

# **ANNUAL REPORT**

**(2019-2020)**

**(SANDHAR TOOLING PRIVATE LIMITED)**

**AGM NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 18<sup>th</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SANDHAR TOOLING PRIVATE LIMITED TO BE HELD ON 18<sup>th</sup> SEPTEMBER, 2020 AT 11:00 A.M. THE REGISTERED OFFICE OF THE COMPANY AT B-6/20 L.S.C. SAFDARJUNG ENCLAVE, NEW DELHI-110029 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March '2020, and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a final Dividend of Rs. 1 per equity share of Rs.10/- each on equity shares for the Financial Year ended on 31<sup>st</sup> March, 2020.

By order of the Board  
For Sandhar Tooling Private Limited



Jayant Davar  
Chairman & Director

Place: Gurgaon  
Date: 16<sup>th</sup> June, 2020

**Sandhar Tooling Private Limited**

Corporate Office :  
13, Sector-44  
Gurugram-122002, Haryana, India.  
Ph: +91-124-4518900

Registered Office :  
B-6/20, Local Shopping Complex,  
Safdarjung Enclave, New Delhi- 110029, India  
Ph: +91-11-40511800

Plot No. 91-92, Sector - 3,  
IMT Manesar, Gurgaon - 122050,  
Haryana, India  
Ph: +91-0124-2290804

Email - [enquiries@sandhar.in](mailto:enquiries@sandhar.in); website - [www.sandhargroup.com](http://www.sandhargroup.com); CIN - U28939DL2002PTC114374

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**2. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING**

**By order of the Board  
For Sandhar Tooling Private Limited**

  
**Jayant Dayar**  
**Chairman & Director**

**Place: Gurgaon**

**Date: 16<sup>th</sup> June, 2020**

## **DIRECTORS REPORT**

To,  
The Members  
Sandhar Tooling Private Limited

We are delighted to present the 18<sup>th</sup> report in respect of the Company's business and operations with Audited Statement of Accounts for the year ended the 31<sup>st</sup> March, 2020.

### **1. Results of our Operations & Financial Position**

The operations of the Company during the year 2019-2020 did show resilience, continued placing financials on a self-sustaining basis, as portrayed hereinafter.

### **2. Financial Position**

The working Results for the year ended the 31<sup>st</sup> March 2020, in brief, are given hereunder:

(Rs. In Lakhs)

Corresponding figures for the previous year have been regrouped / recast wherever necessary to correspond to current year / year Classification	Current Year 2019-20	Previous Year 2018-19
Sales and other Income	1311.96	1658.10
Earnings before Depreciation, Interest , tax, prior period & extra ordinary items (EBIDTA)	250.71	538.95
Depreciation	163.03	58.57
Earning Before Tax (EBT)	55.54	478.05
Profit after Tax (PAT)	41.23	343.73

### **3. Business Performance & Future Outlook**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. As of 31<sup>st</sup> March, 2020 work from home was enabled to close to 90 percent of the employees to work remotely and securely. This response has reinforced customer confidence in the Company and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

In the current context of slowdown, the picture about possible avenues remains nebulous. The Business Plan and long term strategy is being formulated and we are hopeful that the Company's operations and efforts would justify the investments earmarked.

### **4. Amount Transferred to Reserve**

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

### **5. Dividend**

The Board of Directors have recommended to the Members, final dividend at Rs. 1 per share (i.e 10 %) on the paid up equity shares of Rs. 10/- (Rupees Ten only) each of the Company.

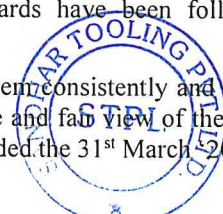
### **6. Deposits**

The Company has neither invited nor accepted any fixed deposits from the Public during the year under report.

### **7. Director's Responsibility Statement**

Pursuant to the provisions of Section 134(5) your Directors state that:

- In the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- the Directors had selected such Accounting policies selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the Profit of the Company for the period ended the 31<sup>st</sup> March 2020.



- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) The annual accounts have been prepared on a going concern basis.
- e) Internal Financial Controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively.
- f) Proper Systems have been devised to ensure Compliance with the provisions of the applicable laws and that such Systems are adequate and operating effectively.

## 8. Board of Directors

The composition of the Board of Directors of your Company is in compliance with the relevant provisions of the Companies act, 2013. The Company currently has four Directors on its Board viz.:

S.no	Board of Directors	Designation
1	Shri Jayant Davar	Director
2	Shri Atul Aggarwal	Independent Director
3	Shri Parveen Satija	Director
4	Shri Narender Kumar Dogra	Director

**Note:** i) Shri Arvind Joshi, Director of the Company resigned from the Board with effect from 10<sup>th</sup> May, 2020.  
ii) Km. Subhi Gupta, Company Secretary of the Company resigned from the Company with effect from 10<sup>th</sup> May, 2020

None of the Directors of the Company are disqualified under the provisions of Companies Act, 2013.

## 9. Meetings of the Board

During the year under review, Four Board Meetings and One Annual General Meeting were convened and held and the interim gap between the meetings, was as per the period prescribed under the Companies Act, 2013 and Secretarial Standards prescribed by the Institute of Company Secretaries of India.

Sr. No.	Date of Meeting (Board Meeting)	Total Number of Directors as on the date of meeting	Attendance	
			Number of Directors attended	% of attendance
1	11 <sup>th</sup> May, 2019	5	5	100%
2	02 <sup>nd</sup> August, 2019	5	4	80%
3	22 <sup>nd</sup> October, 2019	5	5	100%
4	05 <sup>th</sup> February, 2020	5	5	100%

Sr. No.	Date of Meeting (Annual General Meeting)	Total Number of Members as on the date of meeting	Attendance	
			Number of Members attended	% of attendance
1	29 <sup>th</sup> July, 2019	4	4	100%

## 10. Share Capital

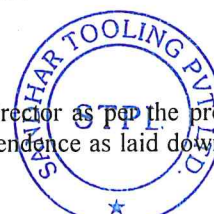
The authorised share capital of the Company is Rs. 7,00,00,000/- (Rupees Seven Crores only) divided into 60,00,000 equity shares of face value of Rs. 10 each, and 1,00,000 preference shares of face value of Rs.100 each.

The paid-up capital of Sandhar Tooling is Rs. 6,00,00,000, divided into 60,00,000 equity shares of face value of Rs. 10 each.

The Company has not issued any share during the year under consideration.

## 11. Declaration by Independent Directors

The Company has received necessary declaration from Independent Director as per the provisions of Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013.





## **12. Audit & Auditor**

Pursuant to provision 139 of the Companies Act, 2013 M/s S.R Dinodia & Co. LLP, Chartered Accountants having been appointed as such for a period of five years, shall be continued, being eligible, for the year 2020-2021. In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Auditors' Report doesn't contain any qualification, reservation or adverse remark.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## **13. Particulars of Employees**

There was no employee of the Company, who was in receipt of remuneration aggregating Rs. 60, 00,000/- per annum or more or Rs. 5,00,000/- per month. Accordingly, there is no information to be furnished under Section 134 of the Companies Act, 2013.

## **14. Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

## **15. Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives**

The Company has not developed and implemented any policy on Corporate Social Responsibility initiatives as the provisions of section 135 of Companies Act, 2013 are not applicable.

## **16. Statement concerning development and implementation of Risk Management Policy of the Company**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence, as perceived, are minimal.

## **17. Contracts and Arrangements with Related Parties**

All related party transactions that were entered into during the financial year ended 31st March, 2020 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the year, as per Accounting Standard-18 Related Party Disclosures is given in Note no 36 to the Balance Sheet as on 31<sup>st</sup> March, 2020.

## **18. Disclosure under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013**

There has been no case during the year requiring to be reported during the year under review.

## **19. Maintenance of Cost Records**

During the year under review, the provisions of Section 148(1) of the Companies Act, 2013 relating to maintenance of Cost Records were not applicable to the Company.

## **20. Particulars of Loans, Guarantees and Investments**

During the year under review, your Company has neither given any loans nor any guarantee and has not made any investment during the year under report.

