



# Beyond Challenges **Sustaining Growth**

**SANDHAR**  
Growth. Motivation. Better Life

SANDHAR TECHNOLOGIES LIMITED  
Annual Report 2020-21



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#### **Forward-looking Statement**

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





# Beyond Challenges Sustaining Growth

Crisis teaches us resilience

It bolsters us with the faith to move ahead

For us, finding opportunities amidst challenges is the only way forward!

Taking the full force of the pandemic in our stride, we were determined to overcome hurdles in the automotive industry with our dedication, enthusiasm and efficiency. To remain relevant, we focused on improving our capabilities, adopted

advanced technology and focused on R&D activities to further strengthen our core capacities. Over the years, our innovative zeal and our consistent efforts to diversify our product portfolio have enabled us to scale newer heights of success.

Despite difficulties, we embraced new paths to success and adapted ourselves to evolving industry dynamics. It empowered us to leverage our strengths and move beyond challenges, continuously sustaining growth.



# About Us

Sandhar Technologies Limited is one of the leading automotive components and systems supplier, offering a diverse range of innovative, superior quality and cost effective products to customers worldwide.

Within a span of little over three decades, we have evolved from a sheet metal components supplier for OEM in the domestic market to a well renowned manufacturer of a range of products in the automotive sector meeting the diverse needs of customers.



## VISION

To be the Most Preferred Choice of Global Stakeholders.



## MISSION

To be the leading player in Global Markets with fully satisfied Stakeholder, maintaining cost effectiveness through innovative technology and optimum utilization of talent and resources



## Values



## Our Offerings

Automotive division	Components division	Automach division	Cabins and fabrication division
<p>We manufacture and supply superior quality auto component parts including:</p> <ul style="list-style-type: none"> <li>Locking systems</li> <li>Vision systems</li> <li>Auto relays</li> <li>Switches</li> <li>Hinges</li> <li>Latches for two-wheelers, four wheelers and OHV</li> <li>Door Handles for four-wheelers</li> </ul>	<p>We meet the requirements of components and other key materials to our Customers by offering:</p> <ul style="list-style-type: none"> <li>Aluminium die casting</li> <li>Spools</li> <li>Spindles</li> <li>Sprockets</li> <li>Plastic injection moulding</li> <li>Sheet metal components</li> <li>Zinc Die Casting</li> </ul>	<p>We are one of the leading manufacturer and supplier of steel wheels two wheeler market. We provide:</p> <ul style="list-style-type: none"> <li>Wheel rims</li> <li>Wheel assemblies</li> <li>Handle bars</li> <li>Clutch</li> <li>Panels</li> <li>Brake</li> <li>Fender Assemblies</li> </ul>	<p>We offer a wide range of superior quality and cost effective products for off highway vehicle which includes:</p> <ul style="list-style-type: none"> <li>Operator Cabins</li> <li>Canopies</li> <li>Housings</li> <li>Panels</li> <li>Switchboards</li> <li>Control Cabinets</li> </ul>



# Presence

43

Manufacturing facilities  
across the globe

8628

Employees across the  
globe

14.31%

Revenue from overseas  
market

85.69%

Revenue from domestic  
market



Mexico

## Our Clientele

### 2-Wheeler



### 4-Wheeler



### Off-Highway

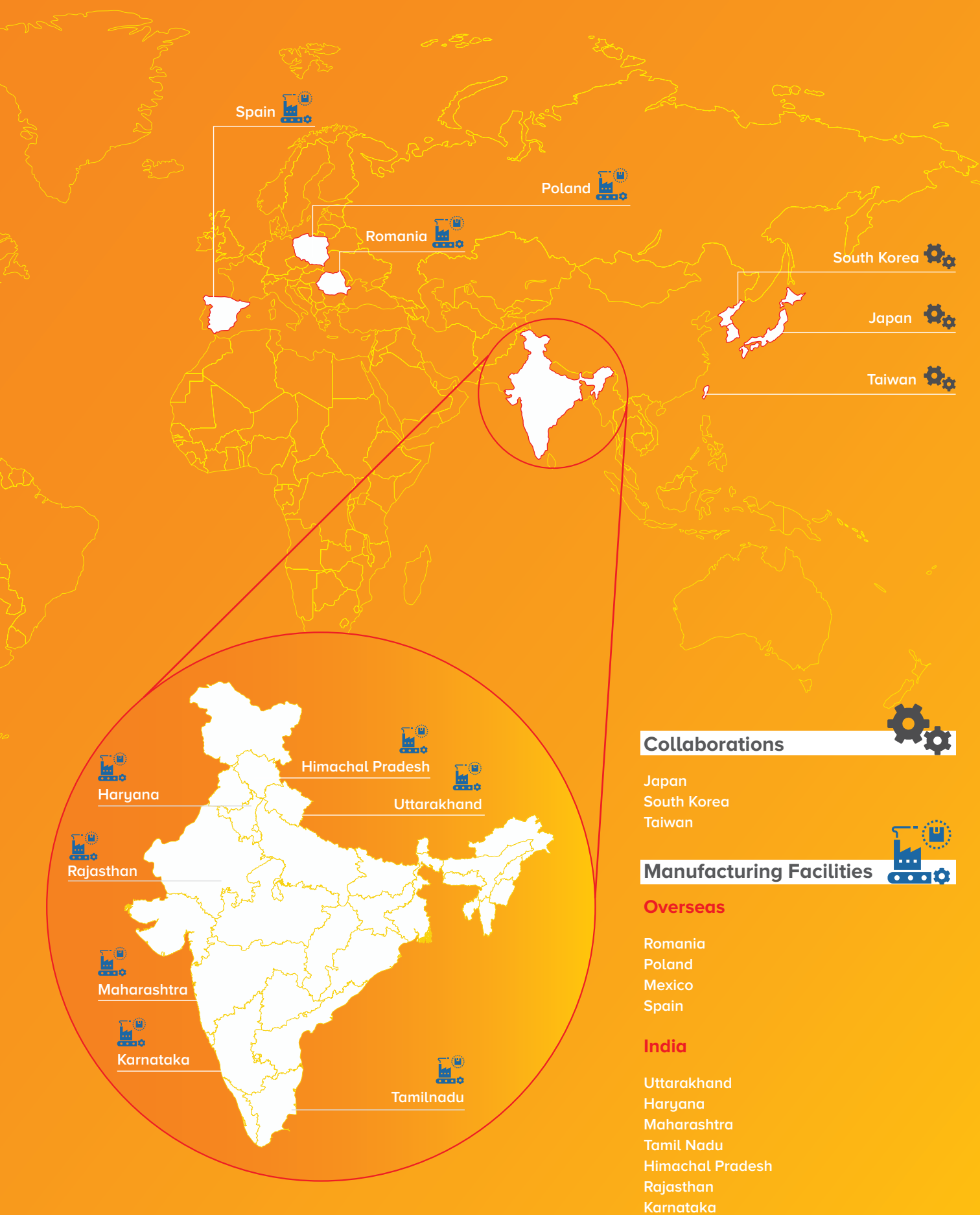


### Overseas





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# Chairman's Message



**Shri D. N. Davar**

Chairman

DEAR STAKEHOLDERS,

**The year gone by was a particularly challenging one, for people, businesses as well as the economy. With the devastating effects of the Covid-19 pandemic and restrictions on movement, economic activity was severely curtailed. For an industry that was already experiencing a slowdown prior to the pandemic, stringent lockdowns across the world resulted in severe contraction of the automotive sector.**

It not only led to lower capacity utilisation but, also disrupted the automotive value chain. Nevertheless, Sandhar displayed remarkable resilience to overcome hurdles in its path. Resting on our core strengths, we aimed to convert challenges into opportunities and outperform the industry average.

Since its inception, Sandhar has diligently focused on improving stakeholder value. We have also set our priorities with the government's vision of 'Atmanirbhar Bharat' and to foster innovation to promote growth

and development in the automotive sector. Our self-sustaining strategies enable us to secure our footing in the industry.

Our journey began with a few products, as an Original Equipment Manufacturer (OEM) in the Two-Wheeler Market. Over the years, we have extended and diversified our portfolio to include different type of accessories and parts for cars, commercial vehicles and off-highway vehicles. Today, Sandhar is a market leader in the automotive components and systems segment, delivering a wide variety of innovative,

superior quality, and cost-effective products to customers all over the world.

The pandemic has had a bearing on our performance in the last financial year. During the initial months of the lockdown, demand as well as sale of vehicles declined drastically. Additionally, reduced production of cars have had a negative affect on the component business as well, resulting in a detrimental impact on our manufacturing processes. Our operations gradually returned to normal as travel restrictions continued

Today, Sandhar is a Market Leader in the automotive components and systems segment, delivering a wide variety of innovative, superior quality, and cost-effective products to customers all over the world.



to be relaxed and the festive season spurred demand in high-volume areas.

The overall revenue from operations stood at Rs. 1,864 crore, compared to Rs. 1,943 crore in the previous year. Though, the overall turnover for the year remained subdued, the last quarter did exceptionally well, recording a turnover of Rs. 642 crore. We reported EBITDA of Rs. 199 crore and Profit after tax of Rs 54.09 crore.

With a balanced product portfolio and diversified operations, we aim at sustaining our only margins to enable significant improvement in our business. We have a resilient business model that is scalable, as per customer requirements. It helps to cushion the cascading macro-economic impact on our operations. We operate 43 plants globally and along with our extensive presence in India, we expanded our footprints in Spain, Poland and Mexico. We also have an upcoming facility in Romania, which is expected to be operational shortly.

In order to stay ahead of the industry, we entered strategic partnerships and joint ventures to further augment our technological competencies and drive market leadership. We also continued to make substantial investments

for business growth, with a primary emphasis on capacity expansion. While we remain focused on expanding operations in India, we are also simultaneously shoring up efforts to fortify our international business.

At Sandhar, our priority also revolves around the adoption of highest standards of health, safety, and environmental integrity enabling long-term sustainability. During the pandemic, we ensured employee health and safety through the adoption of stringent safety procedures. We also deployed a structured Covid reaction plan to focus on preparedness, mitigation and restoration of operations.

Our CSR philosophy serves as the guiding principle for all our endeavours. We strive to make a significant contribution to Society through our Trust, the 'Sandhar Foundation,' which is interwoven in the Company's value system. This year, we have organized several initiatives in the field of healthcare, community services and the promotion of girls' education as a part of our CSR activity.

Going forward, we foresee a bright future for our business. Despite recent obstacles, notably the deadly COVID-19

Pandemic, the future potential of the Indian Automobile Industry is evident. Moreover, rising production and growing demand are anticipated to generate 65 million new employments in India by 2026. We plan to strengthen our customer relationship with renewed vigour and versatile product offering.

I would like to thank each and every stakeholder across our value chain for their dedication, trust and confidence in Sandhar Technologies Limited.

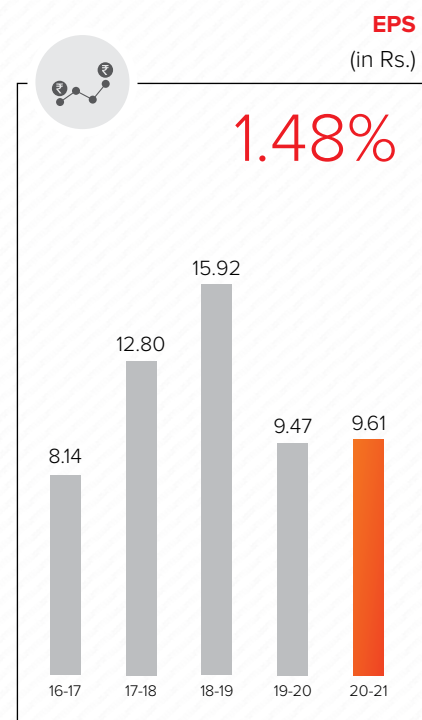
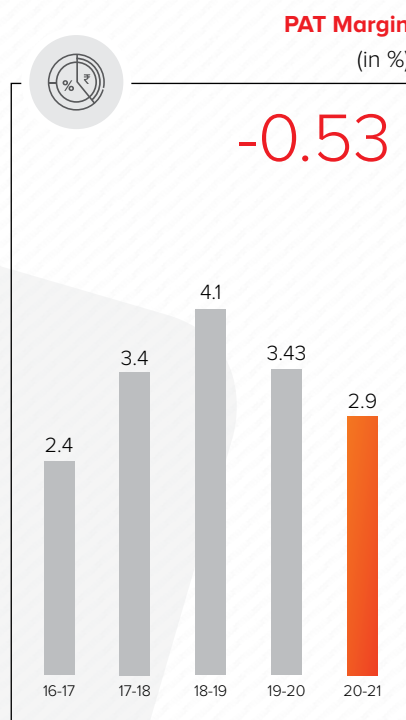
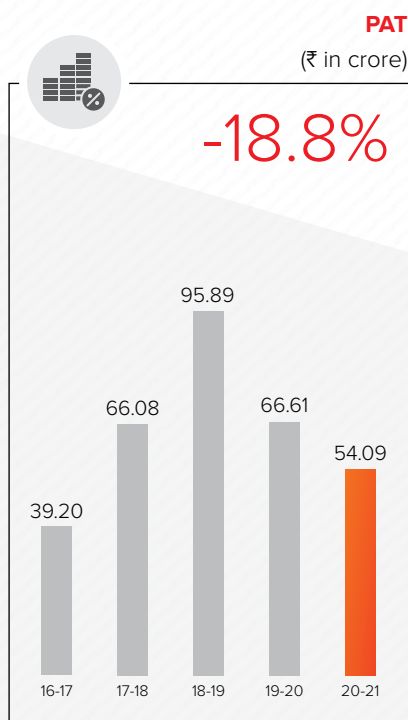
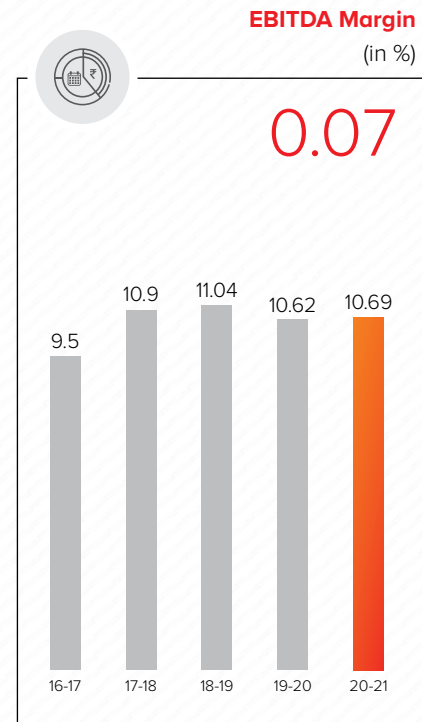
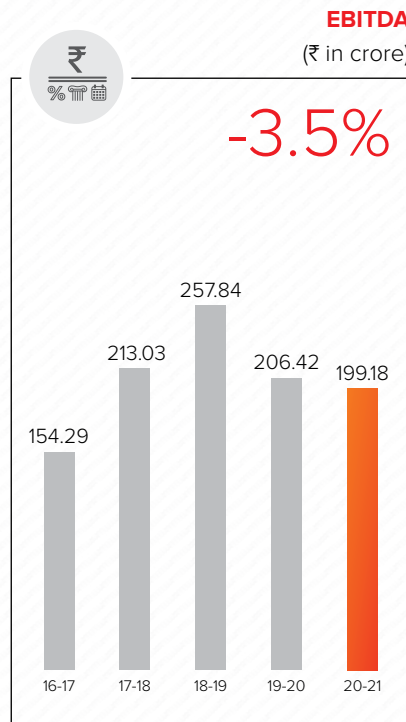
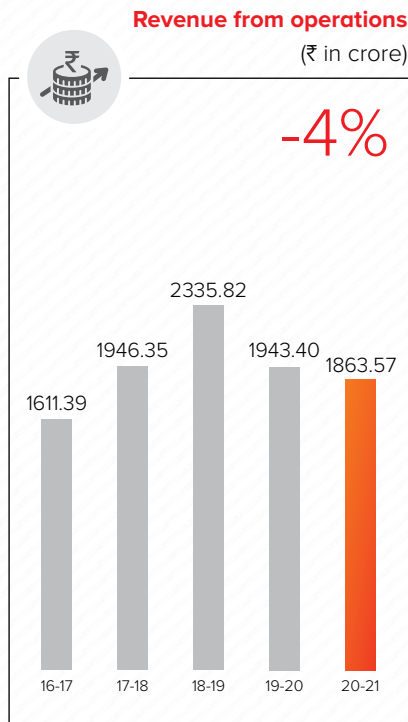
Thanks and regards,

**D. N. Davar**  
Chairman



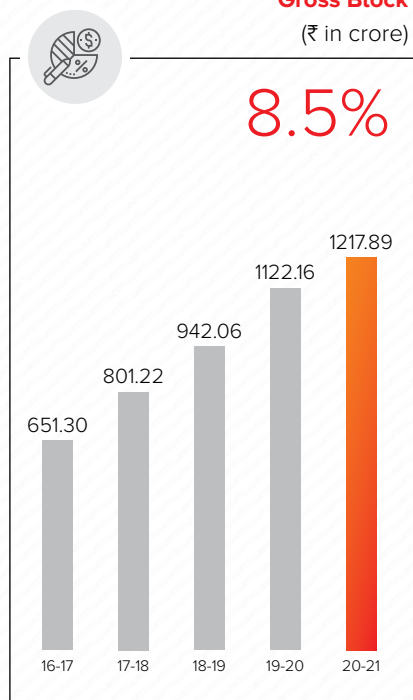
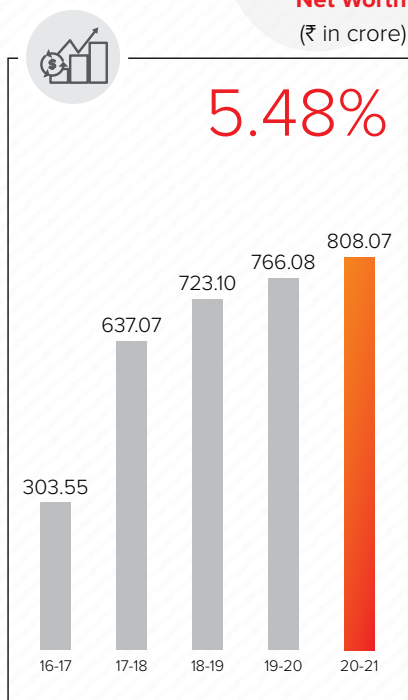
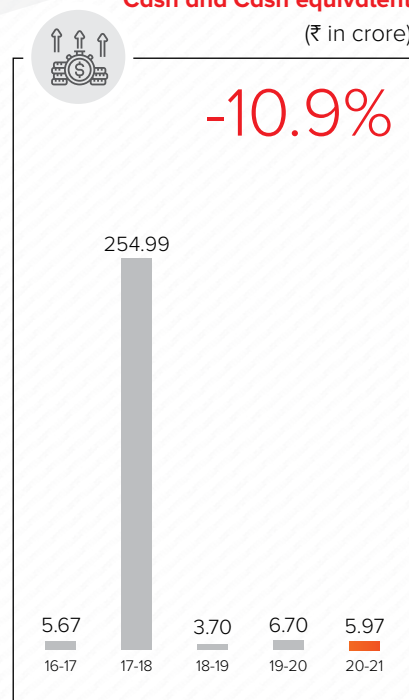
# Sustaining growth.

## Profit and Loss

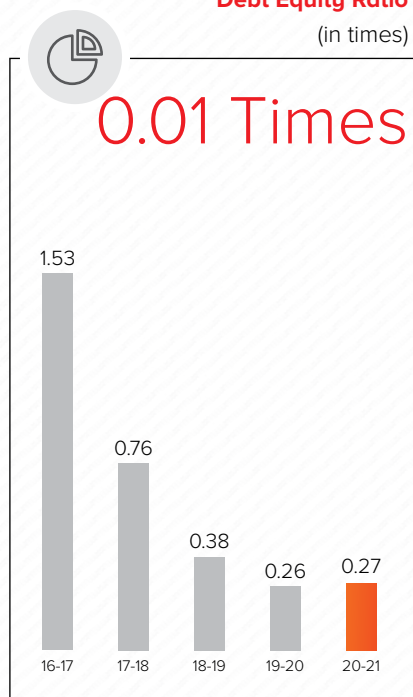
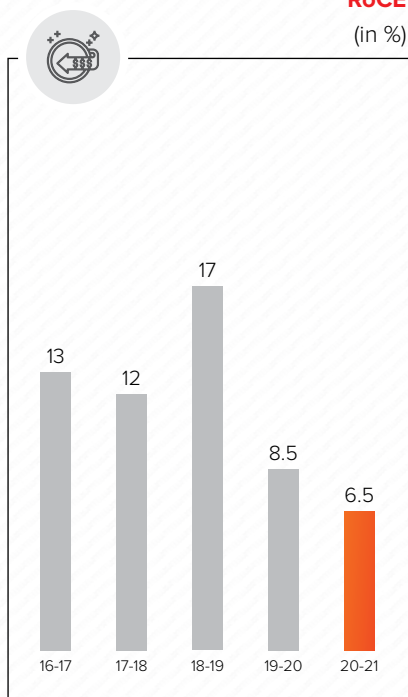
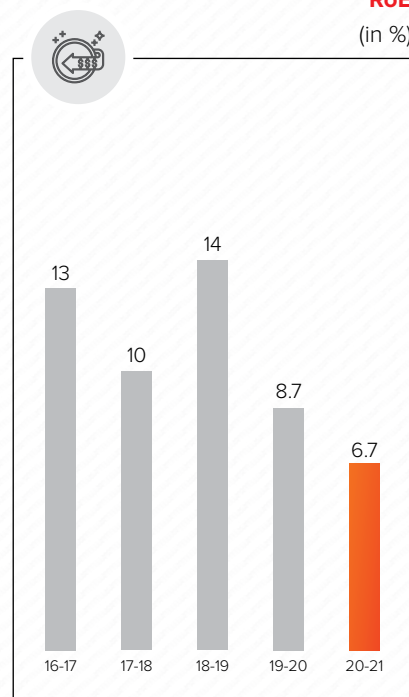


