintain operational continuity. Concurrently, as the Red Sea crisis threatened global supply chains, we demonstrated agility, diversifying our sourcing and shipping strategies and forging alternative routes to safeguard against potential logistical bottlenecks. Indian electric two-wheeler market remained volatile due to uncertainty in the FAME subsidy policy. However, we maintained a steadfast approach to winning new programs and clients rather than focussing on short-term disruptions.

Through resilience, adaptability, and strategic acumen, we weathered the storms of 2023 and are aiming for sustained growth and success amidst the ever-evolving automotive landscape.

Outlook

FY 2023-24 witnessed considerable growth, with an upward trend in the electrification process, driven by pent-up demand caused by the pandemic and semiconductor chip shortages in FY 2022-23. India surged ahead of Japan to become the fourth largest auto market for light vehicles. However, this year presented fresh obstacles, with ongoing geopolitical disturbances in Europe and the Middle East region affecting the broader supply chain, escalating interest rates, inflationary pressures, the UAW strikes in the US, and unfavourable geopolitical conditions like the Red Sea crisis.

S&P Global Mobility forecasts global light vehicle sales to reach 88.3 million units in CY 2024 and witness a modest 2.8% growth over the previous year. The auto industry continues to face stickier interest rates, affordability squeeze, lofty new vehicle prices, patchy consumer confidence, energy price/supply concerns, and the growing pains of electrification even as the supply chain eases.

Over the course of time, we have diversified our product portfolio to align with the growing electrification trend in the automotive industry. Additionally, we have broadened our scope to encompass intelligent and connected mobility solutions, particularly within the Motor, and Sensors and Software segments. Strengthening our R&D capabilities, we have assembled a proficient team equipped with specialised knowledge in these strategic domains. We serve large-scale global OEMs and Tier-1 customers and boast a rich track record of delivering high-quality automotive systems and components for EVs and conventional powertrains.

Our growth strategy hinges on our four strategic priorities: electrification, global market significance, diversification, and technology. For the electric vehicle sector, CY 2023 saw a decrease in battery materials costs, with ambitious OEMs and suppliers turning their focus to electric vehicles as well as components. Electrification is set to gain further traction with an increase in affordable EVs, reliable vehicle-charging ecosystems, and more economic and efficient battery systems. We are in an advantageous position to capitalise on this megatrend. Moreover, the rising autonomy in vehicles necessitates diverse sensor types and perception software. Along with digitalisation and connectivity, these developments promise customers a sustainable, cleaner, safer, and more personalised vehicle experience.

Overall, we are confident that we are well-placed to meet the challenges ahead and continue to generate sustainable long-term growth for our diverse stakeholders in the E.P.I.C. journey to future mobility.

FINANCIAL OVERVIEW

Consolidated Income Statement Summary

Particulars (in INR million)	FY 2023-24	FY 2022-23	y-o-y change (%)
Net Revenue from Operations[1]	31,848	26,756	19%
Total Expenditure	25,287	21,747	15%
EBITDA	9,021	6,958	30%
Other Income	239	116	106%
Finance Cost	258	169	53%
Depreciation	2,202	1,780	24%
PBT before exceptional expenses/income	6,800	5,125	33%
PBT	6,713	5,091	32%
Tax	1,535	1,138	35%
PAT	5,173	3,953	31%
EPS (Diluted)	8.83	6.75	31%

1 Includes Foreign Exchange Gain (net)

Revenue from Operations

The consolidated revenue in FY 2023-24 grew by 19% over FY 2022-23. The BEV revenue registered a growth of 32%, whereas the non-BEV revenue grew by 15% on a year-on-year basis while light vehicle sales in our top three markets (North America, India, and Europe) grew by only 9%.

Expenditure

The total expenditure registered a y-o-y increase of 16% at INR 25,287 million in FY 2023-24, compared to INR 21,747 million during FY 2022-23.