## **21. Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as Annexure-A to this Report.



**22. Conservation of Energy, Technology Absorption, Foreign Exchange Inflow and Outflow**

The information pertaining to conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 given in Annexure I which forms a part of this Report.

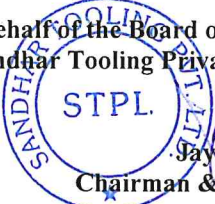
**23. Personnel & Industrial Relations**

Cordial inter personal relations within the Company prevailed during the year, which did contribute to a rightful performance as stated hereinbefore.

**24. Acknowledgement**

Your Directors are grateful for the co-operation and guidance received from Sandhar Technologies Limited, Citi Bank N.A. and Yes Bank Limited.

For and on behalf of the Board of Directors  
Sandhar Tooling Private Limited



Jayant Davar  
Chairman & Director

Place: Gurugram  
Date: 16<sup>th</sup> June, 2020

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

[Section 143(3) (m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014]

**A. CONSERVATION OF ENERGY**

a) Energy conservation measures taken:

1. The Company is maintaining a high power factor by installing power capacitors bank.
2. The Company has installed quality machinery, for manufacture of Mould, Die, Jigs & Fixtures, Precision Tools and Machine Tools, which consume regulated energy and entails minimum energy losses.
3. The Company has installed static energy metering system for total load management based on predetermined operational parameters.
4. Electrical installations and distribution boards are positioned to have minimum line loss.

b) Additional investment and proposals, if any being implemented for reduction of consumption of energy.

Optimum energy / power utilization has been initiated, but no capital expenditure has been done.

c) Impact of measures (a) and (b) on reduction of energy consumption and consequent impact on cost of production of goods.

1. There is uninterrupted power on lighting, computer systems and other office equipment.
2. There is no or minimum maintenance.
3. Trouble free service is available to the Company.

d) Total energy consumption and energy consumption per unit of production as per prescribed Form A.

Not given, as the Company is not covered under the list of specified industries.

**B. TECHNOLOGY ABSORPTION**

The Company has, despite sporadic support absorbed the technology for the manufacturing of Moulds, Dies, Jigs & Fixtures, Precision Tools and Machine Tools. The engineers / technicians have been given on-the-job-training at the factory to assimilate and adapt the technology. Further improvement and adaptations in the products are being made continuously to meet customer's specifications and quality standards.

**C. FOREIGN EXCHANGE EARNING AND OUTFLOW**

The details of Foreign Exchange inflow and outflow are as under:

(Rs. in lacs)

Inflow

Nil

Outflow

On capital equipment

Nil

On know-how: designs/drawings etc.

Nil

Others (Spares & Consumables)

Nil

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**Independent Auditor's Report**

**To The Members of Sandhar Tooling Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Sandhar Tooling Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the **Profit** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for



preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the Company has not paid or provided any managerial remuneration to any director during the year.

### For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 20083689AAAACIT707

Place of Signature: New Delhi

Date: 16 JUN 2020





**Annexure 'A' To the Independent Auditors' Report of even date on the financial statements of Sandhar Tooling Private Limited**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) On the basis of information and explanation provided by the management, title deeds of immovable properties are held in the name of the Company.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable.
  - b) No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has no loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company. The Company has not accepted any deposits from the public.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the companies act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 & December, 2017 respectively to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and any other applicable statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Goods & Service Tax or any other applicable statutory dues with appropriate authorities that have not been deposited on account of any dispute.





- viii) In our opinion and on the basis of available information and explanation provided to us, the Company has neither raised funds from any financial institution, banks, government nor had dues of any debenture holders during the year. Therefore, clause 3(viii) is not applicable to the Company.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid or provided any managerial remuneration to any director during the year. Accordingly, the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.
- xii) The Company is not a nidhi Company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards. Further the provision of section 177 of the Act is not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

**For S.R. Dinodia & Co. LLP.**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005

  
**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

UDIN: 20083689AAAACI 7707

Place of Signature: New Delhi

Date: 16 JUN 2020



**Annexure 'B' to the Independent Auditors' Report of even date on the Financial Statements of Sandhar Tooling Private Limited**

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

We have audited the internal financial controls with reference to financial statements of **Sandhar Tooling Private Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

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



**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Dinodia & Co. LLP.**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005

  
(Sandeep Dinodia)

*Partner*

Membership Number 083689

UDIN: 20083689AAAACI 7707



Place of Signature: New Delhi

Date: 16 JUN 2020

# Sandhar Tooling Private Limited

## Balance Sheet as at March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

Particulars	Notes	As March 31, 2020	At March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	805.82	738.81
(b) Right-of-Use Asset	33	364.63	-
(c) Capital Work-in-Progress	4	114.38	102.46
(d) Other Intangible Assets	5	11.76	1.64
(e) Financial Assets			
(i) Other Financial Assets	7	16.28	8.33
(f) Non-Current Tax Assets (Net)	8	0.29	-
(g) Other Non-Current Assets	9	6.07	1.04
<b>Total Non-Current Assets</b>		<b>1,319.23</b>	<b>852.28</b>
<b>Current Assets</b>			
(a) Inventories	10	80.17	64.41
(b) Financial Assets			
(i) Investments	11	294.23	854.86
(ii) Trade Receivables	12	253.61	212.29
(iii) Cash and Cash Equivalents	13	222.69	51.81
(iv) Bank Balances other than (iii) above	14	-	172.95
(v) Loans	15	-	0.09
(vi) Other Financial Assets	7	0.11	5.12
(c) Other Current Assets	9	8.32	39.78
<b>Total Current Assets</b>		<b>859.13</b>	<b>1,401.31</b>
<b>TOTAL ASSETS</b>		<b>2,178.36</b>	<b>2,253.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	600.00	600.00
(b) Other Equity	17	942.51	954.81
<b>Total Equity</b>		<b>1,542.51</b>	<b>1,554.81</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	33	352.12	-
(b) Provisions	18	70.70	95.43
(c) Deferred Tax Liabilities (Net)	6	33.03	29.90
<b>Total Non-Current Liabilities</b>		<b>455.85</b>	<b>125.33</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	33	30.23	-
(ii) Trade payables	19	-	-
- Total Outstanding Dues of Micro and Small Enterprises		79.80	155.50
- Total Outstanding Dues to Parties Other than Micro & Small Enterprises		26.19	352.24
(iii) Other Financial Liabilities	20	37.75	19.61
(b) Other Current Liabilities	21	6.03	5.18
(c) Provisions	18	-	40.92
(d) Current Tax Liabilities (Net)	22	180.00	573.45
<b>Total Current Liabilities</b>		<b>2,178.36</b>	<b>2,253.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,178.36</b>	<b>2,253.59</b>

### Summary of Significant Accounting Policies

2.1

The accompanying notes are an integral part of the financial statements  
As per our separate report of even date attached

### For S.R. Dinodia & Co LLP

Chartered Accountants

Firm's Registration No.: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 16 JUN 2020



For and on behalf of the Board of Directors of  
Sandhar Tooling Private Limited

(Narender Kumar Dogra)

Director

DIN: 00100916

Place: Gurugram

Date: 16/06/2020

(Praveen Satija)