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## Balance Sheet

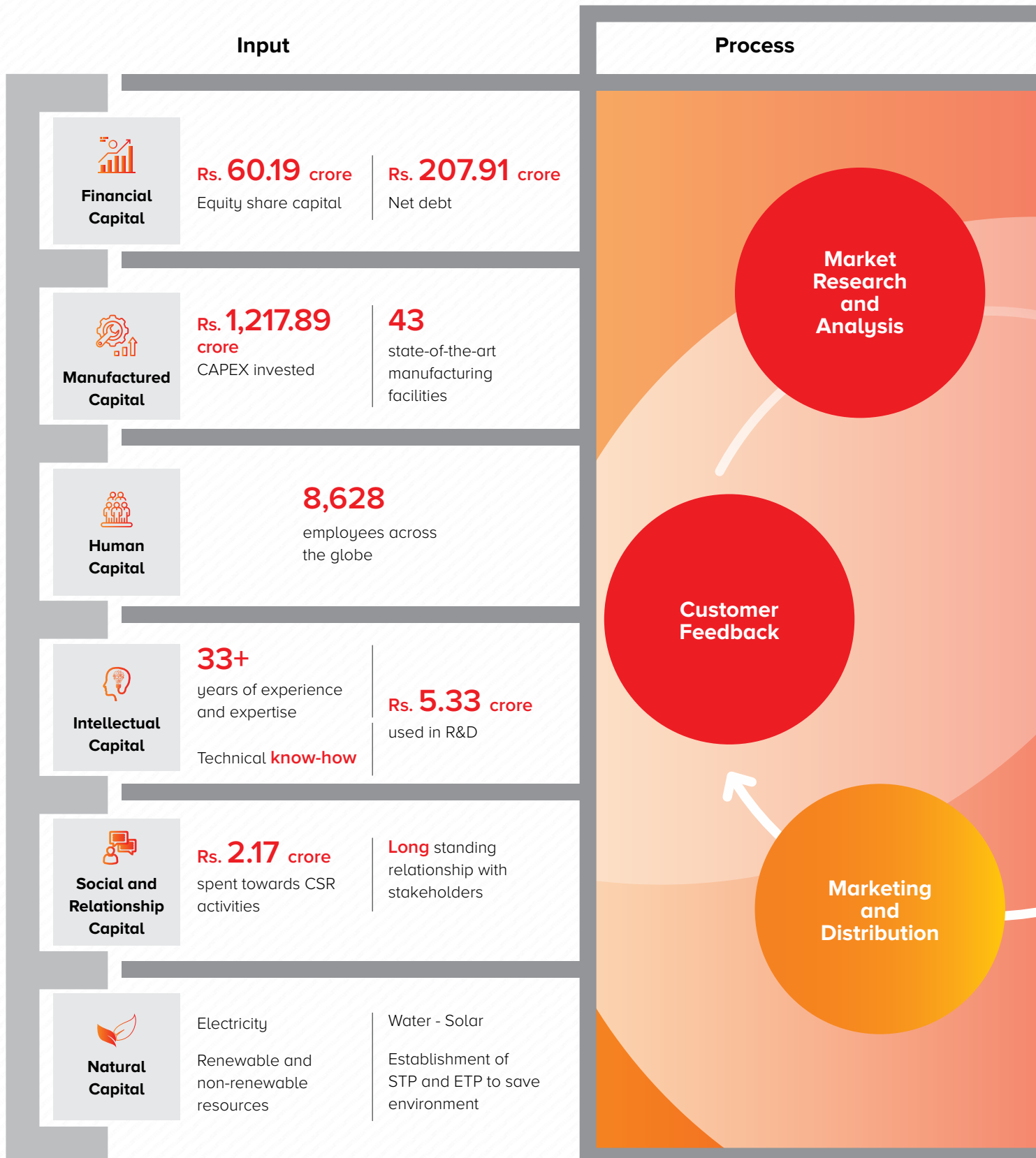
Gross Block  
(₹ in crore)Net Worth  
(₹ in crore)Cash and Cash equivalent  
(₹ in crore)

## Key Ratios

Debt Equity Ratio  
(in times)RoCE  
(in %)RoE  
(in %)



# Our Business Model



Product  
Development

Sourcing and  
Manufacturing

## Outcomes achieved



### Financial Capital

- Sustained market
- Capitalisation
- Sustained return on investment
- Robust balance sheet



### Manufactured Capital

- Steady availability of superior quality products at affordable price
- Constant improvement in Operational excellence with timely delivery



### Human Capital

- Engaged and committed workforce
- Well-trained and ethical working culture
- Diverse and open workplace
- Safe working environment for employees across locations



### Intellectual Capital

- Constant launch of new, innovative and technology driven products
- Strong brand value and recall
- Patents filed 24, published 20 and granted 1



### Social and Relationship Capital

- High customer satisfaction and repeat order
- Strong supplier base and distribution network
- Long-term sustainable relationship with business partners
- Upliftment of communities in which we operate through various CSR activities



### Natural Capital

- Constant decrease in our environmental footprint
- Increasing usage of renewable source of energy

## Sustainable Development Goals (SDGs) Covered





# The Way Forward



## Increase our market share

With our footprints spanning across the globe, we constantly look for opportunity to further spread our presence and reach out to more customers across the globe. Along with spreading our footprints, we are also constantly investing towards consolidating our market share in domestic as well as international market.

**World's largest**

**Two wheeler lock company**



## Strengthen our product pipeline

With the change in technologies and consumer preferences, we continue to upgrade our portfolio by adding new products and improving the existing ones. At Sandhar, we strive to stay ahead of the industry curve by developing future ready products and solutions that serves the needs of our customers.

Rs. **5.33** crore  
used in R&D activities



## Broaden our client profile

Over time, we have leveraged our resilient business model and expertise to manufacture more than one component per vehicle. This has enabled us to increase our engagement with the existing customers. Alongside, we are also working towards adding more and more OEMs to our customer list thus increasing our order book value.

**33+** years

**Of association with key customers**

**More than**

**80**

**number of OEMs in our clientele**



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### Transform digitally

Changes in technologies have been re-defining the way we operate and work. Especially post on-set of Covid-19 pandemic, we had to adopt work-from-home culture to ensure business continuity. We constantly monitor the changes in the technological landscape and upgrade our processes and systems in order to drive productivity and operational efficiency.

**Online working with adequate controls**



### Sustainable growth

Ensuring minimum harm to the environment and communities in which we operate remains at the core of our strategy. We constantly invest towards reducing our water consumption, recycling waste and reducing our dependency on non-renewable resources. Through our products, we strive to ensure reduction in the environmental footprints of our customers as well.

**Complying all pollution norms  
Entering E-vehicle segments  
Got Gold Standard award in  
Conservation of water & energy  
resources.**



# Digital Transformation Journey

The company has been heavily investing in digital infrastructure across the verticals to improve operational efficiency and business outcomes in terms of key metrics. Consequently, the company has an integrated network of Oracle Enterprise Resource Planning (ERP) based information architecture which enables seamless data integration across functions such as Production, Maintenance, Materials and Human Resources, amongst others. This also helps in optimizing our inventory to ensure sufficient availability of key raw materials for production at any given time. Furthermore, the company has upgraded to cloud-based infrastructure to reduce dependency on hardware and facilitate remote working. Moreover, the company has also introduced Robotic Process Automation (RPA) across key processes to derive efficiency gains and quality.

The Sandhar Centre for Innovation and Development is equipped for integrating cutting edge technologies for new product design and development with adequate facilities and design softwares like Catia, UG, Creo, Nx-nastran, Imageware, Altium, Pads, Labview. We also have Rapid Prototyping facility like Silicon Moulding/Vacuum Casting and 3D Printing. We also have 3D Scanner (White light scanner) DRO, CMM, we are using PLM (Enovia) work culture platform.





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# Corporate Social Responsibility

Extending the philosophy of 'Growth, Motivation and a Better Life' across all dimensions of the company's business, Sandhar Foundation was incorporated as a Charitable Trust for implementing the company's CSR activities in 2010. The foundation follows a dedicated approach to community development, and works towards various social causes including improving healthcare, supporting education, women empowerment, environment and skill development.

## Focus Areas:



Education and Skill  
Development



Healthcare



Environment



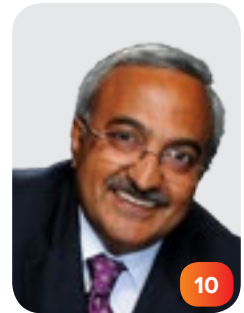
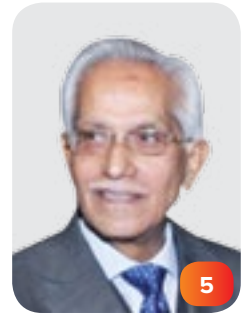
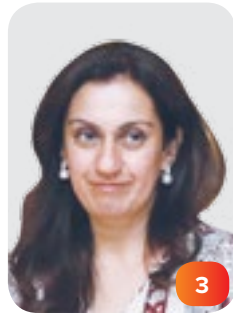
Community  
Service



Sports



# PROFILE OF BOARD OF DIRECTORS



1

**Dharmendar Nath Davar** is the Chairman and Non Executive, Non-Independent Director of our Company. A distinguished professional Development Banker with innate expertise in Corporate Management, has obtained the degree of B.Com (Hons.), M.A. (Economics), Certified Associate of the Indian Institute of Bankers and is a Fellow of the Economic Development Institute of the World Bank. After serving the Punjab National Bank (PNB) in senior management position(s) upto 1968, he joined Industrial Financial Corporation of India (IFCI), a well-known national level premier financial institution and retired on completion of two terms spreading over eight years as an Executive Chairman in 1992. He had also been on the Boards and Executive Committees of IDBI and IRBI for nearly 9 years and also on the Board of LIC Housing Finance Co. He had been, for several years, a part time Consultant to the World Bank, UNIDO and KFW. Presently he is on the Boards of several reputed companies, training institutions and nongovernmental (social) organizations.

2

**Jayant Davar** is the Co-chairman and Managing Director of our Company. He is the founding Director and is the Promoter of our Company. He holds a bachelors' degree in mechanical engineering from the Punjabi University, Patiala, and has successfully completed the owner / president management programme from the Harvard Business School. He was the Chairman of the Confederation of Indian Industries, Northern Region, and has been the President of the Auto Component Manufacturers Association in the past. He has three decades of experience in the auto components sector. He was awarded the distinguished alumnus during the year 2009 from Thapar Institute of Engineering and Technology.



## 02-18

3

**Monica Davar** is a Non-Independent, Non-Executive Director of our Company. She was appointed as a Director in 1987. She completed her pre-university studies in the commerce stream. She has over 34 years of experience in the auto components sector.

4

**Mohan Lal Bhagat** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company on February 2, 1993. He holds a bachelors' degree in commerce from the University of Calcutta. Mr. Bhagat has over 42 years of experience in the areas of financial and management consultancy. He has been a Nominee Director on the Board of various companies on behalf of All India and State Financial Institutions from time to time in addition to being an Independent Director on the Board of many other companies in his personal capacity.

5

**Krishan Lal Chugh** is an Independent Director of our Company. He was appointed as an Independent Director of our Company on March 14, 2003. He has a bachelors' degree in mechanical engineering from Delhi College of Engineering. He is the Chairman Emeritus of ITC Group, and has been past member of the Board of Governors, Administrative Staff College of India, Hyderabad. This apart, he has also been the Past President of All India Management Association, the alternate president of the Associated Chambers of Commerce and Industry of India and the former director of Central Board of Reserve Bank of India. He has over five decades of experience in the areas of Heavy industries, Fast-moving consumer durables, and Paper industry.

6

**Arvind Kapur** is an Independent Director of our Company. He is the promoter of Rico Auto Industries Limited and is presently serving as the Chairman, CEO and Managing Director. Mr. Kapur has rich experience of over four decades in the automotive industry and has acquired expertise in all vital aspects of the business. He is a director on the board of several leading companies. Mr. Kapur is actively involved in professional bodies. He held the office of the President of ACMA (Automotive Component Manufacturers Association of India) for the year 2011-12. He has also represented the Executive Body of Confederation of Indian Industry. Mr. Kapur is a graduate from St. Stephen's College, Delhi and Alumni of the Harvard Business School, USA.

7

**Archana Capoor** is an Independent Director of our Company. She was appointed as an Independent Director of our company on 05th November, 2018. She holds a masters' degree in Business Administration with specialization in Finance and Market Research, University of Allahabad, UP (India). She has a versatile profile in different sectors such as Tourism, Banking & Finance and Social. She is an Independent Director of 5 listed Companies, 1 Public sector Company and since 2014 is also a Member Secretary and Project Director of an NGO i.e. Indian Trust for Rural Heritage and Development (ITRHD). She has over 35 years of work experience in Finance and International Business.

8

**Arjun Sharma** is an Independent Director of our Company. He was appointed as an Independent Director of our Company on May 24th, 2016. He holds a bachelors' degree in commerce from University of Delhi. He is the chairman of Select Group, a business house that has diversified interests in Shopping Centre, Hospitality, Travel, Technology, Retail and Private Equity.

9

**Bharat Anand**, is an Independent Director of our Company. He is a Partner in the Corporate Department of Khaitan & Co. Bharat's practice spans a range of areas including mergers and acquisitions, joint ventures, private equity transactions as well as being a strategic advisor on particularly complex or sensitive situations in India. He has a wide range of industry experience including financial services, insurance, renewable energy, telecom, information technology, manufacturing and consumer goods. He represents financial sponsors, founders and family offices on control deals, growth capital investments, joint ventures and exits. He has also advised Indian and foreign clients on disputes in India.

Bharat is ranked by both Chambers Asia Pacific and UK as a "Band 1 Lawyer" for M&A work in Delhi and is recognised as a Global Leader by "Who's Who Legal" for M&A and Governance issues.

Bharat joined Khaitan & Co in 2009 with direct responsibility for the Firm's Corporate and M&A practice in Delhi and is a member of the Firm's National Executive Committee. Prior to joining Khaitan & Co, Bharat had a successful career at the London offices of Freshfields from 2001 until 2009.

Bharat plays an active role in leading industry associations in India. He is Co-Chair of FICCI's Committee on Stressed Assets and a member of CII's Committee on Transparency and Governance.

Bharat read law at Jesus College, Cambridge and is an alumnus of St. Columbia's School. He is a dual qualified lawyer from India and England Wales.

10

**Vimal Mahendru** is an Independent Director of our Company. He is the President of Legrand-India. In his present role, he guides strategic initiatives of the company, especially forays into new and emerging markets.

Besides this, Vimal is presently the International Electrotechnical Commission Standardization Management Board (IEC SMB) member from India and IEC Ambassador for the UN Sustainable Development Goals, representing IEC in various government and stakeholder fora on impact of effective standardization to ensure sustainability. He is additionally chairman of the IEC Systems Committee on Low Voltage Direct Current (IEC SyC-LVDC). Besides, he is also a member of the National Executive Council of the Indian Electrical and Electronics Manufacturers' Association (IEEMA). He has over 32 years of diverse experience in various functions in the manufacturing industry.

# CORPORATE INFORMATION

## Board of Directors

### Shri Dharmendar Nath Davar

Chairman & Non-Executive Director

### Shri Jayant Davar

Co-Chairman & Managing Director

### Smt. Monica Davar

Non-Executive Director

### Smt. Archana Capoor

Independent Director

### Shri Arjun Sharma

Independent Director

### Shri Bharat Anand

Independent Director

### Shri Arvind Kapur

Independent Director

### Shri Ravinder Nagpal

Independent Director  
(Shri Ravinder Nagpal demised on 2<sup>nd</sup> May 2021)

### Shri Krishan Lal Chugh

Independent Director

### Shri Mohan Lal Bhagat

Independent Director

### Shri Vimal Mahendru

Independent Director

## Chief Financial Officer (CFO)

### Shri Yashpal Jain

(Appointed as CFO with effect from 16<sup>th</sup> March 2021)

## Audit Committee

### Smt. Archana Capoor

Chairman

### Shri Arvind Kapur

Member

### Shri Jayant Davar

Member

## Nomination & Remuneration Committee

### Shri Krishan Lal Chugh

Chairman

### Shri Arjun Sharma

Member

### Shri Vimal Mahendru

Member

## Stakeholder Relationship Committee

### Shri Arjun Sharma

Chairman

### Shri Arvind Kapur

Member

### Shri Jayant Davar

Member

## Corporate Social Responsibility Committee

### Shri Jayant Davar

Chairman

### Shri Arvind Kapur

Member

### Smt. Monica Davar

Member

## Finance Committee

### Shri Dharmendar Nath Davar

Chairman

### Shri Jayant Davar

Member

### Shri Vimal Mahendru

Member

## Share Transfer & Allotment Committee

### Shri Jayant Davar

Chairman

### Smt. Archana Capoor

Member

### Shri Vimal Mahendru

Member

## Compliance Officer

### Smt. Komal Malik

Plot No. 13, Sector 44,  
Gurgaon – 122001 Haryana - India

Tel No: 0124-4518900

Fax No: 0124-4518912

Email: investors@sandhar.in

## Corporate Identity Number (CIN)

L74999DL1987PLC029553

## Bankers

State Bank of India  
HDFC Bank Limited  
Citi Bank N.A.  
DBS Bank Limited  
Yes Bank Limited

## Registered Office

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029

E-mail : info@sandhar.in

## Corporate Office

Plot No 13, Sector 44  
Gurgaon-122002

E-mail : info@sandhar.in

## Registrar & Share Transfer Agent

M/s Link Intime India Private Limited  
C-101, 1st floor 247 Park  
L B S Marg, Vikhroli (West)  
Mumbai 400 083

Tel: +91 22 4918 6270;

Fax: +91 22 4918 6060

E-mail: mumbai@linkintime.co.in

Investor Grievance e-mail:  
rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in



# DIRECTORS' REPORT

## Dear Shareholders,

The Directors of your Company take pleasure in presenting its 29th Annual Report on the business and operations of the Company together with financial statements for the financial year ended the 31st March, 2021.

## OPERATIONS - FINANCIALS

The summarised standalone and consolidated financial results of the Company for the financial year ended the 31st March, 2021 as compared to the previous year are as under:

(₹ in Lacs)

Corresponding figures for the previous year have been regrouped / recast wherever necessary to correspond to current year / year Classification	Standalone		Consolidated	
	Financial Year		Financial Year	
	2020-21	2019-20	2020-21	2019-20
<b>Revenue and other Income (Net of GST)</b>	<b>1,59,470.13</b>	<b>1,65,015.33</b>	<b>1,87,434.14</b>	<b>1,95,344.67</b>
<b>EBITDA as per financial statement</b>	16,314.16	16,916.09	19,918.30	20,641.75
<b>Less: Financial Expenses</b>	(909.43)	(1,263.43)	(1,602.06)	(2,045.63)
<b>Profit before Exceptional Items, Depreciation &amp; Tax</b>	15,404.73	15,652.66	18,316.24	18,596.12
<b>Less: Depreciation</b>	(6,857.01)	(7,560.17)	(9,394.78)	(9,841.47)
<b>Profit Before Exceptional Items and Tax Provisions</b>	8,547.72	8,092.49	8,921.46	8,754.65
<b>Less: Share in loss of jointly controlled entity</b>	-	-	(1,119.93)	(949.72)
<b>Less: Tax Provisions</b>	(2,024.52)	(2,000.39)	(2,018.17)	(2,107.05)
<b>Net Profit After Tax Provisions</b>	<b>6,523.20</b>	<b>6,092.10</b>	<b>5,783.36</b>	<b>5,697.88</b>
<b>Add: Other Comprehensive Income/Expense</b>	(400.20)	734.07	(374.53)	963.21
<b>Less: Profit attributable to Non-controlling interest</b>	-	-	(6.50)	(12.05)
<b>Less: Appropriations:</b>				
Dividend	(1,203.81)	(1,504.76)	(1,209.84)	(1,529.15)
Corporate Tax on Dividend Distribution	-	(299.45)	-	(299.45)
<b>Balance carried forward in Balance Sheet</b>	<b>4,919.19</b>	<b>5,021.96</b>	<b>4,192.49</b>	<b>4,820.44</b>

## INDUSTRY UPDATE

The Industry produced a total 22,652,108 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle during April 20 -March 2021 as against 26,353,293 in April 19- March 2020 with a decline of (-) 14.04%.

March 2021 was a rewarding month for the Indian automobile industry as the sales increased by 76.75% compared to March 2020. This significant growth is with respect to a low base month due to a nationwide lockdown in March 2020 which led to less no. of potential customers in March 2020. The figures revealed by Society of Indian Automobile Manufacturing (SIAM) shows that automobile sales in India in the FY 2020-2021 dropped by 13.60% as compared to FY 2019-2020. Four-wheeler sales declined by 2.24% (thanks to SUV sales that grew by 12.13%) while two-wheeler sales in India declined by 13.19%.

## IMPACT OF COVID - 19

The second wave of Covid - 19 and the last year experience has resulted in keeping the potential buyers away from making vehicle purchases. The effects of the same can be seen in the two-wheeler category. This coupled with semiconductor shortage

will continue to hamper not only passenger vehicles but also two-wheelers as Anti-Lock Breaking System (ABS) shortage is currently ringing alarming bells.

## STATE OF COMPANY'S AFFAIRS

Discussion on the state of affairs of the Company has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is presented in a separate section forming part of this Annual Report.

## AMOUNT TRANSFERRED TO RESERVE

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

## DIVIDEND

The Board of Directors of your Company in its meeting held on 13th February, 2021, declared an Interim Dividend of Rs. 1.25 per equity share as per particulars below:

S.No	Date of Declaration	Rate of Dividend	Amount (Rs. in Lacs)
1	13th February, 2021 (Interim Dividend)	12.5%	752.38

Further, the Board in its Meeting held on 21st May, 2021 recommended a Final Dividend of Rs. 1/- per equity share for the Financial Year ended on 31st March 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable provisions of the Companies Act, 2013 ("Act") read with the rules issued thereunder and Indian Accounting Standard (AS)-110 on Consolidated Financial Statements, read with Ind AS-28 Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statement for the FY ended 31st March, 2021 is provided in this Annual Report.

During the year, the Board of Directors reviewed the affairs of the subsidiaries in accordance with Section 129(3) of the Companies Act, 2013. Consolidated financial statements together with the auditor's report form part of this annual report.

## SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 7,000.00 Lacs divided into 680.00 Lacs Equity Shares of Rs. 10/- (Rupees Ten only) each and 2.00 Lacs Preference Shares of Rs. 100/- (Rupees Hundred only) each. The Paid up Capital of the Company is Rs. 6,019.07 Lacs divided into 601.91 Lacs Equity Shares of Rs. 10/- each.

There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

## SUBSIDIARIES AND JOINT VENTURES

During the year under review, new overseas step down subsidiary viz Sandhar Technologies Ro SRL and new Joint Venture namely, Sandhar Daeshin Technologies Private Limited has been incorporated. As at 31st March, 2021 the Company had following Subsidiaries and Joint Ventures:

### Subsidiaries:

- i. Sandhar Technologies Barcelona S.L including step down subsidiaries at Mexico, Poland and Romania
- ii. Sandhar Tooling Private Limited
- iii. Sandhar Strategic Systems Private Limited

### Joint Ventures:

- i. Sandhar Han Sung Technologies Private Limited
- ii. Jinyoung Sandhar Mechatronics Private Limited
- iii. Sandhar Daewha Automotive Systems Private Limited<sup>1</sup>
  - (a) Sandhar Autotech Private Limited
  - (b) Daewha India Private Limited

(Subsidiaries of Sandhar Daewha Automotive Systems Private Limited)

- iv. Sandhar Amkin Industries Private Limited<sup>2</sup>
- v. Kwangsung Sandhar Technologies Private Limited<sup>3</sup>
  - (a) Kwangsung Sandhar Automotive Systems Private Limited (Subsidiary of Kwangsung Sandhar Technologies Private Limited)
- vi. Sandhar Daeshin Auto Systems Private Limited
- vii. Sandhar Whetron Electronics Private Limited
- viii. Winnercom Sandhar Technologies Private Limited
- ix. Sandhar Han Shin Auto Technologies Private Limited
- x. Sandhar Daeshin Technologies Private Limited
- xi. Sandhar ECCO Green Energy Private Limited\*
- xii. Sandhar Han Shin Automotive Private Limited\*\*

### Note:

1,2&3 Sandhar Daewha Automotive Systems Private Limited, Sandhar Amkin Industries Private Limited and Kwangsung Sandhar Technologies Private Limited are treated as Joint Ventures for the purpose of preparation of financial statements as required under Ind-AS. However, the Shareholding of Sandhar Technologies Limited in these Companies exceeds 50% therefore, as per the provisions of Companies Act, 2013 they are treated as Subsidiaries.