Expenditure breakup (in INR million)	FY 2023-24	% of Total income	FY 2022-23	% of Total income	y-o-y change (%)
Material Cost[1]	13,742	43%	12,200	45%	13%
Employee Cost	2,501	8%	1,804	7%	39%
Finance Cost	258	1%	169	1%	53%
Depreciation and Ammortisation	2,202	7%	1,780	7%	24%
Other Expenses	6,584	21%	5,795	22%	14%
Total Expenses	**25,287**	**80%**	**21,747**	**81%**	**16%**

[1]Material cost includes the cost of materials consumed and changes in inventories of finished goods and work-in-progress

Material cost

The cost of materials consumed primarily includes the cost of raw materials, such as special steel alloy bars, iron castings, steel blanks and bolts for the manufacturing of differential gears, differential assemblies, steel forgings, copper enamelled wires, machined aluminium pressure die castings, bearings, magnets, plastic moulded components and other proprietary parts for manufacturing starter motors and BLDC motors. Material cost accounted for 43% and 45% of the total income for FY 2023-24 and FY 2022-23, respectively. Material cost decreased as a percent of total income primarily due to a favourable product mix.

Employee benefit expenses

Employee benefit expenses primarily include salaries, wages, bonus paid to employees and employee welfare expenses. This increased by 39% to INR 2,501 million in FY 2023-24 from INR 1,804 million the previous year, due to the increase in the number of employees to support increased scale of operations, additional cost for new ESOP scheme, increments to employee salaries, and additional cost from consolidation of the NOVELIC business.

Finance costs

Finance costs increased by 53% to INR 258 million in FY 2023-24 from INR 169 million in FY 2022-23. The increase is primarily due to the increase in average borrowing.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 24% to INR 2,202 million in FY 2023-24 from INR 1,780 million in FY 2022-23. Increase in depreciation was on account of addition of property plant and equipment, primarily for increasing production capacity of differential gears and differential assemblies.

Other expenses

Other expenses primarily comprise manufacturing, administrative, selling and distribution expenses.

Manufacturing expenses mainly consist of expenses in relation to sub-contracting, stores and spares consumed, power and fuel, repairs and maintenance towards plant and machinery, and manpower hiring on contract.

Administrative expenses mainly consist of legal and professional charges, travelling, conveyance and vehicle expenses, insurance, repair, and maintenance, among others.

Selling and distribution expenses mainly comprise freight, clearing and forwarding charges and consumption of packing material.

Other expenses decreased to 21% of total income in FY 2023-24 from 22% of total income in FY 2022-23. This decrease was primarily due to favourable product mix, operational efficiency gains, and lower input cost.

Exceptional items

Exceptional item of INR 87 million during FY 2023-24 and INR 34 million during FY 2022-23 represents expense incurred for diligence work for acquisition.

Tax expense

Our tax expense was INR 1,535 million (ETR 22.9%) in FY 2023-24 compared to INR 1,138 million (ETR 22.3%) in FY 2022-23. Effective tax rate in FY 2022-23 was lower primarily because of certain one-time impact.

EBITDA, PBT and PAT

As a result, EBITDA for FY 2023-24 increased to INR 9,021 million from INR 6,958 million in FY 2022-23, and PBT for FY 2023-24 increased to INR 6,713 million from INR 5,091 million in FY 2022-23. PAT for FY 2023-24 increased to INR 5,173 million from INR 3,953 million in FY 2022-23.

The table below reflects the cash and debt position of the Company

(INR in million)

Description – Borrowings (INR million)	As on Mar 2024	As on Mar 2023
Long-term Borrowing	292	487
Short-term Borrowing	2,039	1,688
Total Debt	**2,331**	**2,175**
Cash & Cash Equivalent and Other Bank Balances	2,742	698
Current Investment	316	2,281
Net Debt	**(727)**	**(804)**

Key financial ratios

The key financial ratios of the Company are given as below:

(INR in million)

Key Financial Ratios	FY 2023-24	FY 2022-23
EBITDA Margin (%)	28.3%	26.0%
PAT Margin (%)	16.3%	14.8%
Net Debt to Equity[1]	(0.03)	(0.04)
Net Debt to EBITDA[1]	(0.08)	(0.12)
Return on Equity (%)	28.5%	26.6%
Return on Capital Employed (%)	31.0%	30.4%
Working Capital Turnover	4.6	4.2
Current Ratio	2.1	2.4

[1] Net Debt to Equity and Net Debt to EBITDA ratios were impacted primarily due to the increase in Equity and EBITDA.