Director

DIN: 01082618

Place: Gurugram

Date: 16/06/2020





# Sandhar Tooling Private Limited

## Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	23	1,274.79	1,585.71
II Other Income	24	37.17	72.41
III Total Income (I+II)		<u>1,311.96</u>	<u>1,658.12</u>
IV Expenses			
(a) Cost Of Materials Consumed	25	384.15	481.77
(b) Changes In Inventories Of Finished Goods And Work In Progress	26	(8.15)	2.40
(c) Employee Benefits Expense	27	381.41	368.06
(d) Finance Costs	28	32.14	2.35
(e) Depreciation And Amortisation Expense	29	163.03	58.57
(f) Other Expenses	30	303.84	266.92
Total Expenses		<u>1,256.42</u>	<u>1,180.07</u>
V Profit/ (loss) before exceptional items and tax		<u>55.54</u>	<u>478.05</u>
VI Exceptional Items		-	-
VII Profit/ (Loss) before tax		<u>55.54</u>	<u>478.05</u>
VIII Tax expense:	31		
(a) Current tax		17.29	115.08
(b) Adjustment of tax relating to earlier periods		0.21	0.88
(c) Deferred tax		(3.19)	18.36
Total tax (benefits)/expense		<u>14.31</u>	<u>134.32</u>
IX Profit/ (Loss) for the period		<u>41.23</u>	<u>343.73</u>
X Other Comprehensive Income			
(i) Items that will not be reclassified to Profit & Loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		25.12	(9.12)
(ii) Income tax relating to Items that will be reclassified to statement of Profit or Loss		(6.32)	2.54
Other comprehensive gain/(loss)		<u>18.80</u>	<u>(6.58)</u>
XI Total Comprehensive Income For The Year (IX+X) Comprising Profit (Loss) and Other comprehensive Income for the year		<u>60.03</u>	<u>337.15</u>
XII Earnings/(loss) Per Share (face value ₹ 10 per share)	32		
- Basic (amount in ₹)		0.69	5.73
-Diluted (amount in ₹)		0.69	5.73

Summary of Significant Accounting Policies 2.1  
The accompanying notes are an integral part of the financial statements  
As per our separate report of even date attached

For S.R. Dinodia & Co LLP

Chartered Accountants

Firm's Registration No.: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 16 JUN 2020



For and on behalf of the Board of Directors of  
Sandhar Tooling Private Limited

(Narender Kumar Dogra)

Director

DIN: 00100916



(Praveen Satija)

Director

DIN: 01082618

Place: Gurugram  
Date: 16/06/2020

# Sandhar Tooling Private Limited

## Statement of Cash Flows for the year ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash Flow From Operating Activities</b>		
Profit before tax	55.54	478.05
<b>Adjustments for:</b>		
Depreciation And Amortisation Expense	163.03	58.57
Income/ Expense Of Other Comprehensive Income	-	(9.12)
Finance Cost	32.14	2.35
Interest Income	(9.60)	(4.07)
Loss/(Gain) On Sale Of Property, Plant & Equipment	(0.90)	(0.02)
Loss/(Gain) On Sale Of Investment	(18.65)	(21.35)
Bad Debts	-	0.02
Gain On Investments Carried At Fair Value Through Profit Or Loss	(7.85)	(32.08)
<b>Operating profit before working capital changes</b>	<b>213.71</b>	<b>472.35</b>
<b>Movement in working capital</b>		
(Increase)/Decrease In Inventories	(15.77)	(8.17)
(Increase)/Decrease In Trade Receivables	(41.32)	-
(Increase)/Decrease In Financial Assets	(6.37)	99.28
(Increase)/Decrease In Other Current And Non-Current Assets	26.43	(32.80)
Increase/(Decrease) In Trade Payables	(75.70)	-
Increase/(Decrease) In Financial Liabilities	-	48.41
Increase/(Decrease) In Current And Non-Current Provisions	1.24	26.94
Increase/(Decrease) In Other Liabilities	18.14	(34.16)
<b>Cash generated from /(used in) operating activities post working capital changes</b>	<b>120.36</b>	<b>571.85</b>
Income tax paid (net)	(58.71)	(95.89)
<b>Net cash generated from/(used in) used in operating activities (A)</b>	<b>61.65</b>	<b>475.96</b>
<b>B Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(532.55)	(66.69)
Interest Income	13.12	0.44
Investment/ (Sale)- Mutual funds	(320.00)	(1,109.94)
Proceeds from sale of property, plant and equipment	0.90	0.02
Proceeds from sale of investment	907.12	884.94
<b>Net cash used in investing activities (B)</b>	<b>68.60</b>	<b>(291.23)</b>
<b>C Cash Flows From Financing Activities</b>		
Payment of principal portion of lease liabilities	(60.00)	-
Dividend paid	(60.00)	(60.00)
Dividend distribution tax paid	(12.33)	(12.33)
Finance costs paid	-	(0.62)
<b>Net cash flow from financing activities (C)</b>	<b>(132.33)</b>	<b>(72.95)</b>
Increase/(decrease) in cash and cash equivalents (A+B+C)	(2.08)	111.78
Cash and cash equivalents at the beginning of the period	224.76	112.98
Cash and cash equivalents at the end of the period	222.68	224.76
(Refer Note 13 for Components of Cash and cash equivalents)		

### Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements  
As per our separate report of even date attached

### For S.R. Dinodia & Co LLP

Chartered Accountants  
Firm's Registration No.: 001478N/N500005

  
(Sandeep Dinodia)  
Partner

Membership Number 083689

Place of Signature: New Delhi

Date:

16 JUN 2020



### For and on behalf of the Board of Directors

Sandhar Tooling Private Limited

  
(Narender Kumar Dogra)

Director

DIN: 00100916

Place: Gurugram

Date: 16/06/2020

  
(Praveen Satija)

Director

DIN: 01082618

Place: Gurugram

Date: 16/06/2020

# Sandhar Tooling Private Limited

## Statement of changes in equity for the year ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### A Equity Share Capital

	Amount
Opening Balance as at April 01, 2018	600.00
Changes during the year	-
Closing Balance as at March 31, 2019	600.00
Changes during the year	-
Closing Balance as at March 31, 2020	600.00

### B Other Equity

Description	Reserves and surplus	Other Comprehensive Income	Total
	Retained earnings	Other Item of OCI	
Balance as at April 01, 2018	690.00	-	690.00
Profit For The Year	343.73	-	343.73
Remeasurement of defined benefit plan (net of tax)	(6.58)	-	(6.58)
Final Dividend on Equity Shares - FY 2017-18	(60.00)	-	(60.00)
Dividend Distribution Tax on Final Dividend- FY 2017-18	(12.33)	-	(12.33)
Balance as at April 01, 2019	954.82	-	954.82
Profit For The Year	41.23	-	41.23
Remeasurement of defined benefit plan (net of tax)	18.80	-	18.80
Final Dividend on Equity Shares - FY 2018-19	(60.00)	-	(60.00)
Dividend Distribution Tax on Final Dividend- FY 2018-19	(12.33)	-	(12.33)
Balance as at March 31, 2020	942.51	-	942.51

### Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements  
As per our separate report of even date attached

### For S.R. Dinodia & Co LLP

Chartered Accountants

Firm's Registration No.: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date:

16 JUN 2020



### For and on behalf of the Board of Directors Sandhar Tooling Private Limited

(Narender Kumar Dogra)

Director

DIN: 00100916

Place: Gurugram

Date: 16/06/2020

(Praveen Saluja)

Director

DIN: 01082618

Place: Gurugram

Date: 16/06/2020





# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 1: Corporate Overview

Sandhar Tooling Private Limited ('the Company') was incorporated in year 2002 under the provisions of the Companies Act, 1956. The Company is engaged in the designing and manufacturing of moulds, dies, machine tools and jigs & fixtures.

The registered office of the Company is located at B-6/20, LSC Safdarjung Enclave New Delhi - 110029

The financials statements for the year ended March 31, 2019 were approved by the Board of Directors on 16.06.2020.

**Note 2: Statement of Compliance:** These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

**Basis of Preparation:** The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS. The financial statements are presented in ₹ and all values are rounded to the nearest lakhs except otherwise stated.

#### Going Concern

The board of directors have considered the financial position of the Company at March 31, 2020, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

**Application of New Accounting Pronouncements:** The Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018 applied by the Company includes IND AS 116, IND AS 12- Appendix C, Amendment to IND AS 12 & 19

### Note 2.1 : Significant accounting policies

#### a) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Estimates and Assumptions:

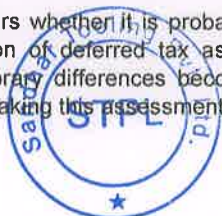
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is

#### Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.





# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### b) Current versus non-current classification

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

#### Assets:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised 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.

All other assets are classified as non-current.

#### Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

**Operating cycle:** The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### c) Property, Plant and Equipment

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

**Depreciation:** Depreciation is to be provided using the Straight Line Method as per Schedule II of Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded, etc. during the year, depreciation is provided up to the date of sale/discard. Assets costing up to ₹ 5,000 are fully depreciated in the year of acquisition. Further, the Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. The identification of significant components is matter of technical judgement and is to be decided on case to case basis; wherever applicable.

**Subsequent costs:** The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

**Capital work in progress:** Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

**Transition to Ind AS:** On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### d) Other Intangible assets

#### Recognition and measurement

Other Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Other intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.



# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

**Amortisation and useful lives:** Other Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the other intangible asset may be impaired. The amortisation period and the amortisation method for an other intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Amortisation is calculated over the cost of the asset, or other amount substituted for cost.

### e) Foreign currencies

#### **Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### f) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the company apply the following five step approach:

- (1) Identify the contract with a customer
- (2) identify the performance obligations in the contract
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the goods sold & services rendered:

#### **(i) Local Sales & Job Work :**

Local Sales & Job Work are recognized at the point of dispatch of goods to the customers & sales are reported net of trade discounts and Goods & Service Tax , and inclusive of packing charges. Export sales was recognized at the time of bill of lading.

**(ii) Other income:** Other income comprises interest income on investments, interest received on income tax refund, gain on sale of mutual funds, fair value gain on mutual funds measured at fair value through profit and loss, provision written back. Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

### g) Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of raw material is determined on the basis of First-in-First-Out (FIFO) method.

- The cost of manufactured finished goods and work-in-progress includes raw material value determined on the basis of First-in-First-Out (FIFO) method and includes conversion and other costs incurred in bringing the inventories to their present location and condition. Finished manufactured goods also include excise duty.

- Stores & Consumables, Packing Materials and Tools & Dies are valued at lower of net realizable value or cost on the basis of First-in-First-Out (FIFO) Method.

- Stock in Transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.





# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### h) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **Short term leases and leases of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### i) Employee's Benefits

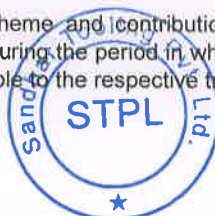
**Short Term Employee Benefits:** All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans 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 obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions paid/payable towards Provident Fund are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.



# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

### Other Long Term Employee Benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. 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.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

### j) Provisions

#### General

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.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

### k) Financial instruments

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

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)





# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### Debt instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

### Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

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

### Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

#### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

#### Financial liabilities at Amortized cost

#### Loans and borrowings

##### De-recognition

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

### I) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.



# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

### m) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### o) Taxes

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

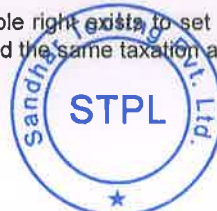
Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



# Sandhar Tooling Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts are ₹ in lakhs, unless otherwise stated)

p) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) **Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

r) **Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. 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.

s) **Statement of Cash Flows**

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

t) **Operating Segment**

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 3: Property, Plant and Equipment

Particulars	Freehold Land	Building	Plant & Equipment	Furniture & fixtures	Office equipment	Computers and data processing machines	Total
<b>Gross Carrying Amount</b>							
As at April 01, 2018	95.23	54.19	449.63	14.37	2.29	9.93	625.63
Additions made during the year	-	-	327.87	-	-	1.61	329.48
Disposals/ adjustments during the year	-	-	-	-	-	(0.73)	(0.73)
<b>As at March 31, 2019</b>	<b>95.23</b>	<b>54.19</b>	<b>777.50</b>	<b>14.37</b>	<b>2.29</b>	<b>10.81</b>	<b>954.39</b>
Additions made during the year	-	-	165.99	0.45	9.66	6.23	182.33
Disposals/ adjustments during the year	-	-	(2.37)	(0.01)	(16.67)	-	(19.06)
<b>As at March 31, 2020</b>	<b>95.23</b>	<b>54.19</b>	<b>941.12</b>	<b>14.81</b>	<b>(4.73)</b>	<b>17.04</b>	<b>1,117.65</b>
<b>Accumulated depreciation</b>							
As at April 01, 2018	-	6.47	138.98	5.79	0.93	7.95	160.13
Depreciation charge for the year	-	3.24	49.05	1.68	0.45	1.76	56.17
Disposals/ adjustments during the year	-	-	(0.68)	0.68	-	(0.73)	(0.73)
<b>As at March 31, 2019</b>	<b>-</b>	<b>9.71</b>	<b>187.35</b>	<b>8.16</b>	<b>1.38</b>	<b>8.99</b>	<b>215.57</b>
Depreciation charge for the year	-	3.24	106.39	1.69	1.96	2.05	115.32
Disposals/ adjustments during the year	-	-	(2.37)	(0.01)	(16.67)	-	(19.06)
<b>As at March 31, 2020</b>	<b>-</b>	<b>12.94</b>	<b>291.36</b>	<b>9.83</b>	<b>(13.34)</b>	<b>11.04</b>	<b>311.84</b>
<b>Net Carrying Amount</b>							
As at March 31, 2020	95.23	41.25	649.76	4.97	8.61	6.00	805.82
As at March 31, 2019	95.23	44.48	590.16	6.21	0.91	1.82	738.81



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 4: Capital Work in Progress

	As March 31, 2020	At March 31, 2019
Capital work in progress	114.38	102.46
	<b>114.38</b>	<b>102.46</b>
<b>Breakup of Capital Work in Progress is as follows:</b>		
Buildings	75.05	-
Office equipment	9.00	9.00
Plant and equipment	30.34	93.46
	<b>114.38</b>	<b>102.46</b>

### Note 5: Other Intangible Assets

Particulars	Softwares	Total
<b>Gross Carrying Amount</b>		
As at April 01, 2018	8.43	8.43
Additions made during the year	0.09	0.09
Disposals/ adjustments during the year	-	-
<b>As at March 31, 2019</b>	<b>8.52</b>	<b>8.52</b>
Additions made during the year	12.25	12.25
Disposals/ adjustments during the year	-	-
<b>As at March 31, 2020</b>	<b>20.77</b>	<b>20.77</b>
<b>Amortisation- Accumulated</b>		
As at April 01, 2018	4.47	4.47
Amortisation charge for the year	2.40	2.40
Disposals/ adjustments during the year	-	-
<b>As at March 31, 2019</b>	<b>6.87</b>	<b>6.87</b>
Amortisation charge for the year	2.13	2.13
Disposals/ adjustments during the year	-	-
<b>As at March 31, 2020</b>	<b>9.00</b>	<b>9.00</b>
<b>Net book value</b>		
As at March 31, 2020	11.76	11.76
As at March 31, 2019	1.64	1.64



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 6: Deferred Tax Assets (Net)

	As March 31, 2020	At March 31, 2019
Gross Deferred Tax Assets	113.75	30.66
Gross Deferred Tax Liabilities	146.78	60.57
<b>Deferred Tax (Net)</b>	<b>(33.03)</b>	<b>(29.90)</b>

### Movement in Deferred Tax Assets (Net)

Particulars	As April 01, 2019	At March 31, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As March 31, 2020
<b>Deferred tax assets relates to the following:</b>					
Provision For Compensated Absences	9.97		(3.23)	-	6.74
Provision For Gratuity	18.02		(5.45)	(6.32)	6.25
Provision For Bonus	2.66		0.03	-	2.69
Provision For Labour Welfare Fund	0.01		0.01	-	0.03
Security Deposits	-		1.81	-	1.81
Lease Liabilities	-		96.23	-	96.23
<b>Deferred tax liability relates to the following:</b>					
Property, Plant & Equipment And Intangible Assets	(43.55)		1.42	-	(42.13)
Right Of Use Assets	-		(91.77)	-	(91.77)
Investment In Mutual Funds	(13.30)		2.17	-	(11.13)
Prepaid Rent Relating To Security Deposits (Assets)	-		(1.75)	-	(1.75)
Others	(3.71)		3.71	-	-
<b>Total</b>	<b>(29.90)</b>	<b>3.19</b>	<b>(6.32)</b>	<b>(33.03)</b>	