\*Sandhar ECCO Green Energy Private Limited is under process for Voluntary Winding Up.

\*\*Sandhar Han Shin Automotive Private Limited as on date is under process of Strike Off.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing the salient features of financial statement of the Companies' Subsidiaries, Joint Ventures and Associates in form AOC-I is attached to the Financial Statements of the company.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013 the Financial Statements of the company, consolidated financial statements alongwith relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the company at [www.sandhargroup.com](http://www.sandhargroup.com).

Details of subsidiaries of the Company and their performance are covered in Management Discussion and Analysis Report forming part of the Annual Report.

## CAPEX AND LIQUIDITY

During the fiscal Company spent Rs. 8,231.60 Lacs on Capex and Investments in Joint Ventures. Despite this significant spent, the Company was able to keep the gross debt level stable during the year.

Cash and Cash Equivalents at the Consolidated level as at the 31st March, 2021 was Rs.596.90 Lacs vis-à-vis Rs.670.37Lacs in the previous fiscal.

## DEPOSITS

The Company has not accepted any deposits, thus far, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

## RELATED PARTY TRANSACTION

Following the provisions of Section 188(1) of the Companies Act, 2013, all Related Party contracts / arrangements / transactions entered by the Company during the financial year had been in the ordinary course of business and on arm's length basis, with Audit Committee having a domain role. The Board of Directors brought into picture, wherever necessary and/or obligatory. Therefore, the provision of Section 188 of the Companies Act, 2013 were not attracted. There are no materially significant Related Party Transaction during the year under review made by the Company with Promoters, Directors or other designated person which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. During the year, the Company has not entered into any contract / arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Related party transactions were disclosed to the Board on regular basis. Details of related party transactions may be referred to in Note 32 of the Standalone Financial Statements.

## MATERIAL CHANGES AND COMMITMENTS

There have been no significant or material changes in the operations, commitments and governance aspects, after the financial year ended the 31st March, 2021, except to the extent reported.

## IN-HOUSE R & D DIVISION:

A state of the art R & D Division with dedicated team forms an integral part of Sandhar Technologies Limited. With real-time emphasis on Research and Development, supported with requisite Government approvals the innovations, are effected within defined time lines

## INFORMATION TECHNOLOGY

The Company continues to take full advantage of Information Technology, leveraging it as a source of competitive advantage. As in earlier years, the enterprise wide Oracle ERP platform forms the backbone of IT and encompasses all core business processes in the Company and also provides a comprehensive data warehouse with analytics capability that helps in better and speedier decisions.

Multiple new initiatives have been taken, to ensure that the investments in creation, maintenance and upgradation of IT Infrastructure is kept at optimal level and relevant new technologies are adopted to facilitate risk mitigation, ensuring business continuity, achieve scalability in operations and ensuring that data security and privacy are not compromised.

Company has already upgraded its ERP platform from On premise Oracle EBS to Cloud based Oracle Fusion Technology Platform, which covers all core business processes including end-to-end solution for digital expense management giving employees easy data entry options, and financial managers detailed spend information and policy-driven control.

## CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values and aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with firm commitment to values, while meeting stakeholders' expectations. Further corporate governance is based on the principles of conducting the business with all integrity, fairness and being transparent with all the transactions, making the necessary disclosures and decisions, complying with the laws of the land, accountability and responsibility towards the stakeholders and commitment of conducting the business in an ethical manner. At Sandhar, it is ensured that Company's affairs are managed in a fair and transparent manner. This is vital to continue to gain and retain the trust of its stakeholders.

A separate section on Corporate Governance standards followed by your Company and the relevant disclosures, as stipulated under the Listing Regulations, Companies Act, 2013 and Rules made thereunder, forms part of this Annual Report.

A Certificate from M/s K.K. Sachdeva & Associates, Practising Company Secretary, confirming the compliance by the Company to the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of this Annual Report.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors on the Board. The composition of the Board is as follows:

Non-Executive Directors	Shri Dharmendar Nath Davar (Chairman)
	Smt. Monica Davar
Executive Director	Shri Jayant Davar
	(Co-Chairman & Managing Director)
Non-Executive Independent Directors	Shri Arvind Kapur
	Shri Ravinder Nagpal
	(Till 02nd May, 2021)
	Shri Krishan Lal Chugh
	Shri Mohan Lal Bhagat
	Shri Arjun Sharma
	Shri Bharat Anand
	Shri Vimal Mahendru
	Smt. Archana Capoor



Key Managerial Personnel (KMP)	Shri Yashpal Jain, Chief Financial Officer (appointed w.e.f. 16th March, 2021) Smt Komal Malik, Company Secretary and Compliance Officer (appointed w.e.f. 6th November, 2020)
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## CHANGE IN DIRECTORS & KMP

- Shri Ravinder Nagpal, Independent Director passed away on the 02nd May, 2021 due to Covid.
- Shri Arvind Joshi Whole Time Director, and KMP (resigned from the closing hours of 10th May, 2020)
- Shri Puru Aggarwal appointed as Chief Financial Officer w.e.f 1st August, 2020 and Whole Time Director of the Company w.e.f 06th November, 2020 and resigned from the closing hours of 26th February, 2021.
- Shri Narender Kumar Dogra, Chief Financial Officer (Interim) appointed on the 11th May, 2020 and resigned with effect from closing Hours of 31st July, 2020.
- Km. Subhi Gupta, Company Secretary & Compliance Officer (Interim) appointed on the 11th May, 2020 and resigned with effect from 6th November, 2020.

All the Non-Executive Independent Directors are not disqualified to be appointed as such under the relevant provisions of the Companies Act, 2013 and the rules made thereunder and shall not be subject to determination by retirement of Directors by rotation. In terms of Section 149, 159, 152, 160 and other applicable provisions, if any of the Companies Act, 2013, the Independent Directors been appointed for 5 years, are not liable to retire by rotation.

## Retirement of Directors by rotation

In terms of Section 152 of the Act, Shri Dharmendar Nath Davar, Chairman and Smt. Monica Davar, Non-Executive Director, shall retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice of 29th AGM.

## MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming quarter is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving some proposals by circulation from time to time.

During the year under review, Six Board Meetings were held and the gap between the meetings was as per the period prescribed under the Companies Act, 2013.

S.No	Date of Board Meeting	Board Strength	No. of Directors Present
1	11th May, 2020	11	11
2	27th June, 2020	11	10
3	13th August, 2020	11	11
4	06th November, 2020	12	11
5	13th February 2021	12	12
6.	05th March, 2021	11	9

Additionally, several Committee meetings were held during the year including Audit Committee. The detailed information on the meetings of the Committees are included in the Report on Corporate Governance, which forms part of this Annual Report.

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on the 31st March, 2021, the Board consists of Eleven members - including, one Executive or Managing Director, two Non-Executive Directors including one Woman Director and Eight Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under Section 178 (3) of the Companies Act, 2013 is adopted by the Board. The remuneration paid to the Directors is as per the provisions of Companies Act, 2013 and the rules thereunder. **Annexure-IA**, Policy for Selection of Directors and determining Director's Independence and Appointment and Remuneration Policies are annexed as **Annexure – IB**.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each 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 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015 ("the Listing Regulations").

There has been no change in the circumstances offering their status as Independent Directors of the Company or to qualify under the Companies Act, 2013 and the relevant regulations.

## SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Directors of the company met separately on the 13th February, 2021 to inter alia review the performance of non-independent directors (including the Chairman), the entire board the quality, quantity and timelines of the flow of information between the management and Board.

## **DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178 OF COMPANIES ACT, 2013**

As stipulated under Section 178 of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, the Board has approved a Nomination and Remuneration Policy of the Company. The Policy documents the mechanism for appointment, cessation, evaluation and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company. Information on the Policy and details of the criteria for determining qualifications, positive attributes and other matters in terms of Section 178 of the Act are provided in the Corporate Governance Report.

## **INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2020-21**

The Board meetings of the Company are conducted as per the provisions of the Companies Act, 2013 Listing Regulations and applicable Secretarial Standards. Information as mentioned in the Act and Schedule II to the Listing Regulations and all other material information, as may be decided by the management, is placed for consideration of the Board. Details on the matters to be discussed along with relevant supporting documents, data and other information is also furnished in the form of detailed agenda to the Board and the Committees concerned, to enable directors take critical decisions and accordingly advise the management.

Details regarding information furnished to the Board members, number of Committee and Board meetings held during the year along with attendance record of each director has been disclosed in the Corporate Governance Report of the Company.

## **PERFORMANCE EVALUATION OF THE BOARD**

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. On the basis of the laid out Policy, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors including Chairman.

The Company is committed to benchmark itself with best practices and standards in all areas including Corporate Governance. To this end, the Board has the analytical and functional support of Committee of Directors, Audit Committee, Nomination & Remuneration Committee & Corporate Social Responsibility Committee. The system brings insight & effectiveness in to the designated areas of Corporate Governance.

## **COMMITTEES OF THE BOARD**

Currently, the Board has Six Committees which have been established in compliance with the requirements of the business and relevant provisions of the applicable laws and statutes. These are:

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Corporate Social Responsibility Committee,
4. Stakeholders Relationship Committee,
5. Share Transfer & Allotment Committee and
6. Finance Committee.

The details with respect to the composition, terms of reference, number of meetings held etc. of these Committees are given in the Report on Corporate Governance which forms part of this Annual Report.

## **INSIDER TRADING POLICY FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a "Insider Trading Policy" Further, the Company has also adopted a "Corporate Policy on Investor Relations"

The Insider Trading Policy and Corporate Policy on Investor Relations are drawn up on the principle that the Company's directors and employees owe a fiduciary duty, amongst others, to the shareholders of the Company to place the interest of shareholders above their own and conduct their personal securities transactions in a manner that does not give rise to any conflict of interest. These codes lay down the mechanism for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") to the investor community by the Company to enable them take informed investment decisions with regard to its securities.

The Insider Trading Policy prescribes the procedure for trading in securities of the Company and the disclosures to be made by persons covered under the Insider Trading Policy with respect to their shareholding in the Company, both direct and indirect.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In the preparation of annual accounts for the year ended the 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies 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 as at the 31st March, 2021 and of the Profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care 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

4. The Directors have prepared the annual accounts on a going concern basis.
5. The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such Systems are adequate and operating effectively.

## POLICIES OF THE COMPANY

The Company is committed to high ethical standards in its business transactions guided by its value systems. The Listing Regulations mandate formulation of certain policies for listed companies. Accordingly, the Board of Directors has from time to time framed and approved policies as required by the Listing Regulations as well as under the Act. These policies are reviewed by the Board at periodic intervals.

Some of the key policies that have been adopted till date are as follows:

S.No	Name of Policy
1	Code of Conduct Policy
2	Determination of Materiality and Dealing with Related Party Transactions
3	Remuneration Policy
4	Whistle Blower Policy
5	Independent Director Policy
6	Policy on Material Subsidiaries
7	Insider Trading Policy & Corporate Policy on Investor Relations
8	CSR Policy
9	Policy for preservation of Documents and Archival of Documents
10	Policy on familiarisation of Independent Directors
11	Policy for Determination of Materiality of Events

The Policies are available on the Company's website on the link <https://sandhargroup.com/investors/investors>

## BUSINESS RISK MANAGEMENT

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 the Company may constitute a Business Risk Management Committee which shall be entrusted with the responsibility to assist the Board in:

- Formulating and implementing Risk Management Policy;
- Overseeing and approving the Company's enterprise wide risk management framework; and

- Overseeing that all the risks that the Company faces such as strategic, financial, credit, market, liquidity, property, IT, legal, regulatory, reputational, employee and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

At present the Company has not identified any element of risk which may perceptibly threaten the existence of the Company.

## FAMILIARISATION PROGRAMMES

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the Company held familiarisation programmes for the Independent Directors on an ongoing and continuous basis. The details of such familiarisation programmes are placed on website <https://sandhargroup.com/uploads/Test/stlfamiliarisation-programme2020-2021.pdf>

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy is in place. There has been no case to report for the FY 2020-2021, no individual was denied access to the Audit Committee for reporting concerns, if any.

## 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.

## AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (Firm's Registration No. 101248W/W-00022), hold office up to the conclusion of the 30th AGM.

M/s. BSR & Co. LLP were appointed as Statutory Auditors of the Company from the conclusion of 25th AGM i.e. from 29th July, 2017. In terms of the proviso to Section 139(1) of the Act, the said appointment was subject to ratification by Members at every AGM held during the tenure of their appointment. The proviso to Section 139(1) of the Act has been omitted by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018; accordingly, the requirement of ratifying appointment of statutory auditors at every annual general meeting, during their tenure of appointment, has been dispensed with.

The Auditors' Reports, including the one on Internal Financial Controls, does not carry any observation or infirmity in the Company's affairs.



## SECRETARIAL AUDITORS

As required u/s 204 of the Companies Act 2013 and rules hereunder, M/s K.K Sachdeva & Associates shall be reappointed as the Secretarial Auditors of the Company to conduct Secretarial Audits for the year ended 31st March 2022.

## SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2021 is set out in **Annexure-II** to this report. The Secretarial Audit Reports does not contain any qualification, reservation or adverse remark or disclaimer.

## INTERNAL AUDITORS

The Board on the recommendation of audit committee approved the appointment of M/S GSA & Associates, Internal Auditors, for conducting the Internal Audit of the Company for the financial year 2021-2022.

## COST AUDITORS

M/s. A.N. Satija & Co was appointed as the Cost auditors of the Company at the meeting of Board of Directors held on the 13th August, 2020 for the Financial Year 2020-2021. Due to sudden demise of Shri A.N. Satija, proprietor of M/s. A.N. Satija & Co the position of Cost Auditor was vacated. As per the applicable provisions of the Companies Act, 2013 any casual vacancy caused due to the resignation or death or removal shall be filled by the Board within a period of 30 days from the occurrence of such vacancy. Accordingly, the Board at its Meeting dated 21st May 2021 appointed M/s Satija & Co. (FRN 004907) as Cost Auditors to fill the casual vacancy and to conduct the cost audit of cost records maintained for the financial year ended March 31, 2021. The Cost Auditor for the Financial Year 2021-2022 shall be appointed in due course.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

The Company's internal control systems as laid down are commensurate with the nature of its business, the size and the complexity of its operations. These are tested and certified by Statutory as well as Internal Auditors and cover all factories and key areas of business. Significant audit observations and follow up action thereon are reported to the Audit Committee. The Audit Committee, as aforesaid, reviews adequacy and effectiveness of the Company's internal control environment including in-house Commercial Audit headed by a senior professional and monitors the implementation of audit recommendations, including those relating to strengthening and adequacy of the Company's Risk Management policies and systems.

## EXTRACT OF ANNUAL RETURN

In terms of Sections 92(3) and 134(3) (a) of the Act and Rules made there under, extract of the Annual Return in Form No. MGT-9 is annexed as **Annexure- III** to this Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

A Statement containing Particulars of Employees as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed **Annexure- IV**.

Further, pursuant to the provision to Section 136(1) of the Companies Act 2013 read with the Rule 5(2) of the companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, will be sent to the members of the Company on request.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy), Rules, 2014, the Company has established Corporate Social Responsibility Committee (the "CSR Committee") and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities forms part of this Report as **Annexure V**.

In this regard following the recommendation of the said Committee, the Board has approved the CSR policy, which is also available on the website of the Company i.e. [www.sandhargroup.com](http://www.sandhargroup.com).

The composition of the CSR Committee is covered under the Corporate Governance Report which forms the part of the Annual Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTFLOW AND RESEARCH & DEVELOPMENT

The information pertaining to conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow and Research & Development activities carried on by the Company 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 VI** which forms a part of this Report.

## INVESTOR EDUCATION & PROTECTION FUND

During the year under review there is no amount which is required to be transferred to the investors education & protection fund as per the provisions of section 125 (2) of the Companies Act, 2013.

## BUSINESS RESPONSIBILITY REPORT

The business responsibility report as stipulated under regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is presented in a separate section forming part of the annual report.

## CREDIT RATING

During the year under review India Rating & Research, a credit rating agency registered with SEBI had given the credit ratings as follows:

- i) Long Term Ratings: IND AA-/stable
- ii) Short Term Ratings: IND A1+

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

There was no significant and material order passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Directors state that applicable Secretarial Standards have been followed during the financial year 2020-2021.

## ANNUAL RETURN

Pursuant to the applicable provisions of the Act read with the rules the the copy of the Annual Return is available on the website of the Company. The weblink of such annual return is <https://sandhargroup.com/investors/annual-general-meeting>.

## FRAUD REPORTING

During the year under review, no fraud has been reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

## CAUTIONARY STATEMENT

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

## PERSONNEL & INDUSTRIAL RELATIONS

Cordial atmosphere across functional verticals / units contributed, as before, to the overall satisfactory performance of the Company. The Directors place on record their deep appreciation of the inspiring and motivating leadership provided by the Co-Chairman & Managing Director, ably supported by Chief Financial Officer and Company Secretary and the commendable team work done by the executives, staff and workers at all levels in various units at different locations.

## ACKNOWLEDGEMENT

Your Directors are grateful for the co-operation and guidance received from the Banks. The Board specially wishes to place on record their sincerest gratitude for the patronage it received from Hero MotoCorp Limited, Honda Cars India Limited, Honda Motorcycle & Scooters Limited, TVS Motor Company Limited, JCB India and Royal Enfield.

**For and on behalf of the Board of Directors**  
Sandhar Technologies Limited

Sd/-  
**D.N. Davar**  
Chairman  
DIN: 00002008

Sd/-  
**Jayant Davar**  
CO-Chairman &  
Managing Director  
DIN: 00100801

Place : Gurugram  
Date : 21st May, 2021



# Annexure IA to Directors' Report, 2021

## Policy for Selection of Directors and determining Director's Independence

### BACKGROUND

Sandhar Technologies Ltd. (including its subsidiaries) (hereinafter referred as the 'Company') believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical in complete compliance of laws.

#### Objective

In order to comply with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the "Committee") had formulated this policy (the "Policy").

#### The key objectives of the Policy are as follows:

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and other Employees.

- To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- To provide for Key Managerial Personnel and Senior Management reward linked incentives directly linked to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a Policy on Board Diversity.
- To develop a succession plan for the Board and to regularly review the plan.
- To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

### AUTHORITY FOR LAYING DOWN THE CRITERIA FOR PERFORMANCE EVALUATION OF BOARD & INDEPENDENT DIRECTORS

The Nomination & Remuneration Committee of the Company shall formulate the criteria for performance evaluation of the Board & Independent Directors, which shall be approved by the Board.

The evaluation shall be done by the entire Board (excluding the director being evaluated). The criteria shall be reviewed by the Nomination & Remuneration Committee and the Board from time to time.

### BRIEF OVERVIEW OF THE PROVISIONS OF COMPANIES ACT, 2013 & REGULATION 19 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In order to comply with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II to the SEBI Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual directors. Based thereon, the evaluation is carried out by the Nomination and Remuneration Committee and the Board.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual director's (Section 178 & Companies (Meetings of Board and its Powers) Rules 2014).

The performance evaluation of independent directors (as defined in these provisions) shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director (Section 149 – Schedule IV & Companies (Appointment and Qualification of Directors) Rules 2014 & Regulation 19 read with Schedule II to the Listing Regulations

Code for Independent Directors has been laid down. (Section 149 – Schedule IV & Regulation 19 read with Schedule II to the SEBI Listing Regulations.

#### Qualifications for appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.

- Persons whose name is included in the data bank as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.**

**Positive attributes of Directors (including Independent Directors):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI LODR as amended from time to time.

**For appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

**INDIVIDUAL DIRECTOR EVALUATION & OVERALL BOARD EVALUATION PROCESS**

The criteria are based for assessment of peer directors and assessment of the overall performance of the Board.

EACH DIRECTOR has to complete an evaluation sheet by giving the appropriate rating number related to each of the criteria mentioned below that most closely reflects: -

- performance of individual peer directors, and
- overall performance of the Board.

**For each of the criteria, rating number ranges between 1 and 5 as follows: -**

01-indicating minimum positive.

05-indicating maximum positive.

00- indicating where the particular criterion is not applicable or Director does not have enough knowledge or information.

Separate sheet would be provided to each director for evaluation.

The ratings will be compiled and placed before the Board for discussions and evaluation.

The evaluation exercise is to be completed within a time frame.

**RATING CRITERIA (Ratings from 1-5)**

**INDIVIDUAL PEER REVIEW (by all directors)**

- Whether the Directors uphold ethical standards of honesty and virtue?
- Whether the Directors have appropriate qualifications to meet the objectives of the Company?
- Whether they have financial/accounting or business literacy/skills?
- Whether they have automotive industry knowledge?
- How actively and successfully do they refresh their knowledge and skill & are they up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the automotive industry and market conditions?
- How well prepared and well informed are they for Board/Committee meetings?
- Do they show willingness to spend time and effort learning about the Company and its business?
- Is the attendance of Directors at Board /Committee meetings satisfactory?
- Do they actively participate in the Board /Committee meetings?
- Can they present their views convincingly, yet diplomatically?
- Do they listen to the views of others?
- How cordial are their relationships with other Board/Committee members and Senior Management?
- What have been the quality and value of Director's contributions at Board/Committee meetings?



- What has been their contribution to the development of strategy and risk management and how successfully they have brought their knowledge and experience to bear in the consideration of these areas?
- Where necessary, how resolute are they in holding to their views and resisting pressure from others?
- How effectively have they followed up matters about which they have expressed concern?
- How well do they communicate with other Board/Committee members, senior management and others?

#### **BOARD/COMMITTEE VALUATION (by all directors):**

- Whether Board / Committee have diversity of experiences, backgrounds & appropriate composition?
- Whether Board / Committee monitor compliance with corporate governance, laws, regulations and guidelines?
- Whether Board / Committee demonstrate integrity, credibility, trustworthiness, an ability to handle conflict constructively, and the willingness to address issues proactively?
- Whether Board / Committee dedicate appropriate time and resources needed to execute their responsibilities?
- Whether Agenda and related information are circulated in advance of Board / Committee meetings to allow Directors sufficient time to study and understand the information?
- Whether written materials provided to Board / Committee members are relevant and concise?
- Whether the Chairman encourages inputs on agenda of Board / Committee meetings from their members, management, the internal auditors, and the independent auditor?
- Whether meetings of Board / Committee are conducted effectively, with sufficient time spent on significant matters?
- How well does management respond to request from the Board/ Committee for clarification or additional information?
- Whether proper minutes are maintained of each meeting of Board / Committee?
- Whether Board / Committee meetings are held with enough frequency to fulfil the Board's /Committee's duties?
- Whether Board / Committee {as required} consider the quality and appropriateness of financial/ accounting and reporting, including the transparency of disclosures?
- Whether Board / Committee consider the statutory audit plan and provide recommendations?
- Whether Board / Committee ensure that management takes action to achieve resolution when there are repeat comments from statutory auditors?
- Whether adjustments to the financial statements that resulted from the statutory audit are reviewed by the Audit Committee,

regardless of whether they were recorded by management?

- Whether Board / Committee oversee the role of the statutory auditors and have an effective process to evaluate the auditor's qualifications and performance?
- Whether Board / Committee review the audit fees paid to the statutory auditors?
- Whether Board/ Committee consider internal audit reports, management's responses, and steps toward improvement?
- Whether Board/ Committee oversee the process and are notified of communications received from governmental or regulatory agencies related to alleged violations or areas of non-compliance?
- Whether the contributions of the Board/ Committee to ensuring robust and effective risk management are adequate?