Basis of calculation of the ratios:

- Net Debt to Equity is calculated as short-term & long-term debt less cash, bank balances & mutual fund investments/ Equity
- Net Debt to EBITDA is calculated as short-term and long-term debt less cash & bank balances & mutual fund investments/EBITDA
- ROE (%) is calculated as PAT/(Average tangible net worth plus capital deployed for acquiring NOVELIC)
- ROCE (%) is calculated as EBIT/(Average tangible net worth plus capital deployed for acquiring NOVELIC)
- Working Capital Turnover is calculated as Revenue/ Average net working capital
- Current Ratio is calculated as Current Asset Current Liabilities

Sustainability

Sona Comstar is deeply committed to sustainable practices, corporate governance, and social responsibility. We began publishing the Business Sustainability and Responsibility Report (BRSR) in our Annual Report a year ahead of the mandatory requirement. Similarly, we voluntarily publish Sustainability Reports as well, and published our second Sustainability Report in FY 2023-24. In the area of ESG, we have taken several ambitious targets covering energy management, emission management, water management, waste management, employee health and safety, women empowerment, community development, and governance commitments. The Company was categorised as low risk with a score of 14.3 in Sustainalytics ESG Risk Rating (Core), which means we stood among the top 9% of the total 16,421 companies globally as of 31st March 2024.

Environmental stewardship

One of our primary environmental focus is developing better products for electric mobility. We aim to achieve 45% of revenue from EV-focused products by CY 2026. Besides this, we have been constantly working on reducing our energy consumption, emissions, water consumption, and waste. During FY 2022-23, we made an improvement of 10% in emissions intensity and 2% in water intensity over the previous year. During FY 2023-24, we made a significant improvement in water intensity by 13%, whereas we maintained the emissions intensity at the same levels as before. We also announced a significant step towards using renewable energy for our operations by investing in a captive solar power plant under Open Access Mechanism and executed a definitive agreement with CleanMax for setting up captive power generating facility in Maharashtra, with a solar capacity of 4.00 MWp for our Chakan plant and Haryana, with a solar capacity of 14.85 MWp for our Gurugram and Manesar plants. We are also in the process of finalising the documents for setting up 2.5 MWp captive power generating facility for our Chennai plant.

Social impact

Our people are at the centre of our achievements. To provide them with suitable opportunities and ensure the realisation of their maximum potential, we have cultivated a healthy and secure work environment. As a result, we were recertified as a 'Great Place to Work' in January 2024, with an improved score over the previous year.

We ensure a mix of workforce from all genders, age groups, regions, and opinions. As of the end of FY 2023-24, we had 4,674 employees, 6% of them were women. With diligent efforts to secure gender balance among our employees both in the office and in key management positions, we were able to double this gender diversity ratio from the previous year. We continuously upskill our employees through training and development programs, as continuous learning not only enhances employee productivity but also nurtures a thriving company culture.

Besides our employees, we also try to promote social well-being through our CSR programs. Through our partnership with FITT, IIT Delhi, so far, we have supported nine startups in order to promote innovation in the area of mobility. Similarly, in partnership with CIIE, IIM Ahmedabad, we have, so far, supported three startups working on innovative technologies. Besides these, we are supporting women's education through a scholarship program with Ashoka University, working on establishing a skill development centre in partnership with Tata Strive and setting up digital literacy centres in association with Youthreach, and supporting various schools in Tamil Nadu by providing improved infrastructure to students. Our CSR programs have been assessed in the platinum category by an independent impact assessment agency. During the year, the Company was also conferred with CII-ITC Sustainability Award 2023 – Commendation for significant achievement in CSR.

Governance excellence

We are committed to upholding the highest standards of corporate governance and ethical values as we believe that strong governance is the foundation of a sustainable and resilient organisation. We always try to go beyond compliance. During the year, our efforts in governance excellence were recognised with the prestigious 'Golden Peacock Award for Excellence in Corporate Governance-2023'.

Cautionary statement

Some of the statements in this management discussion and analysis that describe the Company's objectives, projections, estimates, and expectations may contain certain forward-looking statements which are within the meaning of applicable laws and regulations. Actual results could differ from those expressed or implied. There are a variety of factors that may cause real events or trends to vary significantly from those reflected or implied by these forward-looking statements and predictions. The Company assumes no responsibility to publicly amend, modify, or revise any such statements. The Company disclaims any obligation to update these forward-looking statements except as may be required by law.