### Movement in Deferred Tax Assets (Net)

Particulars	As April 01, 2018	At March 31, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As March 31, 2019
<b>Deferred tax assets relates to the following:</b>					
Deferred Tax Assets Relates To The Following:	8.02		(0.59)	2.54	9.97
Provision For Compensated Absences	12.39		5.63	-	18.02
Provision For Gratuity	2.79		(0.13)	-	2.66
Provision For Bonus	0.01		0.00	-	0.01
<b>Deferred tax liability relates to the following:</b>					
Property, plant & equipment and Intangible assets	(32.77)		(10.78)	-	(43.55)
Investment in mutual funds	(4.53)		(8.77)	-	(13.30)
Others	-		(3.71)	-	(3.71)
<b>Total</b>	<b>(14.08)</b>	<b>(18.36)</b>	<b>2.54</b>	<b>(29.90)</b>	



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 7: Other Financial Assets

	Non-Current		Current	
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Security deposits (Refer sub-note 'a' below)	16.28	8.33	-	0.15
Interest accrued on fixed deposits	-	-	0.11	3.63
Others	-	-	-	1.34
	<b>16.28</b>	<b>8.33</b>	<b>0.11</b>	<b>5.12</b>

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

### Note 8: Non-Current Tax Assets (Net)

	As March 31, 2020	At March 31, 2019
Advance income-tax (net of provision for tax of ₹ 17.29; March 31, 2019 Nil)	0.29	-
	<b>0.29</b>	<b>-</b>

### Note 9: Other Assets

(Unsecured, considered good, unless otherwise stated)

	Non-Current		Current	
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Prepaid Expenses	6.07	1.04	6.19	0.96
Advances To Vendors	-	-	0.49	1.59
Deposits With Government Authorities	-	-	-	36.88
Others	-	-	1.64	0.35
	<b>6.07</b>	<b>1.04</b>	<b>8.32</b>	<b>39.78</b>

### Note 10: Inventories

(Valued at lower of cost or net realisable value)

	As March 31, 2020	At March 31, 2019
Raw Material	17.75	14.41
Work-in-progress	31.27	44.02
Finished Goods	28.13	7.24
Stores & Spares	10.25	5.97
	<b>87.41</b>	<b>71.65</b>
Less: Provision for Diminution in the value of Finished Goods	(7.24)	(7.24)
	<b>80.17</b>	<b>64.41</b>

a) For mode of valuation Refer Note 2.1(g)

### Note 11: Current Investments

(Carried at fair value through profit or loss)

	As March 31, 2020	At March 31, 2019
Investment in Mutual funds		
262,531.693 units (March 31, 2019: 262,531.693 units) of Franklin India Low Duration bond fund	54.13	57.07
872,911.426 units (March 31, 2019: 872,911.426 units) of Franklin India Ultra Short Bond fund	240.10	229.30
Nil units (March 31, 2019: 190,124.642 units) of Aditya Birla Sun Life Cash Plus Fund	-	568.48
	<b>294.23</b>	<b>854.86</b>
Aggregate value of unquoted investments	<b>294.23</b>	<b>854.86</b>
Aggregate amount of impairment in value of investments	-	-
Aggregate value of unquoted investments (net of impairment)	<b>294.23</b>	<b>854.86</b>

### Note 12: Trade Receivables

Considered Good - Unsecured  
Considered Doubtful - Unsecured  
Trade Receivables which have significant increase in Credit Risk; and  
Trade Receivables - credit impaired

	As March 31, 2020	At March 31, 2019
Considered Good - Unsecured	253.61	212.29
Considered Doubtful - Unsecured	-	-
Trade Receivables which have significant increase in Credit Risk; and	-	-
Trade Receivables - credit impaired	-	-
	<b>253.61</b>	<b>212.29</b>

a) There are no trade receivables which have significant increase in the credit risk as at March 31, 2020 & as at March 31, 2019  
b) Trade receivables are non interest bearing and generally on terms of not more than 90 days.



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 13: Cash and Cash Equivalents

	As March 31, 2020	At March 31, 2019
Balances with banks		
- Current accounts	71.87	50.67
Bank Deposits With Original Maturity Of Three Months or Less	150.00	-
Cash on hand	0.82	1.14
	<b>222.69</b>	<b>51.81</b>

- a) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- b) For the purpose of the statement of cash flow, cash and cash equivalents are same given above.

### Note 14: Bank Balance Other Than Cash and Cash Equivalents

Bank deposits with original maturity for more than 3 months and having remaining maturity less than 12

Current			
As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
-	172.95	-	172.95
-	172.95	-	172.95

### Note 15: Loans

(Unsecured, considered good, unless otherwise stated)

Loan to employees

As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
-	0.09	-	0.09
-	0.09	-	0.09



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 16: Equity Share Capital

	As March 31, 2020	At March 31, 2019
<b>Authorised</b>		
60,00,000 (March 31, 2019 : 60,00,000) Equity Share of ₹ 10 each	600.00	600.00
1,00,000 (March 31, 2019 : 1,00,000) Non Cumulative Redeemable Preference Shares of ₹ 100 each	100.00	100.00
	<b>700.00</b>	<b>700.00</b>
<b>Issued and subscribed and Paid up</b>		
6,000,000 (March 31, 2019 : 6,000,000) Equity Share of ₹ 10 each fully paid up	600.00	600.00
	<b>600.00</b>	<b>600.00</b>

#### a) Reconciliation of authorised share capital at the beginning and at the end of the reporting period

##### (i) Equity Share Capital

Particulars	No of shares	Amount
Balance as at April 01, 2018	6,000,000	600.00
Increased during the year	-	-
Balance as at March 31, 2019	6,000,000	600.00
Increased during the year	-	-
Balance as at March 31, 2020	6,000,000	600.00

##### (ii) Non Cumulative Redeemable Preference Share Capital

Particulars	No of shares	Amount
Balance as at April 01, 2018	100,000	100.00
Increased during the year	-	-
Balance as at March 31, 2019	100,000	100.00
Increased during the year	-	-
Balance as at March 31, 2020	100,000	100.00

#### b) Reconciliation of issued and subscribed share capital at the beginning and at the end of the reporting period

Particulars	No of shares	Amount
Balance as at April 01, 2018	6,000,000	600.00
Issued during the year	-	-
Balance as at March 31, 2019	6,000,000	600.00
Issued during the year	-	-
Balance as at March 31, 2020	6,000,000	600.00

#### c) Terms/Rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

For the year ended March 31, 2020, the amount of per share dividend recognised for distribution to Equity Shareholders was ₹ 1 (March 31, 2019: ₹ 1).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### d) Shares held by holding/ ultimate holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As March 31, 2020	At March 31, 2019
<b>Sandhar Technologies Limited, the holding company</b>		
4,795,000 (March 31, 2019: 4,795,000) equity shares of ₹ 10 each fully paid up	479.50	479.50

#### e) Number of shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As No of shares	At March 31, 2020 % Holding	As No of shares	At March 31, 2019 % Holding
Sandhar Technologies Limited	4,795,000	79.92%	4,795,000	79.92%
Stitch Overseas Private Limited	1,195,000	19.92%	1,195,000	19.92%

f) The number of shares in Note above are given in absolute numbers



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

Note 17: Other Equity	As	At	As	At
	March 31, 2020		March 31, 2019	
Retained Earnings		942.51		954.81
		<b>942.51</b>		<b>954.81</b>

a) For Movement during the period in Other Equity, refer "Statement of Change in Equity".

b) Nature and purpose of other reserves

### Retained Earnings

All the profits or losses made by the Company are transferred to retained earnings from Statement of Profit and Loss. Retained earnings are the accumulated profits earned by the Company till date.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 18: Provisions

#### Provision for Employee Benefits

Compensated Absences (Refer Note 35)

Gratuity (Refer Note 35)

Non-Current				Current			
As	At	As	At	As	At	As	At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	24.50		33.60		2.28		2.23
	46.20		61.83		3.75		2.95
	<u>70.70</u>		<u>95.43</u>		<u>6.03</u>		<u>5.18</u>