#### **EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

Each Independent director shall be evaluated by all other Directors of the Board but not by the Independent Director themselves.

Section 150 of the Companies Act, 2013 provides that "an independent director can be selected from a data bank maintained by any-body, institute or association, as may be notified by the Central Government. The data bank would contain names, addresses and qualifications of persons who are eligible and willing to act as independent directors. The company needs to ensure exercise of due diligence before selecting an independent director from the data bank".

Rating Criteria for **PEER REVIEW** (by all Directors) as stated hereinabove shall also apply to Independent directors to the extent there is no overlapping with the Rating Criteria of Independent Directors as stated hereinafter.

Whether Independent director/s (ID) follow/professional Conduct, carry out their Roles and Functions and Duties as required in section 149 and Schedule IV of the Companies Act 2013 & given herein below?

#### **Evaluation based on professional conduct**

- Whether ID upholds ethical standards of integrity and probity?
- Whether ID acts objectively and constructively while exercising their duties?
- Whether ID exercises his/her responsibilities in a bona fide manner in the interest of the Company?
- Whether ID devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
- Whether ID not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making?

- Whether ID does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?
- Whether ID refrains from any action that would lead to loss of his/her independence?
- Where circumstances arise which make an independent director lose his/her independence, whether the independent director has immediately informed the Board accordingly?
- Whether ID assists the Company in implementing the best corporate governance practices?

#### Evaluation based on Role and functions

- Whether ID helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct?
- Whether ID brings an objective view in the evaluation of the performance of Board and management?
- Whether ID organization the performance of management in meeting agreed goals and objectives and monitor the reporting of performance?
- Whether ID satisfies himself/herself on the integrity of financial information and that financial control and the systems of risk management are robust and defensible?
- Whether ID has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
- Whether IDs balances the conflicting interest of the stakeholders?
- Whether ID during the Board/ Committee meetings along with other members determines appropriate levels of remuneration of executive directors, key managerial personnel and senior management and has a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management?
- Whether ID moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?

#### Evaluation based on Duties

- Whether ID undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?
- Whether ID seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?
- Whether IDs strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?
- Whether ID participates constructively and actively in the Committees of the Board in which he/she is chairperson or

member?

- Whether ID strives to attend the general meetings of the Company?
- Where ID has concerns about the running of the Company or a proposed action, whether he/she ensures that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting?
- Whether ID does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?
- Whether ID gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?
- Whether ID ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?
- Whether ID reports concerns about unethical, actual or suspected fraud or violation of the Company's Code of Conduct?
- Whether ID acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?
- Whether ID does not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law

#### COMPLIANCES

All evaluation shall be done annually.

Criteria and Evaluation shall be disclosed in the Annual Report of the Company.

On the basis of the report of performance evaluation, it shall be determined by the Nomination & Remuneration Committee & Board whether to extend or continue the term of appointment of the independent director subject to all other applicable compliances.

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

Sandhar Technologies Limited

Sd/-

**D.N. Davar**

Chairman

DIN: 00002008

Sd/-

**Jayant Davar**

CO-Chairman &

Managing Director

DIN: 00100801

Place : Gurugram

Date : 21st May, 2021

# Annexure IB to Directors' Report, 2021

## Remuneration Policy for Directors, Key Managerial Personnel and other Employees

### BACKGROUND

Sandhar Technologies Ltd. (including its subsidiaries) (hereinafter referred as the 'Company') believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical and in complete compliance of laws.

### BRIEF OVERVIEW OF PROVISIONS UNDER COMPANIES ACT, 2013

Section 178 of Companies Act, 2013 & Companies (Meetings of Board and its Powers) Rules, 2014 provides for:

Constitution of Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**The Nomination and Remuneration Committee shall, while formulating the policy ensure that:-**

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

such policy shall be placed on the website of the company the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's report.

### PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY

There exists a Nomination and Remuneration Committee of the Board of Directors (Board).

As on the 31st March, 2021 there are total 11(Eleven) directors as members of the Board of Directors of the Company (Board) out of which there are 8(Eight) Non-Executive Independent Directors. The Board includes 2 (Two) Non -Executive Directors, and 1 (One) Executive Directors, who are not independent. The Key Managerial Personnel (KMP) consists of Managing Director and the Chief Financial Officer and Company Secretary.

### TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of independent directors, board of directors, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- To develop a succession plan for the Board and to regularly review the plan.

### CRITERIA FOR DETERMINING THE FOLLOWING: -

#### Qualifications for appointment of Directors (including Independent Directors): -

- No specific qualification/s for Directors.
- Persons who are of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their automotive / allied industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Applicable provisions of Companies Act 2013, its Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- Persons whose name is included in the data bank as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The above qualifications, {other than the statutory requirements which are mandatory}, are preferable and desirable with absolute discretion to the Nomination and Remuneration Committee to consider and keep in view any other criteria or norms for selection of the most suitable candidate/s.

**Positive attributes of Directors (including Independent Directors):-**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- They are to actively refresh their knowledge and skill with the latest developments in the automotive and allied industry, market conditions and applicable legal provisions.
- They are to show willingness to devote sufficient time and attention for the Company and its business and execute their responsibilities
- They are to assist in bringing independent judgments to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- They are able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- They are to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

**Conditions of Independence of Directors: -**

In compliance of terms of the Companies Act 2013 and its Rules [Section 149 – Schedule IV- Code for Independent Directors & Companies (Appointment and Qualification of Directors) Rules 2014] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Criteria for appointment in Senior Management including KMP: -**

- Their required qualifications, experience, skills & expertise to effectively meet their areas of work, duties and responsibilities.
- Their Automotives/ allied industry experience.
- Their ability to assume the responsibilities and duties of their posts effectually.
- Appropriate other qualification/experience to meet the objectives of the Company.

**POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES ON APPOINTMENT/ SUBSEQUENT INCREASES**

- The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- It should be ensured that no director/KMP/ other employee are involved in deciding his or her own remuneration.

- The market rates/ quantum and structures of remuneration as applicable to the comparable organisations in the similar business spheres should be given due consideration.

- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks.

- Performance benchmarks are laid down.

- Increase in remuneration should provide rewards for improved performance.

- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

**Following criteria are also to be considered: -**

- Responsibilities and duties;
- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analysing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions/Departments like Die Casting, Plastic Injection Moulding production, Manufacturing Engineering, Quality Assurance, Maintenance & Business Development, where there is a huge scarcity of qualified resource;
- Ensuring tax efficient remuneration structures;
- Ensuring that remuneration structure is simple and that the Cost to the Company (CTC) is not shown inflated and, in comparison, the effective take home remuneration is not low;
- Any other criteria as may be applicable.

Consistent treatment of remuneration parameters across the organization.

Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.

Whenever, there is any deviation from the Policy, the justification/ reasons should also be indicated/disclosed adequately.

**For and on behalf of the Board of Directors  
Sandhar Technologies Limited**

Sd/-  
**D.N. Davar**  
Chairman  
DIN: 00002008

Sd/-  
**Jayant Davar**  
CO-Chairman &  
Managing Director  
DIN: 00100801

Place : Gurugram  
Date : 21st May, 2021

# Annexure II to Directors' Report, 2021

## Secretarial Audit Report

For the financial year ended on 31st March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Sandhar Technologies Limited  
B-6/20, L.S.C, Safdarjung Enclave,  
New Delhi- 110029

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sandhar Technologies Limited (CIN: L74999DL1987PLC029553)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on the 31st March, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) read with the applicable provisions of Companies Amendment Act, 2017 and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit period);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit period);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period); and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - i) The Factories Act, 1948;
  - ii) The Competition Act, 2002;
  - iii) The Industries (Development and Regulation) Act, 1951 and rules/ regulations framed thereunder;
  - ii) The Petroleum Act, 1934 and the rules made thereunder;

- iii) The Environment Protection Act, 1986 and the rules made thereunder;
- iv) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;
- v) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;
- vi) Noise Pollution (Regulation and control) Rules 2000;
- vii) The Goods and Service Tax Act, 2017;
- viii) The Shop and Establishment Act, 1948;
- ix) The Industrial Disputes Act, 1947;
- x) The Workmen's Compensation Act, 1923;
- xi) The Payment of Wages Act, 1936
- xii) The Minimum Wages Act, 1948;
- xiii) The Payment of Bonus Act, 1965; and
- xiv) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

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

- i) Secretarial Standards (SS) with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

For **K K Sachdeva & Associates**  
Company Secretaries

Sd/-

**K.K.Sachdeva**

Proprietor

Place: New Delhi  
Date: 21.05.2021

FCS No. 7153, CP No. 4721  
UDIN: F007153C000362662



# Annexure III to Directors' Report, 2021

## Form-MGT9

Extracts of Annual Return as on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(l) of the Company (Management & Administration) Rules, 2014

### I. REGISTRATION & OTHER DETAILS:

1	CIN	L74999DL1987PLC029553
2	Registration Date	19.10.1987
3	Name of the Company	Sandhar Technologies Limited
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	B-6/20 L.S.C. Safdarjung Enclave, New Delhi-110029
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Address : C-101, 1st floor 247 Park L B S Marg, Vikhroli (West) Mumbai 400 083 Tel: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: mumbai@linkintime.co.in Investor Grievance e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S.No	Name & Description of main products/services	NIC Code of the Product/service*	% to total turnover of the company
1	Locks	259, 282, 293, 309, 453 and 454	24.40%
2	Mirror Assembly	282, 293, 309, 453 and 454	9.54%
3	Wheel Assembly	293, 309, 453 and 454	11.40%
4	Sheet Metal Components	282, 293, 309, 453 and 454	22.54%
5	Cabins	282	9.16%
6	Plastic Parts	292, 293, 309, 453 and 454	1.46%
7	Handle Bar Assembly	293, 309, 453 and 454	6.24%
8	Other Products	292, 293, 309, 453 and 454	15.25%

\*As per National Industrial Classification 2008

### III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES (As on 31st March, 2021)

S. No	Name & Address of the Company	CIN/FCRN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Sandhar Tooling Private Limited	U28939DL2002PTC114374	Subsidiary	79.92%	2(87)
2	Sandhar Technologies Barcelona S.L.	NDWAZ2009757	Subsidiary	100%	2(87)
3	Sandhar Strategic Systems Private Limited	U28994HR2016PTC065726	Subsidiary	99.99%	2(87)
4	Kwangsung Sandhar Technologies Private Limited	U29100HR2019PTC078337	Associate/Joint Venture	51.05%	2(6)
5	Winnercom Sandhar Technologies Private Limited	U29100DL2019PTC354114	Associate/Joint Venture	50%	2(6)
6	Sandhar Han Sung Technologies Private Limited	U28100HR2014PTC067295	Associate/Joint Venture	50%	2(6)
7	Jingyoung Sandhar Mechatronics Private Limited	U36990HR2017PTC068220	Associate/Joint Venture	50%	2(6)
8	Sandhar Daewha Automotive Systems Private Limited	U36100HR2017PTC069555	Associate/Joint Venture	52.18%	2(6)
9	Sandhar Amkin Industries Private Limited	U36100DL2017PTC323315	Associate/Joint Venture	64.81%	2(6)
10	*Sandhar ECCO Green Energy Private Limited	U74900DL2013PTC252844	Associate/Joint Venture	50%	2(6)
11	Sandhar Daeshin Auto Systems Private Limited	U29100HR2018PTC073894	Associate/Joint Venture	50%	2(6)
12	Sandhar Whetron Electronics Private Limited	U29100HR2018PTC075043	Associate/Joint Venture	50%	2(6)
13	Sandhar Daeshin Technologies Private Limited	U29190HR2020PTC087939	Associate/Joint Venture	99.99%	2(6)
14	Sandhar Han Shin Auto Technologies Private Limited	U29308DL2019PTC358000	Associate/Joint Venture	50%	2(6)
15	**Sandhar Han Shin Automotive Private Limited	U29304DL2019PTC355141	Associate/Joint Venture	99.90%	2(6)

\*Sandhar ECCO Green Energy Private Limited is under voluntarily winding up.

\*\*Sandhar Han Shin Automotive Private Limited is under strike off.

**IV. SHARE HOLDING PATTERN (Equity & Preference Share Capital Breakup as percentage of Total Equity & Preference)**

I. Category Wise Shareholding		Shareholding at the beginning of the year (01.04.2020)				Shareholding at the end of the year (31.03.2021)				% Change during the year
S. No	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	37241717	0	37241717	61.8729	37278943	0	37278943	61.9347	0.0618
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	5064127	0	5064127	8.4135	5064127	0	5064127	8.4135	0.0000
	Sub Total (A)(1)	42305844	0	42305844	70.2863	42343070	0	42343070	70.3482	0.0619
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	42305844	0	42305844	70.2863	42343070	0	42343070	70.3482	0.0619
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	8826354	0	8826354	14.6640	9471970	0	9471970	15.7366	1.0726
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	331290	0	331290	0.5504	331290	0	331290	0.5504	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	2157150	0	2157150	3.5839	932991	0	932991	1.5501	-2.0338
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	11314794	0	11314794	18.7982	10736251	0	10736251	17.8371	-0.9611
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1681708	0	1681708	2.7940	2310416	0	2310416	3.8385	1.0445
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3613930	0	3613930	6.0041	2866677	0	2866677	4.7627	-1.2414
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Trust Employee	0	0	0	0.0000	19096	0	19096	0.0317	0.0317
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Any Other (Specify)									
	Trusts	0	0	0	0.0000	364	0	364	0.0006	0.0006
	Hindu Undivided Family	147515	0	147515	0.2451	228559	0	228559	0.3797	0.1346
	Non Resident Indians (Non Repat)	17059	0	17059	0.0283	13997	0	13997	0.0233	-0.0050
	Non Resident Indians (Repat)	25973	0	25973	0.0432	60117	0	60117	0.0999	0.0567
	Clearing Member	11353	0	11353	0.0189	36732	0	36732	0.0610	0.0421
	Bodies Corporate	1072532	0	1072532	1.7819	1575429	0	1575429	2.6174	0.8355
	Sub Total (B)(3)	6570070	0	6570070	10.9154	7111387	0	7111387	11.8148	0.8994
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	17884864	0	17884864	29.7137	17847638	0	17847638	29.6518	-0.0619
	Total (A)+(B)	60190708	0	60190708	100.0000	60190708	0	60190708	100.0000	0.0000
(C)	Non Promoter - Non Public									
(C1) Shares Underlying DRs										
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C2) Shares Held By Employee Trust										
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	60190708	0	60190708	100.0000	60190708	0	60190708	100.0000	

## (ii) Share Holding of Promoter &amp; Promoter Group

S.No	Shareholders' Name	Shareholding at the beginning of the year (01.04.2020)			Shareholding at the end of the year (31.03.2021)			% change in share holding during the year
		No. of Shares Held	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares	No. of Shares Held	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares	
1	Mr. Jayant Davar*	31375200	52.1263	0.0000	31415426	52.1882	0.0000	0.0619
2	Mrs. Monica Davar	2622725	4.3574	0.0000	2622725	4.3574	0.0000	0.0000
3	Neel Jay Davar	1684738	2.7990	0.0000	1684738	2.7990	0.0000	0.0000
4	Mr. D. N. Davar	1662032	2.7613	0.0000	1662032	2.7613	0.0000	0.0000
5	Mrs. Santosh Davar	1555995	2.5851	0.0000	1555995	2.5851	0.0000	0.0000
6	Mrs. Poonam Juneja	839582	1.3949	0.0000	839582	1.3949	0.0000	0.0000
7	Sandhar Estates Private Limited	793569	1.3184	0.0000	793569	1.3184	0.0000	0.0000
8	YSG Estates Private Limited	785950	1.3058	0.0000	785950	1.3058	0.0000	0.0000
9	Sanjeevni Impex Private Limited	573508	0.9528	0.0000	573508	0.9528	0.0000	0.0000
10	Sandhar Infosystem Private Limited	350280	0.5820	0.0000	350280	0.5820	0.0000	0.0000
11	Jubin Finance & Investment Limited	62265	0.1034	0.0000	62265	0.1034	0.0000	0.0000
<b>Total</b>		<b>42305844</b>	<b>70.2863</b>	<b>0.0000</b>	<b>42343070</b>	<b>70.3482</b>	<b>0.0000</b>	<b>0.0619</b>

\*Shareholding of Mr. Jayant Davar includes 90909 shares held by Proprietorship firm (M/s Sandhar Enterprise) in the name of proprietor Mr. Jayant Davar

## (iii) Change in Promoters' Shareholding ( Specify if there is no Change)

S. No	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2020)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2021)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	JAYANT DAVAR	31375200	52.1263			31375200	52.1263
	Transfer			03 Apr 2020	1000	31376200	52.1280
	Transfer			11 Sep 2020	5300	31381500	52.1368
	Transfer			18 Sep 2020	1000	31382500	52.1384
	Transfer			09 Oct 2020	1480	31383980	52.1409
	Transfer			13 Nov 2020	4100	31388080	52.1477
	Transfer			04 Dec 2020	1000	31389080	52.1494
	Transfer			11 Dec 2020	2346	31391426	52.1533
	Transfer			18 Dec 2020	1000	31392426	52.1549
	Transfer			31 Dec 2020	2000	31394426	52.1583
	Transfer			26 Feb 2021	3000	31397426	52.1632
	Transfer			05 Mar 2021	5000	31402426	52.1716
	Transfer			19 Mar 2021	10000	31412426	52.1882
	AT THE END OF THE YEAR			30 Mar 2021	3000	31415426	52.1882
2	MONICA DAVAR	2622725	4.3574			2622725	4.3574
	AT THE END OF THE YEAR					2622725	4.3574
3	SANJEEVNI IMPEX PRIVATE LIMITED	1684738	2.7990			1684738	2.7990
	AT THE END OF THE YEAR					1684738	2.7990
4	YSG ESTATES PRIVATE LIMITED	1662032	2.7613			1662032	2.7613
	AT THE END OF THE YEAR					1662032	2.7613
5	NEEL JAY DAVAR	1555995	2.5851			1555995	2.5851
	AT THE END OF THE YEAR					1555995	2.5851



S. No	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2020)		Transactions during the year		Cumulative Shareholding at the end of the year (31.03.2021)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
6	DHARMENDAR NATH DAVAR	839582	1.3949			839582	1.3949
7	AT THE END OF THE YEAR SANDHAR INFOSYSTEMS LIMITED	793569	1.3184			839582 793569	1.3949 1.3184
8	AT THE END OF THE YEAR SANTOSH DAVAR	785950	1.3058			793569 785950	1.3184 1.3058
9	AT THE END OF THE YEAR JUBIN FINANCE AND INVESTMENT LTD	573508	0.9528			785950 573508	1.3058 0.9528
10	AT THE END OF THE YEAR SANDHAR ESTATES PRIVATE LIMITED	350280	0.5820			573508 350280	0.9528 0.5820
11	AT THE END OF THE YEAR POONAM JUNEJA	62265	0.1034			350280 62265	0.5820 0.1034
	AT THE END OF THE YEAR					62265	0.1034

Shareholding of Mr. Jayant Davar includes 90909 shares held by Proprietor firm (M/S Sandhar Enterprise) in the name of proprietor Mr. Jayant Davar

**(iv) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs & ADRs)**

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	ICICI PRUDENTIAL MULTICAP FUND	2670869	4.4373			2670869	4.4373
	Transfer			10 Apr 2020	146620	2817489	4.6809
	Transfer			17 Apr 2020	733	2818222	4.6822
	Transfer			24 Apr 2020	225	2818447	4.6825
	Transfer			08 May 2020	3911	2822358	4.6890
	Transfer			15 May 2020	2917	2825275	4.6939
	Transfer			05 Jun 2020	4594	2829869	4.7015
	Transfer			12 Jun 2020	1754	2831623	4.7044
	Transfer			19 Jun 2020	1214	2832837	4.7064
	Transfer			28 Aug 2020	(916)	2831921	4.7049
	Transfer			11 Sep 2020	(183658)	2648263	4.3998
	Transfer			18 Sep 2020	(58141)	2590122	4.3032
	Transfer			25 Sep 2020	(65292)	2524830	4.1947
	Transfer			05 Feb 2021	(36327)	2488503	4.1344
	Transfer			12 Feb 2021	(35772)	2452731	4.0749

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			19 Feb 2021	(1930)	2450801	4.0717
	Transfer			26 Feb 2021	(17765)	2433036	4.0422
	Transfer			05 Mar 2021	(39597)	2393439	3.9764
	Transfer			12 Mar 2021	(5184)	2388255	3.9678
	AT THE END OF THE YEAR					2388255	3.9678
2	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	889360	1.4776			889360	1.4776
	Transfer			21 Aug 2020	8785	898145	1.4922
	Transfer			04 Sep 2020	12103	910248	1.5123
	Transfer			18 Sep 2020	32000	942248	1.5654
	Transfer			30 Sep 2020	289527	1231775	2.0465
	Transfer			09 Oct 2020	16084	1247859	2.0732
	Transfer			30 Oct 2020	1264722	2512581	4.1744
	Transfer			20 Nov 2020	(6453)	2506128	4.1636
	Transfer			04 Dec 2020	(7609)	2498519	4.1510
	Transfer			11 Dec 2020	(32808)	2465711	4.0965
	Transfer			18 Dec 2020	(20000)	2445711	4.0633
	Transfer			25 Dec 2020	(10000)	2435711	4.0467
	Transfer			31 Dec 2020	(10000)	2425711	4.0300
	Transfer			08 Jan 2021	(15000)	2410711	4.0051
	Transfer			15 Jan 2021	(30000)	2380711	3.9553
	Transfer			05 Feb 2021	(10000)	2370711	3.9387
	Transfer			12 Feb 2021	(46548)	2324163	3.8613
	Transfer			26 Feb 2021	(20000)	2304163	3.8281
	Transfer			05 Mar 2021	(110000)	2194163	3.6454
	Transfer			12 Mar 2021	(42000)	2152163	3.5756
	Transfer			19 Mar 2021	(58000)	2094163	3.4792
	AT THE END OF THE YEAR					2094163	3.4792
3	IDFC TAX ADVANTAGE (ELSS) FUND	1770940	2.9422			1770940	2.9422
	Transfer			03 Apr 2020	1471	1772411	2.9447
	Transfer			10 Apr 2020	1246	1773657	2.9467
	Transfer			17 Apr 2020	6940	1780597	2.9583
	Transfer			24 Apr 2020	1814	1782411	2.9613
	Transfer			01 May 2020	660	1783071	2.9624
	Transfer			08 May 2020	4340	1787411	2.9696
	Transfer			15 May 2020	4339	1791750	2.9768
	Transfer			22 May 2020	5661	1797411	2.9862
	Transfer			29 May 2020	2000	1799411	2.9895
	Transfer			12 Jun 2020	1625	1801036	2.9922
	Transfer			19 Jun 2020	3190	1804226	2.9975
	Transfer			03 Jul 2020	4000	1808226	3.0042
	Transfer			10 Jul 2020	18995	1827221	3.0357
	Transfer			17 Jul 2020	5005	1832226	3.0440
	Transfer			24 Jul 2020	15000	1847226	3.0690
	Transfer			31 Jul 2020	5000	1852226	3.0773
	Transfer			07 Aug 2020	(6504)	1845722	3.0665