### Note 19: Trade Payables

Outstanding Dues to Micro and Small Enterprises

Others (Refer note 34)

As	At	As	At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-		-
	79.80		155.50
	<u>79.80</u>		<u>155.50</u>

a) Trade payables are non interest bearing and generally settled on 90 days terms (except for the MSME Payables which are settled on 45 days terms)  
b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the Management, the amount due to Micro & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- The amount of interest accrued and remaining unpaid at the end of each accounting year.
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

### Note 20: Other Financial Liabilities (Current)

Payable to capital creditors

As	At	As	At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	26.19		352.24
	<u>26.19</u>		<u>352.24</u>

### Note 21: Other Current Liabilities

Statutory Dues

Advance from Customers

As	At	As	At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	37.68		19.61
	0.07		-
	<u>37.75</u>		<u>19.61</u>

### Note 22: Current Tax Liabilities (Net)

Provision for tax (March 31, 2019: Net of advance tax amounting to ₹ 446.21)

As	At	As	At
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-		40.92
	<u>-</u>		<u>40.92</u>



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Note 23: Revenue from operations</b>			
Sale of Product		1,219.70	1,537.87
Sale of Services		42.48	41.13
<b>Other operating revenue</b>			
Sale of scrap		12.61	6.71
		<b>1,274.79</b>	<b>1,585.71</b>
<b>Note 24: Other Income</b>			
Interest income on			
- Bank deposits		8.99	4.04
- Others		0.61	0.04
Gain on exchange fluctuation (net)		-	13.26
Profit on sale of fixed assets		0.90	0.02
		-	-
<b>Other Non-Operating Income</b>			
Net gain on sale of investment		18.65	21.35
Gain/ (loss) on investments carried at fair value through profit or loss		7.85	32.08
Miscellaneous Income		0.17	1.62
		<b>37.17</b>	<b>72.41</b>
<b>Note 25: Cost of Materials Consumed</b>			
Inventories at the beginning of the year		14.41	6.11
Add: Purchases		387.49	490.07
Less: Inventory at the end of the year		(17.75)	(14.41)
Cost of Raw Material Consumed		<b>384.15</b>	<b>481.77</b>
<b>Note 26: Changes in Inventories of Finished Goods and Work-in-Progress</b>			
Opening stock			
Finished goods		7.24	34.70
Work-in-progress		44.02	18.96
<b>Total</b>		<b>51.26</b>	<b>53.66</b>
Closing stock			
Finished goods		28.13	7.24
Work-in-progress		31.27	44.02
<b>Total</b>		<b>59.41</b>	<b>51.26</b>
		<b>(8.15)</b>	<b>2.40</b>
<b>Note 27: Employee Benefits Expenses</b>			
Salaries, wages and bonus		332.71	304.33
Contribution to provident and other funds (Refer note 35)		32.32	28.99
Gratuity expense (Refer note 35)		10.29	11.28
Compensated absences (Refer note 35)		(4.39)	14.47
Staff welfare expenses		10.48	8.99
		<b>381.41</b>	<b>368.06</b>
<b>Note 28: Finance Cost</b>			
Interest Cost			
- Interest on lease liabilities (Refer note 33)		32.14	-
- Interest on delayed payment of taxes		-	2.16
- Interest on others		-	0.18
		<b>32.14</b>	<b>2.35</b>

a) The negative Compensated absences represents income generated on account of reversal of expense due to change in actuarial assumptions for the year ended March 31, 2020.





# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 29: Depreciation and Amortisation Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	115.32	56.17
Depreciation of right-of-use asset (Refer note 33)	45.58	-
Amortisation of intangible assets	2.13	2.40
	<b>163.03</b>	<b>58.57</b>

### Note 30: Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and spares consumed	42.80	29.41
Power & fuel	44.78	46.05
Contract service charges	41.05	25.44
Job processing and other machining charges	69.99	92.18
Repairs and maintenance		
- Building	1.17	-
- Plant and Machinery	25.19	24.01
- Others	11.39	10.67
Rent and hire charges	1.68	0.60
Rates and taxes	1.23	0.37
Security service charges	14.95	8.61
Insurance	4.32	2.96
Advertising and business promotion	17.05	8.62
Travelling and conveyance	4.62	7.05
Legal and professional fees	5.35	3.46
Payment to auditors (refer note a below)	3.03	2.87
Loss on foreign exchange fluctuations	9.56	-
Director sitting fees	0.50	0.50
Printing & stationery	1.11	1.18
Bad Debts	-	0.02
Bank charges	0.41	0.17
Miscellaneous expenses	3.66	2.75
	<b>303.84</b>	<b>266.92</b>

#### a) Details of payment made to auditors is as follows:

As auditor:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit	1.90	1.90
Tax audit	0.60	0.60
Others (including reimbursement)	0.53	0.37
	<b>3.03</b>	<b>2.87</b>

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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Profit or loss section	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current tax	17.29	115.08
b) Adjustment of tax relating to earlier periods	0.21	0.88
c) Deferred tax	(3.19)	18.36
Income tax expense reported in the statement of profit or loss (A)	<b>14.31</b>	<b>134.32</b>

### OCI Section

Deferred tax related to items recognised in OCI during the year:	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax on gain on remeasurements of defined benefit plans	(6.32)	2.54
Net amount charged to OCI (B)	<b>(6.32)</b>	<b>2.54</b>

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2020 and March 31, 2019

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting (Loss)/ profit before tax	55.54	478.05
Applicable tax rate	25.17%	27.82%
<b>Expected tax expense [A]</b>	<b>13.98</b>	<b>132.99</b>
Expenses not considered in determining taxable profit	7.13	0.58
Tax effect due to non taxable income	(6.90)	-
Adjustments in respect of current income tax of previous years	0.21	0.88
Impact for changes in tax rates	(0.11)	(0.14)
<b>Total adjustments [B]</b>	<b>0.33</b>	<b>1.32</b>
<b>Actual tax expense [C=A+B]</b>	<b>14.31</b>	<b>134.32</b>
Total tax incidence	14.31	134.32
<b>Tax expense recognized in Statement of profit and loss [D]</b>	<b>14.31</b>	<b>134.32</b>

The applicable tax rate is the rate applicable to domestic Company – March 31, 2020 : 25.17% (March 31, 2019 : 27.82%)

### Note 32: Earnings Per Share

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti-dilutive.

	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss)/profit attributable to the equity holders	41.23	343.73
Number of equity shares*	6,000,000	6,000,000
Weighted average number of shares used in basic earnings per share*	6,000,000	6,000,000
Weighted average number of shares used in diluted earnings per share*	6,000,000	6,000,000
Basic earnings per share (in ₹) (face value ₹ 10 per share)	0.69	5.73
Diluted earnings per share (in ₹) (face value ₹ 10 per share)	0.69	5.73

\* Number in absolute



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 33: Leases

#### a) Company as a lessee

Until March 31, 2019, the Company recognized leases in accordance with Ind AS 17. A lease was defined as an agreement whereby the lessor conveys to the lessee in return for a series of payments the right to use an asset for an agreed period of time. The lessor and lessee accounted for the lease on the basis of the distribution of the risks and rewards associated with the leased asset.

Insofar as all the substantial risks and rewards were transferred to the Company as lessee, the respective leased assets were capitalized at fair value or the lower present value of the minimum lease payments and depreciated using the straight-line method on the basis of the useful life of the underlying asset or the lease term, if this was shorter. The payment obligations resulting from future lease payments were discounted and recognized as a liability. Where the Company was the lessee in operating leases, in other words, if not all material risks and rewards were transferred, the lease or rental payments were recognized directly as expenses in the statement of Profit and Loss.