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			14 Aug 2020	(10000)	1835722	3.0498
	Transfer			21 Aug 2020	(7773)	1827949	3.0369
	Transfer			04 Sep 2020	185	1828134	3.0372
	Transfer			18 Sep 2020	(11886)	1816248	3.0175
	Transfer			25 Sep 2020	2000	1818248	3.0208
	Transfer			30 Sep 2020	(47555)	1770693	2.9418
	Transfer			16 Oct 2020	8000	1778693	2.9551
	Transfer			23 Oct 2020	1391	1780084	2.9574
	Transfer			13 Nov 2020	1609	1781693	2.9601
	Transfer			20 Nov 2020	5823	1787516	2.9698
	Transfer			27 Nov 2020	31177	1818693	3.0216
	Transfer			11 Dec 2020	6578	1825271	3.0325
	Transfer			18 Dec 2020	13422	1838693	3.0548
	Transfer			25 Dec 2020	5000	1843693	3.0631
	Transfer			31 Dec 2020	(24867)	1818826	3.0218
	Transfer			01 Jan 2021	(22678)	1796148	2.9841
	Transfer			08 Jan 2021	(64846)	1731302	2.8764
	Transfer			15 Jan 2021	(185340)	1545962	2.5684
	Transfer			22 Jan 2021	(25271)	1520691	2.5265
	Transfer			29 Jan 2021	9348	1530039	2.5420
	Transfer			05 Feb 2021	15000	1545039	2.5669
	Transfer			12 Feb 2021	24457	1569496	2.6075
	Transfer			19 Feb 2021	(225039)	1344457	2.2337
	Transfer			26 Feb 2021	247055	1591512	2.6441
	Transfer			05 Mar 2021	2945	1594457	2.6490
	Transfer			19 Mar 2021	13380	1607837	2.6712
	Transfer			26 Mar 2021	20000	1627837	2.7045
	AT THE END OF THE YEAR					1627837	2.7045
4	KOTAK SMALL CAP FUND	512341	0.8512			512341	0.8512
	Transfer			03 Jul 2020	2922	515263	0.8561
	Transfer			10 Jul 2020	6446	521709	0.8668
	Transfer			24 Jul 2020	491	522200	0.8676
	Transfer			31 Jul 2020	3330	525530	0.8731
	Transfer			21 Aug 2020	4277	529807	0.8802
	Transfer			04 Sep 2020	117195	647002	1.0749
	Transfer			11 Sep 2020	8607	655609	1.0892
	Transfer			25 Dec 2020	14992	670601	1.1141
	Transfer			31 Dec 2020	50888	721489	1.1987
	Transfer			01 Jan 2021	25000	746489	1.2402
	Transfer			08 Jan 2021	14416	760905	1.2642
	Transfer			15 Jan 2021	100000	860905	1.4303
	Transfer			26 Feb 2021	91006	951911	1.5815
	Transfer			05 Mar 2021	109247	1061158	1.7630
	Transfer			12 Mar 2021	76897	1138055	1.8907
	Transfer			26 Mar 2021	100000	1238055	2.0569
	AT THE END OF THE YEAR					1238055	2.0569
5	DSP SMALL CAP FUND	1057129	1.7563			1057129	1.7563
	AT THE END OF THE YEAR					1057129	1.7563



S. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
6	AKASH BHANSHALI Transfer AT THE END OF THE YEAR	2487505	4.1327	26 Mar 2021	(1770000)	2487505 717505 717505	4.1327 1.1921 1.1921
7	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND Transfer Transfer AT THE END OF THE YEAR	820495	1.3632	19 Mar 2021 26 Mar 2021	(7561) (116104)	820495 812934 696830 696830	1.3632 1.3506 1.1577 1.1577
8	LATA BHANSHALI Transfer AT THE END OF THE YEAR	0	0.0000	31 Mar 2021	590000	0 590000 590000	0.0000 0.9802 0.9802
9	MEENU BHANSHALI Transfer AT THE END OF THE YEAR	0	0.0000	31 Mar 2021	590000	0 590000 590000	0.0000 0.9802 0.9802
10	EASTSPRING INVESTMENTS INDIA CONSUMER EQUITY OPEN LIMITED AT THE END OF THE YEAR	561875	0.9335			561875 561875	0.9335 0.9335

## (v) Shareholding of Directors &amp; KMP

S. No	Particulars	Shareholding		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	3,48,37,507	57.88%	3,48,74,733	57.94%
2	<b>Name of Director/KMP:</b> i) Shri Dharmendar Nath Davar ii) Shri Jayant Davar iii) Smt. Monica Davar	(i) Change in Shareholding of Shri Jayant Davar is due to aquisition of Equity Share during the year.			
3	At the end of the year	3,48,74,733	57.94%	3,48,74,733	57.94%

NOTE : Shareholding of Mr. Jayant Davar includes 90909 shares held by Proprietorship firm (M/s Sandhar Enterprise) in the name of proprietor Mr. Jayant Davar

## V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount ₹ in Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount	3,926.32	-	-
ii) Interest due but not paid	8.35	-	-
iii) Interest accrued but not due	0.36	-	-
<b>Total (i+ii+iii)</b>	<b>3,935.03</b>	<b>-</b>	<b>-</b>
<b>Change in Indebtedness during the financial year</b>			
Additions	396.86	-	-
Reduction	-	-	-
<b>Net Change</b>	<b>396.86</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	4,329.63	-	-
ii) Interest due but not paid	0.14	-	-
iii) Interest accrued but not due	2.13	-	-
<b>Total (i+ii+iii)</b>	<b>4,331.90</b>	<b>-</b>	<b>-</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Amount ₹ in Lacs

S.No	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount
		Shri Jayant Davar Managing Director	*Shri Arvind Joshi Whole Time Director	**Shri Puru Aggarwal Whole Time Director	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	99.82	6.16	69.50	175.48
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	8.32	1.04	-	9.36
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	351.13	-	-	351.13
	as % of profit	4%	0.00%	-	4%
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>459.27</b>	<b>7.20</b>	<b>69.50</b>	<b>535.97</b>
	<b>Ceiling as per the Act</b>	10% of Net profit of the Company computed as per Section 198 of the Companies Act, 2013			

\* Shri Arvind Joshi since resigned and relieved from the closing hours of 10th May, 2020

\*\*Shri Puru Aggarwal was appointed as Whole Time Director of the Company with effect from 6th November, 2020 and resigned from closing hours of 26th February, 2021.

## B. Remuneration to other directors

Amount ₹ in Lacs

S.No	Particulars of Remuneration	Name of the Directors								Total Amount
1	Independent Directors	Shri M.L. Bhagat	Shri Ravinder Nagpal	Shri K.L. Chugh	Shri Arvind Kapur	Smt Archana Capoor	Shri Arjun Sharma	Shri Vimal Mahendru	Shri Bharat Anand	
	(a) Fee for attending board committee meetings	3.50	6.30	4.55	4.60	5.25	3.40	3.50	3.50	34.60
	(b) Commission	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	16.00
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total B (1)</b>	5.50	8.30	6.55	6.60	7.25	5.40	5.50	5.50	50.60
2	Other Non Executive Directors	Shri D. N. Davar	Smt Monica Davar							
	"(a) Fee for attending board committee meetings"	3.00	2.50			-				
	(b) Commission	2.00	2.00			-				
	(c) Others, please specify	-	-	-	-	-	-	-	-	
	<b>Total B (2)</b>	5.00	4.50			-				9.50
	<b>Total (B)=(1+2)</b>	10.50	12.80	6.55	6.60	7.25	5.40	5.50	5.50	60.10
	Ceiling as per the Act	Being 1% of Net profit of the Company computed as per Section 198 of the Act								
3	<b>Total Remuneration Paid to Other Directors</b>									60.10
4	<b>Total Managerial Remuneration (A+B)</b>									-
	Overall Ceiling as per the Act	Being 11% of Net profit of the Company computed as per Section 198 of the Act								

## C. Remuneration to key managerial personnel other than MD/Manager/WTD

Amount ₹ in Lacs

S.No	Particulars of Remuneration	Key Managerial Personnel				Total Amount
	Gross Salary	*Shri Narender Kumar Dogra Interim Chief Financial Officer	Shri Yashpal Jain Chief Financial Officer	Smt. Komal Malik Company Secretary	**Km. Subhi Gupta Interim Company Secretary	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	7.86	4.73	7.82	2.44	22.85
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.52	1.45	-	1.97
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total</b>	7.86	5.25	9.27	2.44	24.82

\*Shri Narender Kumar Dogra has been appointed as CFO (Interim) as on 11th May, 2020 and resigned as Interim Chief Financial Officer with effect from closing hours of 31st July, 2020.

\*\*Km. Subhi Gupta has been appointed as Company Secretary (Interim) as on 11th May, 2020 and has resigned as Interim Company Secretary with effect from closing hours of 6th November, 2020



## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
<b>B. DIRECTORS</b> Penalty Punishment Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					

For and on behalf of the Board of Directors

Sandhar Technologies Limited

Sd/-  
**D.N. Davar**  
 Chairman  
 DIN: 00002008

Sd/-  
**Jayant Davar**  
 CO-Chairman &  
 Managing Director  
 DIN: 00100801

Place : Gurugram  
 Date : 21st May, 2021

# Annexure IV to Directors' Report, 2021

## Information pursuant to Section 197(12) read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2020-2021:

S. No	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2020-2021 (Rs. in Lakhs)	% Change in Remuneration in the Financial Year 2020-2021	Ratio of remuneration of each Director/ to median remuneration of employees
1	Shri Jayant Davar (Co-Chairman & Managing Director)	459.27**	-3.57%	131
2	Shri Arvind Joshi (Whole-Time Director, Chief Financial Officer & Company Secretary)	7.20	-95.83%	2
3	Shri Puru Aggarwal (Whole-Time Director & Chief Financial Officer)	69.50	100%	20
4	Shri Yashpal Jain (Chief Financial Officer)	5.25	100%	1.5
5	Smt. Komal Malik (Company Secretary and Compliance Officer)	9.27	100%	2.7
6	Shri Narender Kumar Dogra (Interim Chief Financial Officer)	7.86	100%	2.3
7	Km. Subhi Gupta (Interim Company Secretary and Compliance Officer)	2.44	100%	0.7

\*Inclusive of Commission provided and payable for an amount of Rs. 351.13 Lacs

- Shri Arvind Joshi since resigned and relieved from the closing hours of the 10th May, 2020.
- Shri Puru Aggarwal joined on 01st August, 2020 as Chief Financial Officer of the Company and appointed as Whole Time Director in the Board Meeting held on 06th November, 2020 and resigned and relieved from the closing hours of the 26th February, 2021
- Shri Yashpal Jain joined from 16 March 2021
- Smt. Komal Malik joined from 6th November 2021
- Shri Narender Kumar Dogra (Interim Chief Financial Officer)- with effect from 11th May 2020 till 31st July 2020
- Km. Subhi Gupta (Interim Company Secretary and Compliance Officer) with effect from 11th May 2020 till 6th November 2020

The median remuneration of the employees of the Company during the financial year 2020-2021 was Rs. 3.50 Lacs

Percentage increase in the median remuneration of employees in the last financial year 2020-21 was 1.74% as compared to the previous year.

No. of permanent employees as on the 31st March, 2021 are 1783.

Average percentile increase in salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof (and point out if there are any exceptional circumstances for increase in the managerial remuneration);

Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2020-2021 was 1.74%; whereas the decrease in the managerial remuneration in the financial year 2020-21 was 5.94%.

The change in compensation of employees is guided by factors such as market trends, internal parity and is in line with the normal pay revisions which is linked to individual performance and the Company's performance.

It is hereby affirmed that the remuneration paid is as per the Remuneration policy for Directors/ Key Managerial Personnel & other employees.

**For and on behalf of the Board of Directors**  
**Sandhar Technologies Limited**

Sd/-  
**D.N. Davar**  
Chairman  
DIN: 00002008

Place : Gurugram  
Date : 21st May, 2021

Sd/-  
**Jayant Davar**  
CO-Chairman &  
Managing Director  
DIN: 00100801

# Annexure V to Directors' Report, 2021

## Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2020-21

### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR policy is focused on comprehensive development of the underserved societies in India, preferably in the communities located in proximity to our offices and manufacturing units of the Company. The company believes in giving back to the society what it has taken from the society by making contribution to the social needs such as education and health care.

Sandhar Technologies Limited is making efforts towards building economic, social and environmental capital and enhancing social sustainability by contributing in the following areas:

- Education and Skill Development;
- Health Care;
- Environment protection;
- Promoting gender equality and empowerment of women;
- Community Development and
- Others

The detailed description is given in the CSR Policy of the Company.

### 2. Composition of the CSR Committee as on 31st March, 2021

S.No	Name of the Member	Nature of Directorship	Committee
1.	Shri Jayant Davar	Co-Chairman and Managing Director	Chairman
2.	Shri Arvind Kapur	Non-Executive Independent Director	Member
3.	Smt. Monica Davar	Non-Executive Director	Member

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

CSR Committee-<https://sandhargroup.com/uploads/Directors/committees-of-the-board21.pdf>

CSR Policy-<https://sandhargroup.com/uploads/Governance/stlcsr-policy1.pdf>

CSR Projects-<https://sandhargroup.com/about/Sandhar-foundation>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable



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

S.No	Financial Year	Amount available for set off from preceding financial year (in Rs)	Amount required to be set off for the financial year, if any (in Rs.)
1.	2020-21	NIL	NIL

6. Average net profit of the company as per section 135(5): (Rs. in Lacs) 10685.76
7. (a) Two percent of average net profit of the company as per section 135(5): 213.72
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c) 213.72

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

Total amount spent for the Financial Year. (Rs. in lacs)	Amount Unspent (Rs. in Lacs)				
	Total amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specific under Schedule VII as per second provision to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
216.66	NIL	NIL	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
S. No.	Name of the Project	Items from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project duration	Amount Allocated for the Project (Rs in Lacs)	Amount spent in the current Financial Year (Rs in Lacs)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (Rs in Lacs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency
				State	District						<div>Name</div> <div>CSR Registration Number</div>

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Items from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (Rs. In Lacs)	Mode of Implementation- Direct (Yes/No)	Mode of implementation-Through Implementing Agency	
				State	District			Name	'CSR Registration Number
1	Heathcare Centre	Healthcare	Yes	Haryana	Gurgaon	38.69	Yes	Sandhar Foundation	CSR000002262
2	Remedial Education Projects - KHUSHII	Education	Yes	Haryana, Tamil Nadu	Faridabad, Chennai	66.67	No	Kinship for Humanitarian Social & Holistic Intervention	CSR000001135
3.	Adopt a Gran	Facility for Senior Citizen	Yes	New Delhi	New Delhi	4.00	No	Springdales Foundation	NA
4	Sandhar ki Beti	Education	Yes	New Delhi	New Delhi	5.53	No	Springdales Foundation	NA
5	Maintenance of Park	Environment	Yes	Karnataka	Bengaluru	1.86	No	Peenya Industrial Association Park	NA
6	Sparsh	Healthcare	Yes	Delhi	Delhi	10.00	No	Rotary Southend Charitable Trust	NA
7	Animal Welfare	Environment	Yes	Uttar Pradesh	Greater Noida	25.00	No	Sansthanam Abhay Daanam	NA
8	Healthcare	Expenses for Covid-19	Yes	At all units/ locations of Company across India	At all units/ locations of Company across India	64.91	Yes	Sandhar Foundation	CSR000002262
TOTAL						216.66			

\* CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) : 216.66
- (g) Excess amount for set off, if any : NIL

S.No.	Particulars	Amount (in Rs)
i)	Two percent of average net profit of the company as per section 135(5)	213.72
ii)	Total amount spent for the Financial Year	216.66
iii)	Excess amount spent for the financial year [(ii)-(i)]	2.94
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.94

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

S. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135(6) (Rs.in Lacs)	Amount spent in the reporting Financial Year (Rs.in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs.in Lacs)
				Name of fund	Amount (in Rs.)	Date of transfer	
1	2020-21	NIL	216.66	NIL	NIL	NIL	NIL
2	2019-20	NIL	198.04	NIL	NIL	NIL	NIL
3	2018-19	NIL	196.83	NIL	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project Id	Name of the Project	Financial Year in which the Project was commenced	Project Duration	Total Amount allocated for the Project (In Rs)	Amount spent on the project in the Reporting Financial Year (In Rs)	Cumulative Amount spent at the end of the Reporting Financial Year (In Rs)	Status of the Project- Completed/Ongoing
NIL								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). — No Capital Assets
- (b) Amount of CSR spent for creation or acquisition of capital asset — NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address : — NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): — NIL

**11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) - Not Applicable**

Sd/-

**D.N. Davar**

Chairman

DIN: 00002008

Sd/-

**Jayant Davar**

Co-Chairman & Managing Director /

Chairman of CSR Committee

DIN: 00100801

Place : Gurugram

Date : 21st May, 2021



# Annexure VI to Directors' Report, 2021

## 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]

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION (FY 2020-2021)

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to section 134(3) (m) of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

#### A. Conservation of Energy

##### (i) Steps taken or impact on conservation of Energy

The Company has constantly been emphasizing an optimization of energy consumption in every possible area in its units. Various avenues are being explored at periodic interval and after careful analysis and planning measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. During the year under review, the following measures were initiated/ adopted for conservation and optimum utilization of energy.

- a) Conversion of Conventional lights with high efficient LED lights in our 28 units
- b) Various energy saving projects:
  - i) PLC programs modified in-house to eliminate idle running of hydraulic power packs (heavy motors) and saved INR 17.53 lacs energy cost in 3 STL Units.
  - ii) VFD's Panel installation on Air Compressor Motors in 4 STL Units and saved energy cost of INR 36.23 lacs as per present production trend.
  - iii) Utility (Compressors & DG sets) Commonization & Consolidation of STL sub Units within a plant resulting in Savings of INR 5.26 lacs per annum.
  - iv) Usage of natural lights & Wind ventilators in most of the units & all new projects as standard.
  - v) Water conservation measures by water balancing & using 90-95% efficient ETP system with Zero Liquid Discharge.
  - vi) Servo system installation in Hydraulic Power packs of Injection Molding machines resulting in savings of INR 5.12 lacs per annum.
  - vii) Changing the main compressed air PU pipe line with Aluminum pipe line for arresting air leakages.
  - viii) Temperature controller system installed at cooling towers for energy conservation resulting in savings of INR 66 K per annum.

- ix) HT Auto Transformer Installed to eliminate energy losses & resulting in savings of INR 22.32 lacs per annum.
- x) Electrical Sanctioned load reduced in 6 STL Units from 5534 KVA to 4500 KVA. Resulting in savings in power cost as per the present optimized condition.

**IMPACT: 10,34,514 Kwh overall**

##### (i) Steps Taken for utilizing alternate sources of Energy

- a. Solar Plants total installed capacity of 2493 KWp up to 2020-21.
- b. Solar Plants added this year of capacity 461 Kw (SCH: 336 Kw, SIO: 125 Kw).

**IMPACT: 20,38,616 Kwh - (20-21) generated by Solar plants**

##### (ii) Capital investment on Energy conservation equipment

Total Investment: 88.48 Lacs (Approx.)

##### (iii) Green Initiatives

- a) Chemical dosing optimized in ETP and STP process for 18 STL units resulting in savings of INR 11.91 lacs per annum.
- b) Modular Rain Water Harvesting System Installed in SCB unit instead of Conventional Harvesting system which increases water recharge void ratio from 55% to 92%.
- c) Bio-gasifier (clean fuel) installed to eliminate HSD usage in Hot water generator & thereby saved INR 76.44 lacs per annum.
- d) Co-processing of Paint Sludge instead of Landfilling in 5 units for reducing the burden of hazardous waste disposal on Environment & thereby saving INR 9.10 lacs per annum.
- e) Piezometer system installed in SAH and SCB unit for monitoring ground water table.

#### B. Technology Absorption:

##### (i) Efforts made towards technology absorption:

- a) Robotic technology used for Welding & Painting Process instead of manual process for better quality performance & to reduce wastages by 20-22%.
- b) Electrostatic technology used for Painting Systems. Net Efficiency increased from 30% to 65%.

**C. Foreign Exchange Earning and Outflow**

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

	(₹ in Lacs)
<b>Inflow:</b>	
Sales (FOB)	697.15
<b>Total</b>	<b>697.15</b>
<b>Outflow</b>	
On Capital Equipment	1,173.01
On Know-how	2.87
Others	12.56
Raw Materials	3,518.24
Consumables & Spares	533.91
Tour and Travel	-
Royalty	178.54
<b>Total</b>	<b>5,419.13</b>

**RESEARCH & DEVELOPMENT ACTIVITIES CARRIED OUT BY THE COMPANY/ NEW PRODUCTS DEVELOPED IN FY 2020-2021**

- a Sandhar Centre for Innovation & Development (SCID) is the centralized in-house R&D centre of Sandhar group. The objective of SCID is to enrich the existing product portfolio & to infuse futuristic products with anticipated business potential.
- b The activities of SCID can be broadly classified as follows
  - i) Development of futuristic products with anticipated business potential capturing voice of customers & upcoming Govt. regulations.
  - ii) Upgradation of existing products to cope up with customers' expectation time to time.
  - iii) To support the engineering team at various Sandhar units in product design & development.
  - iv) IPR related activities i.e. Patent filing, Design Registration, to keep a vigil on possible infringement and litigation.
  - v) PLM activities i.e. Centralised Engineering Document & Data Control ensuring data safety, prevention of data duplicity & digitalization of data storage across the group.

vi) Providing services to group companies related to Prototyping, Inspection & Reverse Engineering

- c We are equipped with adequate basic R&D infrastructure with a team of more than 25 well qualified and experienced mechanical and electronics engineers playing a significant role in offering tested & validated innovative products to our valued customers.
- d The Company's In-house R&D centre (SCID) certified by DSIR, Govt. of India, SCID is continuously working on new product development in the area of Ignition Lock cum Switches, Rear View Mirrors, Evaporative Emission Control systems and Electronics control systems.

**NEW PRODUCTS DEVELOPED IN FY (2020-21)**

- a) Foldable key with Key FOB for 2Wheeler.
- b) All in One Lock Set for 2W OEM along with Fuel Filler Cap.
- c) USB Charger for Scooter.
- d) ePCV (Electrical Purge Control Valve) for BS-VI vehicles
- e) Keyless Smart Lock for 2 Wheeler.
- f) Keyless Smart Fuel Tank Cap.
- g) Wave biting key (with central groove design).
- h) Tyre pressure monitoring systems (TPMS)
- i) Motorised Actuators for 2 wheelers.
- j) Motorised Lock Set for 2W
- k) Seat Recliner for passenger car.
- l) Carbon Canister for 200cc and above.
- m) Ambient air pressure sensor for 2Wheeler ECU.
- n) Handlebar mount USB Charger.

**PATENT GRANTED IN FY (2020 – 21)**

Integrated Lock Assembly

**For and on behalf of the Board of Directors**  
Sandhar Technologies Limited

Sd/-  
**D.N. Davar**  
Chairman  
DIN: 00002008

Sd/-  
**Jayant Davar**  
CO-Chairman &  
Managing Director  
DIN: 00100801

Place : Gurugram  
Date : 21st May, 2021

## COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,

**Sandhar Technologies Limited**

**B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029**

**Sub.: Compliance Certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to certify that for the financial year ended 31st March, 2021:

1. We have reviewed the financial statements and the cash flow statement for the year as aforesaid and to the best of our knowledge and belief:
  - a) These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind AS), applicable laws and regulations;
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Employees;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems for financial reporting of the Company and there were no deficiencies in the design or operation of such internal controls; and
4. We have indicated to the Auditors and the Audit Committee:
  - a) That there were no significant changes in internal control, over financial reporting, during the year;
  - b) All significant changes in the accounting policy during the year, if any, have been disclosed in the notes in respective place in the financial statements; and
  - c) There were no instances of fraud, of which we have become aware of and involvement therein, if any, of the management or an employee having significant role in companies internal control system over financial reporting.