Since April 1, 2019, the Company has recognized leases in accordance with Ind AS 116. This defines a lease as a contract, or part of a contract, whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in exchange for consideration.

b) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

#### Right Of Use Assets

##### As at April 1, 2019

Additions

Depreciation expense

##### As at March 31, 2020

Buildings	Total
-	-
410.21	410.21
(45.58)	(45.58)
<b>364.63</b>	<b>364.63</b>

c) Set out below are the carrying amounts of lease liabilities and the movements during the year:

#### Lease Liability

##### As at April 1, 2019

Additions

Accretion of interest

Payments during the year

##### As at March 31, 2020

Current

Non-current

Total
-
410.21
32.14
(60.00)
<b>382.35</b>
30.23
352.12

d) The effective interest rate for lease liabilities is 8.50%, with maturity between 2021-2027.

e) The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets

Interest expense on lease liabilities

March 31, 2020
45.58
32.14

f) The Company had total cash outflows for leases of INR 60.00 in March 31, 2020 (INR Nil in March 31, 2019).

g) The Company has lease contracts that include termination options. These options are negotiated by Management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these termination options are reasonably certain to be exercised.

h) In 2019-20, there were no impairment charges recorded for right-of-use assets.

i) There is no transition impact of IND AS 116 on the financial statements of the Company as at April 1, 2019.

j) Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of interest and the principal portion of lease liabilities.





# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ In lakhs, unless otherwise stated)

### Note 34: Disclosure of Related Party Transactions

#### a) List of related parties as per the requirements of Ind-AS 24 - Related

##### Holding Company

Sandhar Technologies Limited

##### Enterprise in which holding company has Joint Control

Sandhar Hangsung Technologies Private Limited

Sandhar Ecco Green Energy Private Limited

##### Key Management Personnel and Directors

Mr. Jayant Davar (Director)

Mr. Narender Kumar Dogra (Director)

Mr. Atul Aggarwal (Director)

Mr. Parveen Satija (Director)

Mr. Arvind Joshi (Director)

Ms. Subhi Gupta (Company Secretary)

#### b) Transactions during the year with related parties

S. No.	Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Holding Company	Holding Company	Enterprise in which holding company has Joint Control	Enterprise in which holding company has Joint Control	Key management personnel	Key management personnel
1	<b>Sale of Products (including GST)</b> Sandhar Technologies Limited	7.45	57.03	-	-	-	-
2	<b>Sale of Services (including GST)</b> Sandhar Technologies Limited	4.76	0.12	-	-	-	-
	Sandhar Hangsung Technologies Private Limited	-	-	2.30	2.02	-	-
3	<b>Purchase of Property, plant and equipment (including GST)</b> Sandhar Technologies Limited	0.88	-	-	-	-	-
4	<b>Dividend Paid</b> Sandhar Technologies Limited	47.95	47.95	-	-	-	-
	Mr. Jayant Davar	-	-	-	-	0.05	0.05
	Mr. Parveen Satija	-	-	-	-	0.05	0.05
5	<b>Director sitting fees</b> Mr. Atul Aggarwal	-	-	-	-	0.50	0.50
6	<b>Travelling and conveyance</b> Mr. Atul Aggarwal	-	-	-	-	0.05	0.05
7	<b>Expenses incurred on behalf of Company (including GST)</b> Sandhar Technologies Limited	10.76	11.44	-	-	-	-
	Ms. Subhi Gupta	-	-	-	-	0.11	0.03
8	<b>Payment made on behalf of</b> Sandhar Technologies Limited	3.12	-	-	-	-	-
9	<b>Remuneration paid*</b> Ms. Subhi Gupta	-	-	-	-	5.05	4.64

\* Does not include the provision made for gratuity and compensated absences, as they are determined on an actuarial basis for all the employees together.



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### c) Outstanding Balances as at year end

S. No.	Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Holding Company	Holding Company	Enterprise in which holding company has Joint Control	Enterprise in which holding company has Joint Control	Key management personnel	Key management personnel
1	Trade Payables Sandhar Technologies Limited Ms. Subhi Gupta	1.57	1.34	-	-	0.08	-
2	Trade Payables Sandhar Hangsung Technologies Private Limited	-	-	1.00	-	-	-

### d) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party payables.

- e) Mr. Arvind Joshi retired as the Chief Financial Officer & Executive Director on May 11, 2020, and Mr. Narender Kumar Dogra, Assistant Vice President of the Sandhar Group (who is already a director in this Company) has replaced him as the Chief Financial Officer & Key Managerial Personnel w.e.f. May 11, 2020.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 35: Employee Benefits

#### a) Defined Contribution Plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund and Other Fund	30.51	19.88
Employer's Contribution to Employee State Insurance	1.80	9.11
	<b>32.31</b>	<b>28.99</b>

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

#### b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The method is used in following cases :-

##### i) Gratuity

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset or liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

##### ii) Leave Encashment

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 112 accumulated leaves. The salary for earned leave is last drawn salary. The sum is payable during the service, early retirement, withdrawal of scheme, resignation or upon death of employee

#### c) Movement of defined benefit obligation :

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity (Unfunded)	Leave (Unfunded)
<b>Present value of obligation</b>		
<b>April 01, 2018</b>	44.98	29.10
Current service cost	7.80	5.44
Interest expense/ (income)	3.49	2.26
<b>Total amount recognised in profit or loss</b>	<b>11.29</b>	<b>7.70</b>
<b>Remeasurements</b>		
Loss due to change in financial assumptions	9.12	6.78
(Gain)/ Loss due to experience	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>9.12</b>	<b>6.78</b>
Benefit payments	(0.61)	(7.75)
<b>March 31, 2019</b>	<b>64.78</b>	<b>35.83</b>
<b>Present value of obligation</b>		
<b>April 01, 2019</b>	64.78	35.83
Current service cost	5.27	3.59
Interest expense/ (income)	5.02	2.78
<b>Total amount recognised in profit or loss</b>	<b>10.29</b>	<b>6.37</b>
<b>Remeasurements</b>		
Gain due to change in financial assumptions	(22.31)	(10.65)
Loss due to experience	(2.78)	(0.09)
Gain due to change in demographic assumptions	(0.03)	(0.01)
<b>Total amount recognised in other comprehensive income</b>	<b>(25.12)</b>	<b>(10.75)</b>
Benefit payments	-	(4.66)
<b>March 31, 2020</b>	<b>49.95</b>	<b>26.78</b>



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 35: Employee Benefits

#### d) Expense recognised in Statement of Profit & Loss and Other comprehensive Income

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i) Service Cost	5.27	7.80	3.59	5.44
ii) Interest Cost	5.02	3.49	2.78	2.26
iii) Actuarial Gain Loss	25.12	9.12	(10.76)	6.78
	<b>35.41</b>	<b>20.41</b>	<b>(4.39)</b>	<b>14.47</b>
Amount Recognised in Statement of Profit & Loss	10.29	11.29	(4.39)	14.47
Amount Recognised in Other Comprehensive Income (OCI)	25.12	9.12	-	-

#### e) Actuarial Assumptions

The significant actuarial assumptions were as follows :

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.75%
Salary growth rate	2.00%	8.00%
Mortality	Indian assured lives mortality (2012-14) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal rate	12.00%	12.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### f) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

	Change in assumption		Impact on defined benefit obligation			
	March 31, 2020	March 31, 2019	Increase by 1%		Decrease by 1%	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Gratuity</b>						
Discount rate	1%	1%	(3.10)	(4.90)	3.46	5.56
Salary growth rate	1%	1%	3.60	5.49	(3.27)	(4.93)
<b>Leave Encashment</b>						
Discount rate	1%	1%	(1.49)	(2.61)	1.65	2.97
Salary growth rate	1%	1%	1.72	2.93	(1.57)	(2.63)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

#### g) Defined benefit liability

The expected maturity analysis of undiscounted gratuity is as follows :

	March 31, 2020	March 31, 2019
Less than a year	3.96	3.12
Between 1-2 years	3.55	3.56
Between 2-3 years	3.33	4.11
Between 3-4 years	22.68	4.66
Between 4-5 years	2.89	23.69
Beyond 5 years	38.84	64.30
<b>Total</b>	<b>75.25</b>	<b>103.44</b>