**FOR SANDHAR TECHNOLOGIES LIMITED**

Sd/-

**Jayant Davar**

Managing Director

Sd/-

**Yashpal Jain**

Chief Financial Officer

Dated : 21<sup>st</sup> May 2021

## DECLARATION BY MANAGING DIRECTOR

The Members,

**Sandhar Technologies Limited**

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029

**Sub: Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees.**

**Ref.: Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

I, Jayant Davar, Managing Director of Sandhar Technologies Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Employees of the Company.

**FOR SANDHAR TECHNOLOGIES LIMITED**

Sd/-

**Jayant Davar**

Managing Director

## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

**Sandhar Technologies Limited**

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029

We have examined the compliance of conditions of corporate governance by Sandhar Technologies Limited (hereinafter referred "the Company"), for year ended the 31st March, 2021 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company

**For M/s K.K. Sachdeva & Associates, Practicing Company Secretaries**

Sd/-

**K.K. Sachdeva**

(Proprietor)

FCS No. 7153, CP No. 4721



# REPORT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board" / "the Directors") of Sandhar Technologies Limited ("STL" / "the Company") present the Company's Report on Corporate Governance for the year ended the 31st March, 2021 in terms of Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

The Company ensures that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

## I. PHILOSOPHY:

Your Company is committed to set the highest standards of Corporate Governance right from its inception benchmarked with the best in class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner. for 'creating and sharing value'. It is the key element to carry on business operations based on the principles of integrity, ethics, transparency and accountability. Systems and policies are required to be upgraded regularly, to meet the challenges of rapid growth in a dynamic business environment.

We believe that there is a need to view Corporate Governance as more than just regulatory requirements. There exists a fundamental link between the organization of business, corporate responsibility and shareholder's wealth maximization. Therefore, your Company is executing a multi-stakeholder model (including shareholder value) of accountability that manages the relationship between the various stakeholders. This approach is central to day-to-day functioning of your Company and in implementation of its business strategy.

We firmly believe that strong governance principles provide a nucleus for sustained value creation and build stronger bonds that safeguard interests of all stakeholders. Your Company's core philosophy revolves around Growth, Motivation and a Better Life. All employees of the Company are guided by the seven core values i.e. Spirit of accomplishment, Appropriate attitude, passion for excellence, Dynamic, Honest, Accountable and Reliable. These have been instilled in our corporate culture which is directed towards continuously improving the Corporate Governance framework and work ethos of your Company. At Sandhar, the Board of Directors (the 'Board') are at the core of our Corporate Governance practices, it provides guidance to the Management and protects the long-term interests of our stakeholders. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financial, operational performance, as well as the

leadership and governance of the Company. The philosophy on corporate governance is well observed and forms part of the Company's Code of Conduct for Directors and Employees.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance.

## II. BOARD OF DIRECTORS:

### Composition:

The composition of Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and rules made thereunder, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and all other applicable laws and in accordance with the best practices in Corporate Governance.

The Corporate Governance philosophy of your Company establishes that the Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Company.

As of the 31st March, 2021, the Board of Directors comprises of 11 (Eleven) Directors, with a Non-Executive - Non-Independent Chairman, 8 Independent Directors, 1 Non-Executive Non-Independent Director, and a Managing Director & Co-Chairman. The composition of Board of Directors represents optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the automotive components business. The Board reviews its strength and combination from time to time to ensure that it remains aligned with the statutory as well as business requirements.

### Further, as on the 31st March, 2021:

1. None of the Directors on the Board held Directorships in more than ten Public Companies;
2. None of the Directors on the Board, was a member of more than ten committees, across all public limited companies in which he/she is a Director; and
3. None of the Directors of the Company was a chairman of more than five committees across all public limited companies in which he/she is a director.

For the purpose of sub-paragraphs (ii) and (iii) above, chairmanship/ membership of only the audit committee and/or the stakeholders' relationship committee have been considered.

**Shri Dharmendar Nath Davar, Non- Executive Director & Chairman, Shri Jayant Davar, Co-Chairman & Managing Director and Smt. Monica Davar, Non- Executive Director of the Company are relatives in terms of the Act.**

**Composition of Board of Directors as on the 31st March, 2021**

Name of Director	Designation	Category
Shri. Dharmendar Nath Davar (DIN : 00002008)	Non- Executive Director & Chairman	Promoter
Shri. Jayant Davar (DIN: 00100801)	Executive Director & Co-Chairman & Managing Director	Promoter
Smt. Monica Davar (DIN : 00100875)	Non-Executive Director	Promoter
Shri. Mohan Lal Bhagat (DIN: 00699750)	Non-Executive Independent Director	Non-Promoter
Shri. Ravinder Nagpal (DIN: 00102970)	Non-Executive Independent Director	Non-Promoter
Shri. Krishan Lal Chugh (DIN: 00140124)	Non-Executive Independent Director	Non-Promoter
Shri. Arvind Kapur (DIN: 00096308)	Non-Executive Independent Director	Non-Promoter
Shri. Arjun Sharma (DIN: 00003306)	Non-Executive Independent Director	Non-Promoter
Smt. Archana Capoor (DIN: 01204170)	Non-Executive Independent Director	Non-Promoter
Shri. Bharat Anand (DIN: 02806475)	Non-Executive Independent Director	Non-Promoter
Shri.Vimal Mahendru (DIN: 00006016)	Non-Executive Independent Director	Non-Promoter

**Notes:**

- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.
- Shri Puru Aggarwal, Chief Financial Officer of the Company was appointed as a Whole Time Director of the Company with effect from 6th November 2020. Shri Puru Aggarwal resigned from the Board and as Chief financial officer w.e.f 26th February 2021.
- Shri Arvind Joshi, Chief Financial Officer, Company Secretary & Whole Time Director of the Company has resigned from Board w.e.f. 10th May, 2020.
- Shri Jayant Davar (DIN: 00100801), was reappointed as a Managing Director for the further period of 5 (Five) years w.e.f. 01st January, 2021 to 31st December, 2025.
- Shri Arjun Sharma (DIN 00003306), was reappointed as the Non- Executive Independent Director for the further period of 5 (Five) years w.e.f. 24th May, 2021 to 23rd May, 2026.

**Independent Directors**

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

Not less than one-half of the Board of Directors of the Company comprises of Non-Executive Independent Directors.

As on the 31st March, 2021, the Company had 8 Independent Directors on Board. In relation to such Independent Directors, it is hereby confirmed that:

- All of the Independent Directors of the Company, hold office for a term of up to 5 consecutive years and are eligible for reappointment for another term of up to 5 consecutive years on passing of a special resolution by the Company.
- The Company has issued a formal letter of appointment to all Independent Directors in a manner provided under the Companies Act, 2013.

(iii) The Nomination, Remuneration and Compensation Committee of the Board has laid down the evaluation criteria for performance evaluation of the Independent Directors.

(iv) During the year, the Independent Directors of the Company held separate meeting, without the attendance of Non Independent Directors of the Company or members of its Management on 13th February, 2021, wherein only the Independent Directors of the Company were present.

(v) None of the Independent Directors of the Company serve as an Independent Director in more than seven companies listed in India;

(vi) None of the Independent Directors of the Company who also serve as Whole Time Directors in any other listed company, serve as an Independent Director in more than three companies listed in India

**Meetings of the Board**

The Board met 6 (Six) times during the Financial Year 2020-21 and there has not been a time gap of more than 120 days between any two meetings of the Board.

Directors' attendance at the Board Meetings held during the year as well as at the last Annual General Meeting (AGM) are given herein below:

S.No	Quarter		I		II	III	IV		No. of total meetings attended	Attendance at last AGM
	Date of Meeting		11.05.2020 (Through VC)	27.06.2020 (Through VC)	13.08.2020 (Through VC)	06.11.2020 (Through VC)	13.02.2021 (Through VC)	05.03.2021 (Through VC)		
	Director Name	Designation								
1	Shri. D.N. Davar	Non- Executive Director & Chairman	✓	✓	✓	✓	✓	✓	6	LOA
2	Shri. Jayant Davar	Executive Director & Co-Chairman & Managing Director	✓	✓	✓	✓	✓	✓	6	✓
3	Smt. Monica Davar	Non-Executive Director	✓	✓	✓	✓	✓	LOA	5	✓
4	Shri. Mohan Lal Bhagat	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
5	Shri. Ravinder Nagpal	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
6	Shri. Krishan Lal Chugh	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
7	Shri. Arvind Kapur	Non-Executive Independent Director	✓	✓	✓	LOA	✓	✓	5	✓
8	Shri. Arjun Sharma	Non-Executive Independent Director	✓	LOA	✓	✓	✓	LOA	4	✓
9	Smt. Archana Capoor	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
10	Shri. Bharat Anand	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
11	Shri.Vimal Mahendru	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6	✓
12	Shri Puru Aggarwal	Chief financial officer and Whole time Director	NA	NA	NA	✓	✓	NA	2	NA
<b>Board Strength</b>			<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>11</b>		<b>11</b>
<b>Total Present</b>			<b>11</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>9</b>		<b>10</b>
<b>Absent</b>			<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>		<b>1</b>

**Notes:**

- Shri Arvind Joshi resigned from the closing hours of 10th May, 2020.
- Shri Puru Aggarwal appointed as Chief Financial Officer w.e.f 1st Aug 2020 and Whole Time Director of the Company w.e.f 06th November, 2020 and resigned from the closing hours of 26th February, 2021.
- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.

**Disclosure of relationships between Directors inter-se;**

Shri Dharmendar Nath Davar, Chairman & Non-Executive Director, Shri. Jayant Davar, Co-Chairman & Managing Director and Smt. Monica Davar Non- Executive Director of the Company are relatives in terms of the Act.

**Other Directorships, Chairmanships and Memberships of the Board members**

**(a) Table indicating details of Directors serving directorships in other listed entities as on 31st March, 2021**

S.No	Name of the Director	Name of listed entity	Category of directorship
1.	Jayant Davar	i Jagran Prakashan Limited ii HEG Limited	Independent Director
2.	Arvind Kapur	i Rico Auto Industries Limited ii Subros Limited	Managing Director Independent Director
3.	Archana Capoor	i RSWM Limited ii. Maral Overseas Limited iii. S Chand and Company Limited iv. Birla Cable Limited	Independent Director

Other Directorships do not include Directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1) (b) of SEBI Listing Regulations.

**(b) Table indicating details number of Directorships and Committee Chairmanship/Memberships held by the Directors of the Company in other public limited Companies as on 31st March, 2021**

S. No.	Name of the Director	Designation	No. of Directorship in listed entities including this listed entity	No. of memberships in Audit/Stakeholder Committee (s) including this listed entity	No. of post of Chairperson in Audit/Stakeholder Committee held in listed entities including this listed entity
1	Shri. D.N. Davar	Non- Executive Director & Chairman	2	-	-
2	Shri. Jayant Davar	Executive Director & Co-Chairman & Managing Director	3	2	-
3	Smt. Monica Davar	Non-Executive Director	1	-	-
4	Shri. Mohan Lal Bhagat	Non-Executive Independent Director	1	-	-
5	Shri. Ravinder Nagpal	Non-Executive Independent Director	1	1	1
6	Shri. Krishan Lal Chugh	Non-Executive Independent Director	1	-	-
7	Shri. Arvind Kapur	Non-Executive Independent Director	3	2	-
8	Smt Archana Capoor	Non-Executive Independent Director	5	3	-
9	Shri. Arjun Sharma	Non-Executive Independent Director	1	1	1
10	Shri Bharat Anand	Non-Executive Independent Director	1	-	-
11	Shri. Vimal Mahendru	Non-Executive Independent Director	1	-	-
12	Shri Puru Aggarwal	Wholtime Director & Chief Financial Officer	1	2	-

- Shri Arvind Joshi resigned from the closing hours of 10th May, 2020.
- Shri Puru Aggarwal appointed as Chief Financial Officer w.e.f 1st Aug 2020 and Whole Time Director of the Company w.e.f 06th November, 2020 and resigned from the closing hours of 26th February, 2021.
- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.

**(c) Board qualifications, expertise and attributes**

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Board has adequate mix of skills, expertise and competencies for running the business of the Company as detailed below:

S. No.	Name of Director	Designation	Strategy & Planning	Administration and Management	Governance	Sales and Marketing	Finance and Law	Operations
1	Shri. Dharmendar Nath Davar	Chairman	✓	✓	✓	-	✓	-
2	Shri Jayant Davar	Co-Chairman & Managing Director	✓	✓	✓	✓	✓	✓
3	Smt. Monica Davar	Non-Executive Director	-	✓	✓	✓	-	-
4	Shri. Mohan Lal Bhagat	Independent Director	✓	✓	✓	-	✓	-
5	Shri. Ravinder Nagpal	Independent Director	✓	✓	✓	✓	✓	✓
6	Shri. Krishan Lal Chugh	Independent Director	✓	✓	✓	-	✓	✓
7	Shri. Arvind Kapur	Independent Director	✓	✓	✓	✓	✓	✓
8	Shri. Arjun Sharma	Independent Director	✓	✓	✓	✓	-	✓
9	Smt. Archana Capoor	Independent Director	✓	✓	✓	-	✓	-
10	Shri. Bharat Anand	Independent Director	✓	✓	✓	-	✓	-
11	Shri Vimal Mahendru	Independent Director	✓	✓	✓	✓	✓	✓



During FY 2020-2021, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. Video-conferencing facilities are also used to facilitate Directors travelling or residing at other locations to participate in the meetings. The Board periodically reviews the compliance reports of all laws applicable to the Company.

#### Details of Equity Shares of the Company held by the Directors as on the 31st March, 2021:

S. No	Name	Designation	Number of equity shares
1	Shri Dharmendar Nath Davar	Non- Executive Director & Chairman	839,582
2	Shri Jayant Davar	Executive Director & Co-Chairman & Managing Director	3,14,15,426
3	Smt. Monica Davar	Non-Executive Director	2,622,930
4	Shri Arjun Sharma	Non-Executive Independent Director	Nil
5	Shri Arvind Kapur	Non-Executive Independent Director	Nil
6	Shri K.L. Chugh	Non-Executive Independent Director	Nil
7	Smt. Archana Capoor	Non-Executive Independent Director	Nil
8	Shri Ravinder Nagpal	Non-Executive Independent Director	Nil
9	Shri M.L. Bhagat	Non-Executive Independent Director	Nil
10	Shri Bharat Anand	Non-Executive Independent Director	Nil
11	Shri.Vimal Mahendru	Non-Executive Independent Director	Nil
12	Shri Puru Aggarwal	Executive Director-Whole-Time Director and Chief Financial Officer	Nil

- Shri Puru Aggarwal appointed as Chief Financial Officer w.e.f 1st Aug 2020 and Whole Time Director of the Company w.e.f 06th November, 2020 and resigned from the closing hours of 26th February, 2021.
- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.

#### Convertible Instrument

The Company has not issued any convertible instruments during the year.

Audit Committee monitors & provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

### III. BOARD COMMITTEES

The Board has constituted various Committees of Directors to monitor the activities in accordance with Board approved terms of reference. The Board Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Company.

The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Company Secretary adheres to the same laws and regulations for conducting the meeting of the Committees as applicable for the Board Meetings. Some of the Committees of the Board were reconstituted to align with the provisions of the Companies Act, 2013, Listing Regulations and to meet the business requirements during the year under review. The terms of reference of the Board Committees are reviewed from time to time and on annual basis to align the same with the regulatory/business requirements. The Company has Six Board Committees as on the 31st March, 2021, which are briefly described below:

#### A. AUDIT COMMITTEE

The primary objective of the Audit Committee is to act as a catalyst in helping the Company to achieve its objectives by overseeing the Integrity of the Company's Financial Statements; Adequacy & reliability of the Internal Control Systems of the Company; Compliance with legal & regulatory requirements and the Company's Code of Conduct; Performance of the Company's Statutory & Internal Auditors.

#### a) Terms of Reference:

The Audit Committee was constituted at a meeting of the Board of Directors held on 31st May, 2010, and was subsequently reconstituted, on the 21st February, 2018, 26th May, 2018, 19th December, 2018, 26th February 2021 and by Circular Resolution dated 04th May, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
5. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

6. changes, if any, in accounting policies and practices and reasons for the same;
  7. major accounting entries involving estimates based on the exercise of judgment by management;
  8. Significant adjustments made in the financial statements arising out of audit findings;
  9. compliance with listing and other legal requirements relating to financial statements;
  10. Disclosure of any related party transactions;
  11. Modified opinion(s) in the draft audit report
  12. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  13. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter
  14. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
  15. Approval or any subsequent modification of transactions of the Company with related parties;
  16. Scrutiny of inter-corporate loans and investments
  17. Valuation of undertakings or assets of the listed entity, wherever it is necessary
  18. Evaluation of internal financial controls and risk management systems
  19. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  20. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
  21. Discussion with internal auditors of any significant findings and follow up there on
  22. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  23. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  24. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  25. To review the functioning of the whistle blower mechanism
  26. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
  27. Carrying out any other function as is mentioned in the terms of reference of the audit committee
  28. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  29. Review management discussion and analysis of financial condition and results of operations;
  30. Review statement of significant related party transactions (as defined by the audit committee), submitted by management;
  31. Review management letters / letters of internal control weaknesses issued by the statutory auditors;
  32. Review internal audit reports relating to internal control weaknesses; and
  33. Review the appointment, removal and terms of remuneration of the chief internal auditor.
  34. Review statement of deviations:
  35. Review quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015
  36. Review annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015
  37. To review compliance with the provisions of Insider Trading Regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
- The Audit Committee is required to meet at least four times in a year under Regulation 18 of the SEBI (LODR) Regulations, 2015.
- The Chairman of the Audit Committee is a Non-Executive Independent Director of the Company
- b) Composition, Meetings & Attendance during the year**
- As on the 31st March, 2021, the Audit Committee comprised of 3 members majority of them being Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015. During the year under review, 6 (Six) Audit Committee meetings were held and the time gap between any two meetings was less than 120 days.

The details of the Audit Committee meetings held during 2020-2021 are given as under:

S.No	Quarter			I		II	III	IV		No. of total meetings attended
	Date of Meeting			11.05.2020	27.06.2020	13.08.2020	06.11.2020	13.02.2021	05.03.2021	
	Member Name	Designation on Committee	Designation on Board							
1	Shri Ravinder Nagpal	Chairman	Non-Executive Independent	✓	✓	✓	✓	✓	✓	6
2	Shri Arvind Kapur	Member	Non-Executive Independent Director	✓	✓	✓	LOA	✓	✓	5
3	Smt. Archana Capoor	Member	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓	6
4	Shri Puru Aggarwal	Member	Chief financial officer and whole time director	NA	NA	NA	NA	✓	NA	1
<b>Total no. of Members</b>				<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	
<b>Total Present</b>				<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>3</b>	
<b>Absent</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	

**Notes:**

- The necessary quorum was present for all the meetings.
- Shri Puru Aggarwal became the member of the audit committee on 06th November, 2020 and resigned from the same on 26th February, 2021.
- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.
- Mrs. Archana Capoor was appointed as Chairman of Audit Committee & Mr. Jayant Davar was appointed as member through circular resolution dated 04th May, 2021.

In addition to the members of the Audit Committee, these meetings were attended by Chairman of the Board, Co-Chairman & Managing Director, Whole Time Director, Chief Financial Officer & Company Secretary, Statutory Auditor, Internal Auditor and/or their representatives, wherever necessary and by such executives of the Company as were considered necessary for providing inputs to the Committee.

**B. NOMINATION & REMUNERATION COMMITTEE**

The constitution and the terms of reference of the Nomination & Remuneration Committee ("NRC") are in compliance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

**a) Terms of Reference:**

The Nomination and Remuneration Committee was originally constituted as "Remuneration Committee" by a meeting of the Board of Directors held on 23rd July, 2005, and was subsequently reconstituted, on the 21st February, 2018 and by Circular Resolution dated 04th May, 2021. The name of the committee and the terms of reference were changed on 23rd May, 2014 and the Committee adopted new terms of reference in the Board Meeting held on the 13th August, 2019 are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of

directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees

2. Formulation of criteria for evaluation of performance of independent directors, board of directors, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. To develop a succession plan for the Board and to regularly review the plan.

**b) Composition, Meetings & Attendance during the year**

The details of its composition and of the meetings held during the Financial Year 2020-2021 are as under:

S.No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2020-2021				No. of total meetings attended
				11.05.2020	27.06.2020	06.11.2020	02.03.2021	
1	Shri K.L. Chugh	Chairman	Non-Executive Independent Director	✓	✓	✓	✓	4
2	Shri Ravinder Nagpal	Member	Non-Executive Independent Director	✓	✓	✓	✓	4
3	Shri Arjun Sharma	Member	Non-Executive Independent Director	✓	LOA	✓	✓	3
<b>Total no. of Members</b>				<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
<b>Total Present</b>				<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	
<b>Absent</b>				<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	

**Notes:**

- The necessary quorum was present for all the meetings.
- The Company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May 2021.
- Mr. Vimal Mahendru was appointed as Member of Nomination Remuneration Committee through circular resolution dated 04th May, 2021.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and as per Company's policy on performance evaluation, the Company Secretary had circulated the questionnaire to all the Directors for carrying out the evaluation of performance of Board, its committees and Individual Directors for the F.Y.2020-2021.

On the basis of feedback received on the questionnaires, the Chairman briefed the Board of Directors, about the performance evaluation of Board, its committees and Individual Directors for the F.Y.2020-2021.

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board has constituted a Stakeholders' Relationship Committee pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, to look into the redressal of grievances of shareholders and other security holders, if any.

**a) Terms of Reference**

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on September 3, 2015. The Committee was reconstituted by the Board at its meeting held on 29th March, 2018, for co-option of Shri Arjun Sharma as a Chairman & Shri Arvind Kapur as a member in place of Shri Dharmendar Nath Davar, chairman and Shri Jayant Davar, member in the Committee. The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

- Resolving the grievances of the security holders of the Company including complaints related

to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Oversee the performance of the registrars and share transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, and other related matters as may be assigned by the board of directors; and carrying out any other function as prescribed under the SEBI (LODR), 2015 and as may be delegated by the Board of Directors.



**b) Composition**

The details of its composition and of the meetings held during the Financial Year 2020-2021 are as under:

S.No	Member Name	Designation on Committee	Designation on Board	One Meeting held in the Financial Year 2020-2021	No. of total meetings attended
1	Shri Arvind Kapur	Chairman	Non-Executive Independent Director	13.02.2021	1
2	Shri Arjun Sharma	Member	Non-Executive Independent Director	13.02.2021	1
3	Shri Jayant Davar	Member	Co Chairman and Managing Director	13.02.2021	1
4	Shri Puru Aggarwal	Member	Wholtime director and Chief Financial Officer	13.02.2021	1
<b>Total no. of Members</b>				<b>4</b>	
<b>Total Present</b>				<b>4</b>	
<b>Absent</b>				<b>0</b>	

**Notes:**

- The necessary quorum was present for the meeting.
- Shri Puru Aggarwal become the member of the Stakeholders Relationship Committee on 06th November, 2020 and resigned from the same on 26th February, 2021.