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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 36: Fair Value Disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
<b>Financial Assets measured at Amortised Cost</b>				
Security deposits	16.28	8.48	16.28	8.48
Interest accrued on fixed deposits	0.11	3.63	0.11	3.63
Other financial assets	-	1.34	-	1.34
Trade receivables	253.61	212.29	253.61	212.29
Cash and cash equivalents	222.69	51.81	222.69	51.81
Bank deposits with original maturity for more than 3 months and having remaining maturity less than 12 months	-	172.95	-	172.95
Loans	-	0.09	-	0.09
<b>Financial Assets measured at Fair Value</b>				
Investment in mutual funds	294.23	854.86	294.23	854.86
<b>Total</b>	<b>786.92</b>	<b>1,305.45</b>	<b>786.92</b>	<b>1,305.45</b>
<b>Financial Liabilities carried at Amortised Cost</b>				
Lease Liabilities	382.35	-	382.35	-
Trade payables	79.80	155.50	79.80	155.50
Payable to capital creditors	26.19	352.24	26.19	352.24
<b>Total</b>	<b>488.34</b>	<b>507.74</b>	<b>488.34</b>	<b>155.50</b>

a) The Management has assessed that Trade Receivables, Cash and Cash Equivalents and Trade Payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) All financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values. 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.

c) The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

d) The interest rate used for discounting estimated cash flows, wherever applicable, are based on the incremental borrowing rate of the borrower.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 37: Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value, and

b) measured at amortised cost and for which fair values are disclosed in the financial statements itself

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under IND AS 113.

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Total	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Assets measured at Amortised Cost</b>			
Security deposits	16.28	-	16.28
Interest accrued on fixed deposits	0.11	-	0.11
Other financial assets	-	-	-
Trade receivables	253.61	-	253.61
Cash and cash equivalents	222.69	-	222.69
Bank deposits with original maturity for more than 3 months and having remaining maturity less than 12 months	-	-	-
Loans	-	-	-
<b>Financial Assets measured at Fair Value</b>			
Investment in mutual funds	294.23	294.23	-
<b>Total</b>	<b>786.92</b>	<b>294.23</b>	<b>492.69</b>

#### Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Total	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Liabilities at Amortised Cost</b>			
Lease Liabilities	382.35	-	382.35
Trade payables	79.80	-	79.80
Payable to capital creditors	26.19	-	26.19
<b>Total</b>	<b>488.34</b>	<b>-</b>	<b>488.34</b>

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Total	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Assets measured at Amortised Cost</b>			
Security deposits	8.48	-	8.48
Interest accrued on fixed deposits	3.63	-	3.63
Other financial assets	1.34	-	1.34
Trade receivables	212.29	-	212.29
Cash and cash equivalents	51.81	-	51.81
Bank deposits with original maturity for more than 3 months and having remaining maturity less than 12 months	172.95	-	172.95
Loans	0.09	-	0.09
<b>Financial Assets measured at Fair Value</b>			
Investment in mutual funds	854.86	854.86	-
<b>Total</b>	<b>1,305.45</b>	<b>854.86</b>	<b>450.59</b>

#### Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Total	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Liabilities at Amortised Cost</b>			
Lease Liabilities	-	-	-
Trade payables	155.50	-	155.50
Payable to capital creditors	352.24	-	352.24
<b>Total</b>	<b>507.74</b>	<b>-</b>	<b>507.74</b>



# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 37: Fair Value Hierarchy

a) There have been no transfers between Level 1 and Level 2 during the year.

b) Management has assessed that Trade Receivables, Cash and Cash Equivalents and Trade Payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

c) An explanation of each level is as under:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

d) Valuation technique used to determine fair value:

-Mutual funds classified in level 1 are on the basis of quoted rates available from securities market in India. The same are valued using the closing NAV.

- Fair value of other non current assets and liabilities is determined on the basis of discounted cash flow model using risk adjusted discount rate, as applicable.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 38: Financial Risk Management Objectives And Policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (I) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds and derivative instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

##### a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

##### b) Foreign currency risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. The Company is not exposed to foreign currency risk. As on March 31, 2020, the Company does not have any outstanding foreign currency exposures.

#### (II) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### (a) Trade receivables

Customer credit risk is managed by Company as per established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2020	-	101.91	72.52	79.18	-	253.61
Trade Receivables as of March 31, 2019	79.73	54.18	58.34	14.17	5.87	212.29

#### (III) Liquidity risk

Liquidity risk is the risk that Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company closely monitors its liquidity position and deploys a robust cash management system. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

#### As at March 31, 2020

Lease Liabilities  
Trade payables  
Other financial liabilities

	Less than 1 year	1 to 5 years	> 5 years	Total
Lease Liabilities	30.23	165.25	186.87	382.35
Trade payables	79.80	-	-	79.80
Other financial liabilities	26.19	-	-	26.19
	<b>136.22</b>	<b>165.25</b>	<b>186.87</b>	<b>488.34</b>

#### As at March 31, 2019

Lease Liabilities  
Trade payables  
Other financial liabilities

Lease Liabilities	-	-	-	-
Trade payables	155.50	-	-	155.50
Other financial liabilities	352.24	-	-	352.24
	<b>507.74</b>	-	-	<b>507.74</b>





# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 39: Capital Management

i) For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent.

ii) The primary objective of the Company's capital management is to maximise the shareholder value and also ensure ability to continue as a going concern. In order to maintain the optimal balance of Debt and Capital, the Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

iii) The Company monitors Capital & Debt balance using Capital Gearing ratio, which is net debt divided by total capital plus net debt:

	As March 31, 2020	At March 31, 2019
Trade Payables (Refer note 19)	79.80	155.50
Other Financial Liabilities (Refer note 20)	26.19	352.24
Other Current Liabilities (Refer note 21)	37.75	19.61
Less: Cash and Cash Equivalents (Refer note 13)	(222.69)	(51.81)
<b>Adjusted Net Debt (A)</b>	<b>(78.95)</b>	<b>475.54</b>
Equity Share Capital (Refer note 16)	600.00	600.00
Other Equity (Refer note 17)	942.51	954.81
<b>Total Capital (B)</b>	<b>1,542.51</b>	<b>1,554.81</b>
<b>Net Debt and Capital (C=A+B)</b>	<b>1,463.56</b>	<b>2,030.35</b>
<b>Gearing Ratio [D=A/(C)]</b>	<b>-5.39%</b>	<b>23.42%</b>

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.



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# Sandhar Tooling Private Limited

## Notes to Financial Statements for the Year Ended March 31, 2020

(All amounts are ₹ in lakhs, unless otherwise stated)

### Note 40: Subsequent Event Disclosure

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on 25 March 2020, which has impacted the business activities of the Industry and accordingly the Company has also assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, tangible and intangible assets and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval these financial statements and has assessed its situation.

In that context and based on the current estimates, the Company believes that COVID 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID 19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

### Note 41: Commitments and Contingencies

#### a) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have been provided for in the financial statements, amounts to ₹ 30.52 lakhs (March 31, 2019 : ₹ 117.18 lakhs)

#### b) Contingent Liabilities

There are no claims against the company which are not acknowledged as debt as on March 31, 2020 & March 31, 2019.

### Note 42 : Segment Information

i) The company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

ii) The Company is engaged in the designing and manufacturing of moulds, dies, machine tools and jigs & fixtures.

iii) The Company operates within India and does not have operations in economic environments with different risks and returns.

**Note 43:** In view of the management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet as at March 31, 2020.

**Note 44:** Previous year figures have been regrouped and reclassified wherever considered necessary.

**Note 45:** The process of obtaining balance confirmation and reconciliation of trade receivables, trade payables and loans and advances is an ongoing process, certain balances as at March 31, 2020 are subject to confirmation.

**Note 46:** Figures have been rounded off to the nearest lakhs except otherwise stated.



Place of Signature:

Date: 16 JUN 2020

For and on behalf of the Board of Directors of  
Sandhar Tooling Private Limited

(Narender Kumar Dogra)

Director

DIN: 00100916

Place: Gurugram

Date: 16/06/2020

(Praveen Satija)

Director

DIN: 01082618

Place: Gurugram

Date: 16/06/2020