**c) Compliance Officer**

Smt. Komal Malik (ICSI Membership No: 6430) as the Company Secretary & Compliance Officer of the Company

Number of Shareholders' Complaints received during the Financial Year 2020-2021: NIL

Number of Shareholders' Complaints not solved to the satisfaction of Shareholders: NIL

Number of Pending Complaints as on the 31st March, 2021: NIL

**Notes:**

Km. Subhi Gupta appointed as Company Secretary & Compliance Officer (Interim) w.e.f 11th May 2020 and resigned from the post w.e.f. 06th November 2020.

Appointment of Smt Komal Malik (ICSI Membership No: 6430) as the Company Secretary & Compliance Officer of the Company w.e.f. 06th November, 2020

**D. OTHER COMMITTEES****(A) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

In accordance with the requirements of the Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee to assist the Board in setting the Company's Corporate Social Responsibility Policy and assessing its Corporate Social Responsibility performance.

**(a) Terms of Reference**

The Corporate Social Responsibility Committee was constituted by our Board on 14th March, 2013, the composition was altered by a circular resolution on 21st February, 2018 and again reconstituted by resignation of Shri Gaurav Dalmia from the Board w.e.f. 11th December, 2018. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms and reference of the Corporate Social Responsibility Committee include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as per the Companies Act, 2013.
- Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company.
- Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**b) Composition**

As on the 31st March, 2021, the Committee comprised following directors as members:

S.No	Member Name	Designation on Committee	Designation on Board
1	Shri Jayant Davar	Chairman	Co-Chairman & Managing Director
2	Shri Arvind Kapur	Member	Non-Executive Independent Director
3	Smt Monica Davar	Member	Non- Executive Director
4	*Shri Puru Aggarwal	Member	Chief financial officer and Whole Time Director
5	**Shri Arvind Joshi	Member	Whole-Time Director, Chief Financial Officer & Company Secretary

- \*Shri Puru Aggarwal became the member of the CSR committee on 6th November 2020 and resigned from the same on 26th February, 2021.
- \*\*Shri Arvind Joshi relieved from his position from closing hours of 10th May 2020

## c) Meetings

The details of the Corporate Social Responsibility Committee meetings held during 2020-2021 are give as under:

S.No	Quarter	Designation on Committee	Designation on Board	Date of Meeting		No. of total meetings attended
	Date of Meeting Member Name			27.06.2020	13.02.2021	
1	Shri Jayant Davar	Chairman	Co-Chairman & Managing Director	✓	✓	2
2	Shri Arvind Kapur	Member	Non-Executive Independent Director	✓	✓	2
3	Smt Monica Davar	Member	Non- Executive Director	✓	✓	2
4	*Shri Puru Aggarwal	Member	Whole Time Director and Chief financial officer	NA	✓	1
<b>Total no. of Members</b>				<b>3</b>	<b>4</b>	
<b>Total Present</b>				<b>3</b>	<b>4</b>	
<b>Absent</b>				<b>0</b>	<b>0</b>	

## Notes:

\*Shri Puru Aggarwal became the member of the CSR committee on 6th November 2020 and resigned from the same on 26th February, 2021.

## (B) FINANCE COMMITTEE:

The Finance Committee was originally constituted by our Board on 02nd February, 2019, and was subsequently reconstituted, on the 11th May, 2020, 06th November, 2020 and by Circular Resolution dated 04th May, 2021. The terms of reference of the Finance Committee changed on 10th February, 2020 and its terms of business include the following:

1. Review, atleast annually, the Company's strategic plans and financial strategies and make recommendations to the Board in respect thereof;
2. Review and make recommendations to the Board regarding the Company's cash flow, capital expenditures and financing requirements;
3. Review and make recommendations to the Board regarding the Company's scope and mix of business, acquisition and merger opportunities, the purchase of business assets and financing thereof;
4. Review the Company's policies with respect to financial risk assessment and management including investment strategies and guidelines;
5. Annually review the scope, cost and basic terms of the Company's insured risk management programs including general liability, D&O and other Insurance Policies;
6. Review the Company's foreign exchange & commodities risk management and exposure;
7. Review periodically the scope of this Committee and make recommendations to the Board regarding any changes thereto;
8. Take such other actions as the Committee, from time to time, may determine are necessary to fulfill its duties

or are otherwise required by applicable laws, the Company's charter or the Bylaws or the Board.

9. To open Current / Cash Credit / Overdraft / Fixed Deposit and other accounts with any Scheduled Bank and authorize its Officials to operate the same and vary, amend and modify the existing authorization to operate accounts of the Company with its Bankers and to issue instructions for closure of its operated accounts.
10. To authorize one or more Directors/Officers of the Company to execute and sign the documents with Banks in relation to any Loan or Credit Facility availed of or to be availed of by the Company.
11. To authorize and appoint any Attorney(ies), Agent(s), Representative(s) of the Company to represent the interest of the Company in the manner and to the extent of the Powers/ Authorities as may be given, matter handled/to be handled by him.
12. To approve making requests to other Associate Company(ies) to give Guarantee or provide Security in connection with a loan made or to be made to the Company by any Bank, Financial Institution, Company(ies) or any other person.
13. To give Guarantee or provide Security for loans sanctioned to other Company(ies) by Banks/Financial Institutions, provided the aggregate amount for which the Guarantee given or the Security provided does not exceed the limit prescribed by law and also sanctioned by the Shareholders in General Meeting, if any.
14. To authorise one or more Directors/ Officers of the Company to (i) negotiate, execute and sign the necessary documents; and (ii) make necessary filings with regulatory/ government authorities (including registering of or filing of relevant documents with a quasi-regulatory / regulatory

/governmental authority), in relation to any guarantee or security to be provided by the Company to secure a loan availed by other Company (ies).

15. To make inter-corporate loans or deposits provided that the aggregate amount of loans shall not exceed the Limits laid down in Section 186 of the Companies Act, 2013, also keeping in view the Provisions of Section 180 of the said Act.

16. To make investment in shares, debentures, bonds of Companies and fixed deposits with Banks, Companies and Corporate etc. subject to the Provisions of Section 186 of the Companies Act, 2013 provided that the aggregate of all such investments outstanding at any time shall not exceed the total limit laid down in the aforesaid Section.

**a) Composition**

As on the 31st March, 2021, the Committee comprised following directors as members:

S.No	Member Name	Designation on Committee	Designation on Board
1	Shri Dharmendar Nath Davar	Chairman of the Committee	Chairman
2	Shri Jayant Davar	Member	Co-Chairman & Managing Director
3	Shri Ravinder Nagpal	Member	Non-Executive Independent Director
4	Shri Puru Aggarwal	Member	Whole-Time Director, Chief Financial officer
5	Shri Arvind Joshi	Member	Whole-Time Director, Chief Financial officer & Company Secretary

- Shri Arvind Joshi since resigned and relived from the closing hours of the 10th May, 2020.
- Shri Puru Aggarwal became the member of the Finance committee on 10th December, 2020 and resigned from the same on 26th February, 2021.
- The company lost Shri Ravinder Nagpal, Non-Executive Independent Director due to his sudden demise on 2nd May, 2021.
- Mr. Vimal Mahendru was appointed as Member of Finance Committee through circular resolution dated 04th May, 2021.

**b) Meetings and attendance**

The details of the Finance Committee meetings held during 2020-2021 are given as under:

S. No	Member Name	Designation on Committee	Designation on Board	Eight Meeting held in the Financial Year 2020-2021								No. of total meetings attended
				11.05.2020	27.06.2020	13.08.2020	06.11.2020	10.12.2020	13.02.2021	05.03.2021	25.03.2021	
1	Shri Dharmendar Nath Davar	Chairman	Non-Executive Director & Chairman	✓	✓	✓	✓	✓	✓	✓	✓	8
2	Shri Jayant Davar	Member	Co-Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	8
3	Shri Ravinder Nagpal	Member	Non-Executive, Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	8
4	Shri Puru Aggarwal	Member	Whole-Time Director, Chief Financial	NA	NA	NA	✓	✓	✓	NA	NA	3
<b>Total no. of Members</b>				<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	
<b>Total Present</b>				<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	
<b>Absent</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Notes:**

- The necessary quorum was present for the meeting.
- Shri Puru Aggarwal became the member of the Finance committee on 06th November, 2020 and resigned from the same on 26th February, 2021.

**(C) SHARE TRANSFER & ALLOTMENT COMMITTEE:**

As on the 31st March, 2021, the Committee comprised following directors as members:

S.No	Member Name	Designation on Committee	Designation on Board
1	Shri Jayant Davar	Chairman	Co-Chairman & Managing Director
2	Smt. Archana Capoor	Member	Non-Executive, Independent Director
3	Shri Vimal Mahendru	Member	Non-Executive, Independent Director

The Committee did not convene any meeting during the financial year 2020-2021.

- Regulatory guidelines as applicable, etc. The NEDs are entitled to reimbursement of expenses for participation in the meeting of the Board and Committees thereof.

The Board while approving the revision in the sitting fees payable to Directors for attending the meeting of the Board and Committees thereof, considers the recommendation of the N&RC.

**IV. REMUNERATION POLICY OF DIRECTORS**

The Company has a Board approved Remuneration Policy for Directors including Co-Chairman & Managing Director and is being reviewed on an annual basis. The details of the said policy are as follows:

**A. Remuneration of Executive Directors**

The remuneration of the Managing Director and Wholtime Director (Executive Directors) is recommended by the Nomination & Remuneration Committee (the "N&RC") to the Board for approval after considering the following factors, inter-alia:

- Function, role and responsibilities assigned;
- Benchmarking the same with the peers in the identical/similar industry;
- Industry benchmarking;
- Performance in the past and contribution to the long term strategies.

The Board considers the recommendations of N&RC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. In the event of inadequacy of profit, the remuneration is regulated by Schedule V of the Companies Act, 2013 otherwise, to require the approval of the Central Government.

**B. Remuneration of Non-Executive Directors****(i) Sitting Fees & Reimbursement of expenses**

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, Listing Regulations and other regulatory/statutory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the N&RC and approved by the Board of Directors of the Company. The N&RC considers the following factors while recommending the change in the sitting fees to the Board:

- Contribution expected from Directors considering size and complexity of organization,
- Comparison with the peers in the identical/similar industry/benchmarking,

**(ii) Payment of Profit-based Commission to NEDs**

The Non- Executive Directors of the Company are paid profit based yearly commissions in accordance with the provisions of the Companies Act, 2013 subject to a maximum of 1% of the Net profits, over and above any fees and reimbursements payable to the NEDs, pursuant to the shareholders' resolution. The N&RC commends to the Board for such commission and the same is recommended by the Board for shareholders' approval for a period of five years and are renewed for a further period of five years.

**(ii) Pecuniary transactions with NEDs**

During the year under review, there were no pecuniary transactions with any of the NEDs of the Company. The register of contracts is maintained by the Company under Section 189 of the Act and the same is placed before the Board for approval from time to time. The register so placed before the Board is signed by all the directors present at such meetings.

**(iii) Details of remuneration to directors**

The Company has no stock option plans for the directors and hence, it does not form part of the remuneration package payable to any Executive (Whole time) and/or Non-Executive Director. During the year, the Company did not advance any loan to any of the executive and/or non-executive directors and the details of remuneration paid/payable to directors during 2020-2021 are provided in an annexure to the Board's Report in Form MGT-9, extract of the Annual Return.

**V. FAMILIARISATION PROGRAMME FOR BOARD MEMBERS**

The Board of Directors has adopted a familiarization programme for its Independent Directors in accordance with Regulation 25 of the SEBI Listing Regulations. The aim of such Familiarisation Programme would be to familiarize Independent and other Directors with the Company, its management, their roles, rights, responsibilities in the Company, nature of the auto component Industry, Business Model, Risk Management System, ERP systems encompassing Asset



Management, Human Capital Management, Product Life Cycle Management, technology architecture and Information Security/ Cyber Security Awareness of the Company for the purpose of contributing significantly towards the growth of the Company.

During the financial year, Company familiarized the Directors on the Company's policies and procedures on a regular basis. Presentations/briefings were also made at the meeting of the Board of Directors/Committees by KMP's/ senior executives of the Company on industry scenario, Company's operating and financial performance, industrial relations status, marketing strategies, risk management etc.

The details of the familiarization programme of the Independent Directors are available on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com)

## VI. INFORMATION SUPPLIED/AVAILABLE TO THE BOARD

The Directors are presented with important/critical information on the operations of the Company as well as that which requires deliberations at the highest level. The Board has complete access to all the relevant information within the Company and also access to the senior management of the Company and any additional information to make informed and timely decisions. All Board and Committee meetings are governed by structured agenda notes which are backed by comprehensive background along with relevant annexures.

The Board was presented with the information on various important matters of operations, risk management and business, new initiatives in business, budgets, financial results, update on Corporate Social Responsibility activities, minutes of Board and Committees of the Board, appointment and remuneration of the senior management, appointment/cessation of Key Managerial Personnel, details of joint ventures or collaborations, if any, information on subsidiaries, sale of investments, assets which are material in nature and not in the normal course of business, foreign exposure and non-compliance, if any with regulatory or statutory guidelines or in the Listing Regulations, etc., and other matters which are required to be placed before the Board in terms of the Companies Act, 2013, Listing Regulations. The Board and other Committees also approve various business proposals and regulatory approvals through circulations

## VII. POST MEETING COMMUNICATION / FOLLOW UP SYSTEM

The Company has an effective post meeting follow up procedure. The Company has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions and a report on ongoing actionables (Action Taken Report) are being placed before the meeting of the Board/ Committees of the Board from time to time. Action Taken Report on the decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/ Board Level Committees.

## VIII. MATERIAL SUBSIDIARIES

In terms of the requirement of the Policy on Material Subsidiaries, a subsidiary shall be considered as unlisted material subsidiary if its income or net worth exceeds ten (10) % of the consolidated

income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

A copy of the said Policy on Material Subsidiaries is available on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com)

In terms of the SEBI LODR amendment dated 9th May, 2018, effective from 1st April, 2019, the Company's foreign subsidiary viz. Sandhar Technologies Barcelona S.L. together with its step-down subsidiaries shall be considered as a Material Subsidiary.

The Audit Committee of the Company reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

## IX. MANAGEMENT

### (a) Management Discussion and Analysis report:

The Management Discussion and Analysis Report is given separately and forms part of this Annual Report.

### (b) Disclosures on Related Party Transactions:

In compliance with the requirements of the SEBI Listing Regulations and following the provisions of Section 188(1) of the Companies Act, 2013, all Related Party contracts / arrangements / transactions entered by the Company during the financial year had been in the ordinary course of business and on arm's length basis, with Audit Committee having a domain role. The Board of Directors brought into picture, wherever necessary and/or obligatory. Therefore, the provision of Section 188 of the Companies Act, 2013 were not attracted. There are no materially significant Related Party Transaction during the year under review made by the Company with promoters, directors or other designated person which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. Pertinent, in this context, is to say that, during the year, the Company has not entered into any contract / arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions, as approved by the Board, may be accessed on the Company's website at [www.sandhargroup.com](http://www.sandhargroup.com)

Related Party Transactions were disclosed to the Board on regular basis. Details of Related Party Transactions may be referred to in Note 32 to be checked of the Standalone Financial Statements

### (c) Disclosure of accounting treatment in preparation of financial statements:

Pursuant to the provisions of Section 133 of Companies Act 2013 and Rule 4 (iii) (a) of Companies (Indian Accounting Standards) Rules 2015, the companies whose equity or debt securities were listed or were in the process of being listed on any stock exchange in India or outside India and

having net worth of less than ` Five Hundred crores, had to comply with the Indian Accounting Standards (Ind AS), for the accounting periods beginning on or after April 01, 2017. Accordingly, Ind AS is applicable upon the Company and its subsidiaries beginning April 01, 2017.

**(d) Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

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

**(e) Code of Conduct for Prevention of Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, The Insider Trading Policy with Corporate Policy on Investor Relations was approved and adopted by the Company. The Insider Trading Policy is displayed on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com)

**(f) MD & CFO certification:**

The MD and the Chief Financial Officer ('CFO') have issued certificate pursuant to the provisions of Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. They also certify that, to the best of their knowledge and belief, no transactions entered into during the year were fraudulent, illegal or in violation of the code of conduct of the Company, they are responsible for establishment and maintenance of the Internal Financial Controls for financial reporting and they have indicated to the auditors and the Audit Committee about any significant changes in internal control over financial reporting, significant changes in the accounting policies and instances of significant frauds, if any, which they were aware. The said certificate is annexed and forms part of this Annual Report.

**(g) Code of Conduct:**

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been reviewed and approved by the Board at its meeting held on August 19th, 2014, as updated from time to time, and has been hosted on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com). All Board members and Senior Management Personnel affirmed compliance with the Code of Conduct.

**(h) Sexual Harassment of Women at Workplace**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation.

To empower women and protect women against sexual harassment, your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment

of Women at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules framed thereunder.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. During Financial Year 2020-2021, there has been no case during the year requiring to be reported during the year under review.

**(i) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has established a Whistle Blower Policy to enable stakeholders (including Directors, Employees, retainers, franchisees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy are to be appropriately and expeditiously investigated by the Ethics Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy is available on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com)

## X. COMPLIANCE

**(a) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all applicable mandatory requirements prescribed under the SEBI Listing Regulations.

**(b) The Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:**

- Reporting of Internal Auditors: The Internal Auditor also reports to the Audit Committee while submitting internal audit report.
- The Company has duly appointed separate persons to the posts of Chairperson and Managing Director.
- The Company confirms that its financial statements are with unmodified audit opinion.
- The internal Auditor reports directly to Audit Committee.

**(c) Certification from Company Secretary in Practice**

M/s K.K. Sachdeva & Associates, Practicing Company Secretaries, had issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as ANNEXURE-A.

## XI. SHAREHOLDERS

### (a) Means of communication:

**Website :** The Company's website [www.sandhargroup.com](http://www.sandhargroup.com) contains, inter alia, the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor / analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.

**Financial Results :** The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Hindi newspaper within 48 hours of approval thereof.

**Annual Report :** Annual Report containing inter alia Audited Financial Statements, Board's Report, Auditors Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on website of the Company.

**Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre :** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filled electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

### (b) General shareholder information:

General Body Meetings:

#### Annual General Meeting ("AGM")

AGM	Date of AGM	Details of special resolution(s) passed at the AGMs, if any	Place
26th	10th September, 2018	(i) To approve the appointment of or continuation of directorship of Shri Dharmendar Nath Davar as a Non-Executive Director who has attained the age of 83 years (ii) To approve appointment of or continuation of directorship of Shri Krishan Lal Chugh as an Independent Non-Executive Director who has attained the age of 80 years (iii) To approve appointment of or continuation of directorship of Shri Mohan Lal Bhagat as an Independent Non-Executive Director who has attained the age of 82 years (iv) Reappointment of *Shri Arvind Joshi as Whole-Time Director for a further period of 5 (Five) years w.e.f. 1st June, 2018 up to 31st May, 2023 (v) Renewal of payment of Commission to Non Whole-Time Directors	IETE Delton Hall Lodhi Road, Gokalpuri Institutional Area, Lodi Colony New Delhi -110003
27th	10th September, 2019	(vi) Loans to Directors/Interested Parties: (i) change in Clause 69 (Common Seal) of Articles of Association of the Company. (ii) To re-appoint Shri Krishan Lal Chugh (DIN: 00140124), as a Non-Executive Independent Director of the Company (iii) To re-appoint Shri Arvind Kapur (DIN: 00096308) as a Non-Executive Independent Director of the Company (iv) To re-appoint Shri Mohan Lal Bhagat (DIN: 00699750) as a Non-Executive Independent Director of the Company (v) To re-appoint Shri Ravinder Nagpal (DIN: 00102970) as a Non-Executive Independent Director of the Company (vi) Ratification of remuneration payable to Cost Auditor vis. A.N. Satija & Co. for audit of cost records for the FY 2019-20 (vii) Appointment of Smt. Archana Capoor as an Independent Director of the Company (viii) Appointment of Shri Bharat Anand as an Independent Director of the Company	Sri Sathya Sai International Centre (A Unit of Sri Sathya Sai Central Trust), Pragati Vihar, Bhisham Pitamah Marg, New Delhi - 110003

AGM	Date of AGM	Details of special resolution(s) passed at the AGMs, if any	Place
28th	23rd September, 2020	i. Reappointment of Shri Jayant Davar as Managing Director ii. Reappointment of Shri Arjun Sharma (DIN: 00003306) As Non-Executive Independent Director of the company iii. Ratification of remuneration payable to Cost Auditor iv. Appointment of Shri Vimal Mahendru as an Independent Director	Video conferencing

#### Extraordinary General Meetings ("EGM")

Details of special resolutions passed at the Extraordinary General Meetings ("EGM") held during the preceding three years are tabulated below:

Date of EGM	Place	Details of special resolution(s) passed at the EGM, if any
2018-2019	None	None
2019-2020	None	None
2020-2021	None	None

No resolution of shareholders was passed through postal ballot in the above-mentioned AGMs and EGMs.

#### (c) Dividend

The Board of Directors have paid during the year interim dividend as per particulars below:

S.No	Date of Declaration	Rate of Dividend	Amount (Rs. in Lacs)
1	13th February, 2021 (Interim Dividend)	12.5%	752.38

#### (d) Listing on Stock Exchanges:

Equity Shares of face value of Rs. 10/- each of the Company are currently listed on the following stock exchanges:

S.No	Name	Address	Stock Code
1	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	541163
2	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	SANDHAR

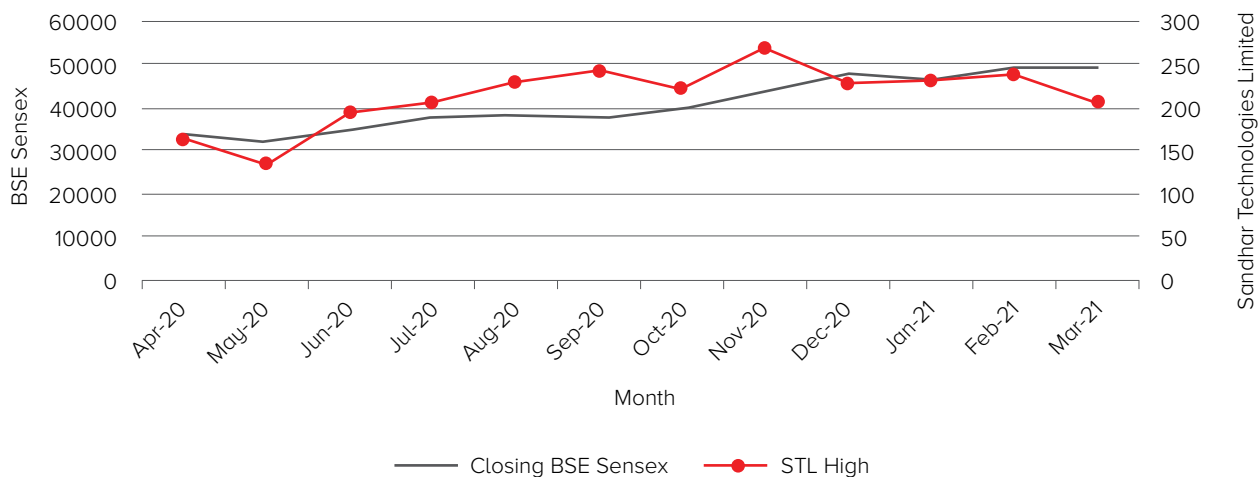
#### e) Market Price Data:

Monthly highs and lows of Company's shares during 2020-2021 (vis-à-vis CNX Nifty & BSE Sensex):

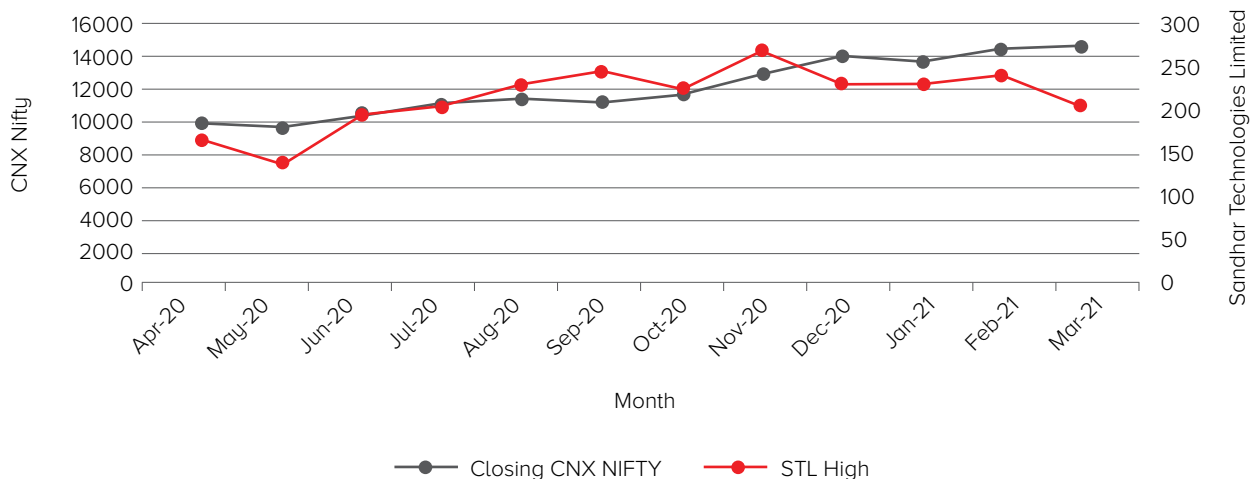
Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-20	186	121.90	166.05	158.05	9889.05	33717.62
May-20	160.35	134.10	141.70	135	9598.85	32424.10
Jun-20	203.45	134	198.90	186.75	10302.10	34915.80
Jul-20	236	187.60	209	201.65	11073.45	37606.89
Aug-20	246.75	202.95	233.80	222.65	11387.50	38628.29
Sep-20	263	215.70	246.90	239.45	11247.55	38067.93
Oct-20	270	217.45	232.85	221.25	11642.40	39614.07
Nov-20	280.15	215.05	279.95	255.10	12968.95	44149.72
Dec-20	269.45	226	237.95	228.15	13981.75	47751.33
Jan-21	276	222.80	238.35	230.90	13634.60	46285.77
Feb-21	264	227	245.95	237	14529.15	49099.99
Mar-21	241.80	200.05	209	204.10	14690.70	49509.15

The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2020- 21 (based on month end closing).

#### Sandhar Technologies Limited Vs BSE Sensex, on the 31st March, 2021



#### Sandhar Technologies Limited Vs Nifty, on the 31st March, 2021



#### (f) Dematerialization of shares and liquidity;

The Company's shares are compulsorily traded in dematerialised form on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Equity shares of the Company representing approximately 100% equity share capital were held in Dematerialised form, as on the 31st March, 2021.

#### (g) Share Transfer Agent;

The Company vide Agreement dated 02nd April, 2018 has appointed following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, inter alia, responsible

for processing of requests pertaining to share transfers/ transmission/ dematerialization/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in this regard.

#### Link Intime India Private Limited

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083  
Tel No: +91 22 49186000  
Fax: +91 22 49186060

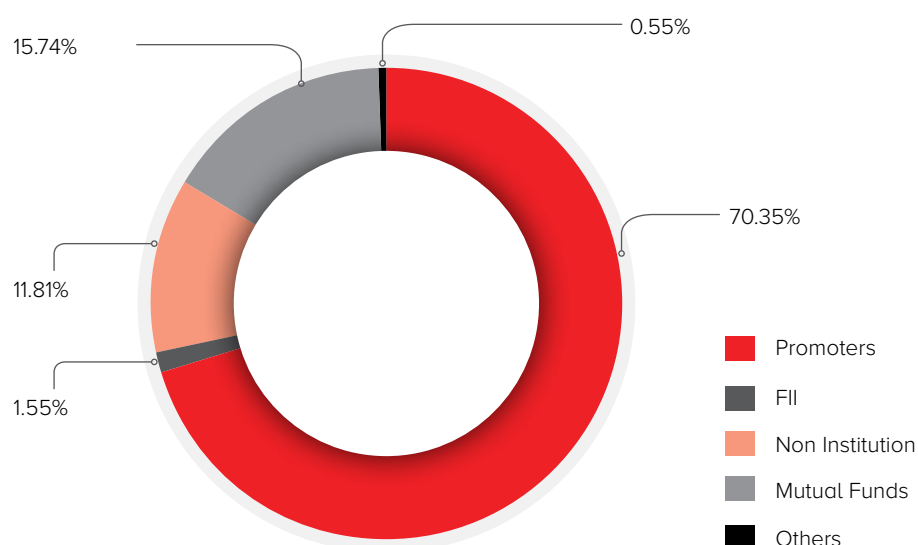


**(h) Distribution of Shareholding**

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on the 31st March, 2021

**Category Distribution:**

Categories	31st March, 2021	
	No. of Shares	Percentage
Promoter	4,23,43,070	70.35%
Foreign Portfolio Investors	9,32,991	1.55%
Mutual Funds	94,71,970	15.74%
Others	3,31,290	0.55%
Non-Institutions	71,11,387	11.81%

**SHAREHOLDING AS ON THE 31st MARCH, 2021****Distribution of Shareholding as on the 31st March, 2021:**

Distribution Of Shareholding (Shares)						
S.No.	Shareholding of Shares		Shareholder	Percentage of Total	Share Amount	Percentage of Total
1	1	To	5000	23319	96.6711	14320720
2	5001	To	10000	410	1.6697	3085700
3	10001	To	20000	185	0.7669	2753920
4	20001	To	30000	58	0.2404	1416030
5	30001	To	40000	27	0.1119	980620
6	40001	To	50000	20	0.0829	918630
7	50001	To	100000	46	0.1907	3376880
8	100001	To	ABOVE	57	0.2363	575054580
<b>Total</b>			<b>24122</b>	<b>100</b>	<b>601907080</b>	<b>100</b>

**(i) Share Transfer System:**

As on the 31st March, 2021, 100% of the equity shares of the Company were in electronic form. Transfer of the shares held in demat form are done through the depositories with no involvement of the Company.

**(j) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:**

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

**(k) Plant locations:**

In view of the nature of the Company's business, the Company operates from various centres in India and abroad.

**A. Facilities in India**

S.No	Facility	Location	Division	Products manufactured
<b>Operational manufacturing facilities</b>				
1.	Sandhar Automotives Gurgaon	Gurugram	Automotives	Lock assembly, door handles, latches and switch assembly
2.	Sandhar Automotives Dhumaspur	Gurugram	Automotives	Mirror assembly and moulded parts
3.	Sandhar Components Behrampur	Gurugram	Components	Sheet metal components
4.	Sandhar Automotives HSCI Division	Gurugram	HSCI	Door handles, lock assembly and side view mirrors
5.	Sandhar Components Manesar	Gurugram	Components	Zinc die casting
6.	Sandhar Tooling	Gurugram	Subsidiary	Tools and dies
7.	Sandhar Automotives Haridwar	Haridwar	Automotives	Locking systems, rear-view mirrors systems, door handles, and hinges and latches
8.	Sandhar Components Bawal	Bawal	Components	Aluminium die casting parts
9.	Sandhar Technologies Limited – Bawal – II	Bawal	Components	Plastic moulding parts
10.	Sandhar Automach Nalagarh	Nalagarh	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
11.	Sandhar Technologies Limited – Pathredi	Alwar	HSCI	Door handles, lock assembly, and side view mirror
12.	Sandhar Automotives Pune	Pune	Automotives	Mirror assembly, lock assembly, and handle assembly
13.	Sandhar Technologies Limited – Cabins and Fabrication Pune	Pune	Cabins and fabrications	Cabins, welded assembly for cabins
14.	Sandhar Components Attibele	Bengaluru	Components	Zinc die casting and moulding parts
15.	Sandhar Automotives Bommasandra	Bengaluru	Automotives	Lock assembly, mirror assembly, handle assembly, latches, and switches
16.	Mag Engineering Unit A	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate
17.	Mag Engineering Unit B	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate
18.	Sandhar Automach Attibele	Bengaluru	Automach	Motor cycle rims, moped rims, scooter rims, clutch assembly, handle bar assembly, wheel assemblies for motor cycles, mopeds and scooters
19.	Sandhar Automach Mysore	Mysuru	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
20.	Sandhar Technologies Limited	Oragadam, Chennai	Automach	Assembly of rims
21.	Sandhar Automotives Gurgaon – JEM division	Gurugram	Automotives	Relays
22.	Sandhar Technologies Limited – Distribution Division	Gurugram	After market	Packaging of products for after-market sales
23.	Sandhar Han Sung	Gurugram	Joint Venture	Press parts for application in relays, motors and tools, injection moulded parts for application in sensors, connectors, switches, vehicle relays, lamps, windshield wipers and switches

S.No	Facility	Location	Division	Products manufactured
24.	Jinyoung Sandhar	Oragadam, Chennai	Joint Venture	Assembly of AVN panels, and switches
25.	Sandhar Han Sung – Oragadam	Oragadam, Chennai	Joint Venture	High precision press parts, and insert moulded contact plates
26.	Sandhar Automach	Hosur	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
27.	Sandhar Technologies Limited – CFD – Jaipur	Jaipur	Cabins and fabrication division	Parts and components for off-highway vehicles
28.	Sandhar Technologies Limited – Oragadam	Oragadam, Chennai	Components, and cabins and fabrication	Cabins and cabin loose parts, operator cabins for off-highway vehicles, aluminium die casting components, machining, and powder coating of aluminium die casting parts
29.	Sandhar Technologies Limited – Hosur Unit	Hosur	Components	Aluminium die casting parts
30.	Sandhar Technologies Limited – Oragadam (ADC)	Oragadam, Chennai	Components	Aluminum die casting parts
31.	Sandhar Daewha	Gurugram	Joint Venture	Fuel filters and fuel modules, starter motors, wipers
32.	Sandhar Amkin	Gurugram	Joint Venture	Safety helmets and other headgears for two-wheelers
33.	Sandhar Whetron	Gurugram	Joint Venture	Automotive Sensors like Cameras, Ultra sonic sensors, radar solutions
34.	Winnercom Sandhar Technologies	Bengaluru	Joint Venture	Shark fin antenna and micro pole antenna etc
35.	Sandhar Han Shin Auto Technologies	Bengaluru	Joint Venture	Radio Cable, AV/NAVI Cable, GPS/DMB Cable, USB Cable, AVM Cable
36.	Kwangsung Sandhar	Bengaluru	Joint Venture	Sunvisor, Cargo Screen, Black-Out Tape, Glove Box & several other Blow-moulded products.

**B. Facilities outside India:**

S.No	Facility	Location	Division	Products manufactured
1.	ST Barcelona	Spain	ST Barcelona	Aluminium spools and spindles
2.	Sandhar Poland	Spain	Step Down Subsidiary	Aluminium spools and spindles
3.	ST Mexico	Mexico	Step Down Subsidiary	Aluminium spools and spindles
4.	STL Technologies Ro SRL	Romania	Step Down Subsidiary	Aluminium spools and spindles

**C. Address for correspondence:**

Investors and shareholders can correspond with the RTA or at corporate office of the Company at the following address:

**Registrar and transfer agent - Link Intime India Private Limited**

C-101, 1st floor 247 Park  
L B S Marg, Vikhroli (West)  
Mumbai 400 083

Tel: +91 22 4918 6270

Fax: +91 22 4918 6060

E-mail: mumbai@linkintime.co.in

Investor Grievance e-mail: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

**Company**
**Registered Office :**

B-6/20 L.S.C. Safdarjung Enclave, New Delhi-110029

**Corporate Office :**

Plot No. 13, Sector 44, Gurgaon - 122002

**XII. OTHER DISCLOSURES****(a) Confirmation of Compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46:**

S.No	Particulars	Regulation Number	Compliance status (as on March 31, 2021) (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Review of Compliance Reports	17(3)	Yes
5	Plans for orderly succession for appointments	17(4)	Yes
6	Code of Conduct	17(5)	Yes
7	Fees/compensation	17(6)	Yes
8	Minimum Information	17(7)	Yes
9	Compliance Certificate	17(8)	Yes
10	Risk Assessment & Management	17(9)	NA
11	Performance Evaluation of Independent Directors	17(10)	Yes
12	Composition of Audit Committee	18(1)	Yes
13	Meeting of Audit Committee	18(2)	Yes
14	Composition of nomination & remuneration committee	19(1) & (2)	Yes
15	Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
16	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
17	Vigil Mechanism	22	Yes
18	Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
19	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
20	Approval for material related party transactions	23(4)	Yes
21	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
22	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
23	Maximum Directorship & Tenure	25(1) & (2)	Yes
24	Meeting of independent directors	25(3) & (4)	Yes
25	Familiarization of independent directors	25(7)	Yes
26	Memberships in Committees	26(1)	Yes
27	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
28	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
29	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

**(b) Name and Designation of Compliance Officer:**

Smt. Komal Malik, Company Secretary & Compliance Officer  
Plot No. 13, Sector 44, Gurgaon – 122001 Haryana - India  
Tel No: 0124-4518900; Fax No: 0124-4518912  
Email: investors@sandhar.in

**(c) Subsidiary companies:**

The Company has three direct subsidiaries as per particulars below:

S.No	Name of subsidiary & its location	Date of Incorporation	Nature of subsidiary	Type of subsidiary pursuant to regulation 16(1)(c) of the Listing Regulations. i.e. [Material or otherwise]
1	Sandhar Tooling Private Limited Registered office at B-6/20, L.S.C, Safdarjung Enclave, New Delhi-110 029	26th February, 2002	Domestic company	Otherwise
2	Sandhar Strategic Systems Private Limited Registered office at Vill. & Post Khandsa, Berhampur Road, Gurgaon-122 001	9th September, 2016	Domestic company	Otherwise
3	Sandhar Technologies Barcelona S.L., Registered at Av. Cal Rubio, no 46, Santa Margarida I els Monjos, Barcelona, Spain	18th May, 2007	Foreign company (RBI UIN no. NDWAZ20090757)	Otherwise

Note: Sandhar Daewha Automotive Systems Private Limited, Sandhar Amkin Industries Private Limited and Kwangsung Sandhar Technologies Private Limited are treated as Joint Ventures for the purpose of preparation of financial statements as required under Ind-AS. However, the shareholding of Sandhar Technologies Limited in these Companies exceeds 50% therefore, as per the provisions of Companies Act, 2013 they are treated as subsidiaries.

**Company's wholly-owned foreign subsidiary, viz. Sandhar Technologies Barcelona S.L. has the following subsidiaries:**

S.No	Name of subsidiary & its location	Date of Incorporation	Nature of subsidiary	Type of subsidiary pursuant to regulation 16(1)(c) of the Listing Regulations. i.e. [Material or otherwise]
1	Sandhar Technologies Poland sp. z.o.o. Registered Office at UI Legionow 59, 42-200, Czesochowa, Poland	20th June, 2011	Foreign company	Otherwise
2	Sandhar Technologies De Mexico S. de RL de CV Registered Office at Av. Torre centro Insurgentes, 3 Parque Opcion, San Jose Iturbide 37980, Guanauato, Mexico	27th February, 2014	Foreign company	Otherwise
3	Sandhar Technologies Ro SRL Registered Office 6-9 Corneliu Coposu Boulevard 8th floor, Office No. M09, 3rd District Bucharest, 030606, Romania	4th March 2021	Foreign Company	Otherwise
4	*Breniar Projects S. L. Registered Office at Av. Cal Rubio, No. 46, Santa Margarida I els Monjos, Barcelona, Spain	26th April, 2007	Foreign Company	Otherwise

Note: \*Breniar Projects S. L., Spain (Step Down Subsidiary) of the Company liquidated on 21st April, 2021.

**(d) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

In terms of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.



**(e) SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)**

The Company has registered on SCORES and every effort is made to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. No Shares are lying in Demat Suspense Account / unclaimed suspense Account. Hence, the disclosure of the same is not applicable.

**(f) COMMODITY PRICE RISK OF FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES**

Please refer to Management Discussion & Analysis report for the same. The company has a Board approved Forex Policy which lays down the principles for hedging of Forex risk.

**(g) CREDIT RATING**

During the year under review India Rating & Research, a credit rating agency registered with SEBI had given the credit ratings as follows:

- i) Long Term Ratings: IND AA-/stable
- ii) Short Term Ratings: IND A1+

**(h) DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS**

(Rs. in Lacs)		
Type of Service	March, 2021	March, 2020
As Auditor		
Audit Fees	61.95	67.18
Limited Review	13.00	13.00
In Other Capacity		
Other Services (Certification Fees)	0.70	1.00
Reimbursement of Expenses	1.03	5.98
<b>TOTAL</b>	<b>76.68</b>	<b>87.16</b>

## Annexure A to Corporate Governance Report, 2021

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

**[Pursuant to clause 10 of part C of Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations, 2015]**

In pursuance of sub-clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations, 2015; (LODR) in respect of Sandhar Technologies Limited (CIN: L74999DL1987PLC029553), I hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on the 31st March, 2021, none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

**For M/s K.K. Sachdeva & Associates,**  
Practicing Company Secretaries

Sd/-

**K.K. Sachdeva**

[Proprietor]

FCS No. 7153, CP No. 4721

## BUSINESS RESPONSIBILITY REPORT:

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L74999DL1987PLC029553
- Name of the Company: Sandhar Technologies Limited
- Registered address: B-6/20, L.S.C. Safdarjung Enclave New Delhi - 110029
- Website : www.sandhargroup.com
- E-mail id : corporate.secretarial@sandhar.in
- Financial Year reported: 01st April, 2020 to 31st March, 2021
- Sector(s) that the Company is engaged in (industrial activity code-wise):

S. No	Activity	NIC Code
1	Manufacture of diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalysers, clutches, steering wheels, steering columns and steering boxes etc.	29301
2	Manufacture of parts and accessories of three wheelers and motorcycles including side cars.	30913
3	Wholesale or retail sale of parts and accessories of motorcycles, mopeds, scooters and three wheelers	45402

- List three key products/services that the Company manufactures/provides (as in balance sheet)

S. No	Key Products
1	Locks & Switches
2	Rare View Mirrors
3	Sheet Metal Components

- Total number of locations where business activity is undertaken by the Company: 41
  - Number of International Locations: 4
  - Number of National Locations: 36
- Markets served by the Company – Local/State/National/International:  
The Company's products are available nationally and several products are exported.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR): 60.19 Crores
- Total Turnover (INR): 1,594.70 Crores
- Total profit after taxes (INR): 65.23 Crores
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 3.32 %
- List of activities in which expenditure in 4 above has been incurred: Refer Corporate Social Responsibility Report (Annexed to Board Report) of the Company.

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? Yes
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s) : The subsidiary companies are not required to comply with the Business Responsibility initiative as per the laws applicable to them.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No

### SECTION D: BR INFORMATION

Details of Director/Directors responsible for BR

- Details of the Director/Directors responsible for implementation of the BR policy/policies

S. No	Particulars	Details
1	DIN (if applicable)	00100801
2	Name	Jayant Davar
3	Designation	Co-Chairman & Managing Director
4	Telephone Number	0124-4518900
5	E-mail Id	info@sandhar.in

**Principle wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for principle P1 to P9	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	The Policy is signed by the MD.							
4	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
5	Indicate the link for the policy to be viewed online?	Policies are available on the website of the Company i.e. <a href="http://www.sandhargroup.com">www.sandhargroup.com</a> . Policies which are internal to the Company are available on the intranet of the Company.								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Link of the policies hosted on the website are given above.								
7	Does the company have in-house structure to implement the policy/ policies?	Yes								
8	Does the Company have a grievance Redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies have been evaluated internally.								

**Governance related to Business Responsibility**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

**Response: The Board of Directors of the Company shall assess various initiatives forming part of the BR performance of the Company at least once a year.**

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

**Response: The Company has published Business Responsibility Report annually as part of the annual report. The same can be accessed at our website [www.sandhargroup.com](http://www.sandhargroup.com)**

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the Company have Policies relating to ethics, bribery and corruption cover only the Company? Yes/No

Response: Yes

2. Does it extend to Group/Joint Ventures/subsidiaries/ Suppliers/Contractors?

Response: The policies are currently applicable to the Company but not applicable on Subsidiaries / Joint Ventures / Suppliers / Contractors.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Response: No complaints were received during the year 2020-21.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Response:

The key products which the Company manufactures are Locks & Switches, Rear View Mirrors and Sheet Metal Components. The designs of these products address environmental concerns and risk. The Company has consciously put in efforts to develop sustainable products through its in house R&D team.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Response: Majority of Company's inputs by value are sourced from suppliers who adhere to sustainable sourcing principles. The suppliers include market leaders in India and overseas with an impressive track records. A small portion of the Company's needs are sourced from small enterprises and it is difficult for the Company to assert adherence with sustainability norms by such suppliers.

**Principle 3: Businesses should promote employee well-being**

1. Please indicate the total number of employees as on the March 31, 2021:

Response: 1783

2. Please indicate the total number of employees hired on temporary/contractual/casual basis as on the March 31, 2021:

Response: 5761

3. Please indicate the Number of permanent women employees as on March 31, 2021:

Response: 37

4. Please indicate the Number of permanent employees with disabilities as on March 31, 2021:

Response: Nil

5. Do you have an employee association that is recognized by management:

Response: Yes

6. What percentage of your permanent employees is members of this recognized employee association?

Response: 23.63

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

S. No	Category	No. of complaints filed during the financial year	No. of Complaints Pending as on the end of the financial year
1	Child labour / forced labour/ involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Percentage of Training Hours (CA + CRAs): 2.03%

Percentage of Training Hours (Staff) : 2.53%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders? Yes/No

Response: Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

Response: Yes

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Response: Yes

The Company recognizes the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. The Company has adopted the following policies viz.

- a) Policy on "Prevention of Sexual Harassment of Women at work place" seeks to provide safe and healthy work environment to its employees by establishing a guideline to deter any sexual harassment at work.
  - b) Code of conduct for all Directors and Senior Management that prohibits discrimination and harassment, and promotes clean safe and ethical work environment
  - c) Whistle Blower Policy provides scope to its group companies, joint ventures, suppliers, contractors, others to report serious concerns that could have grave impact on the operations and performance of the business
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Response: There have been no complaints received in the year under review, relating to any human rights issue.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

Response: The Company continuously makes efforts to safeguard the environment.

The steps are taken for optimal utilisation of resources in line with ISO-14001 standards requirements.

2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.

Response: The Company is committed for continual improvement for optimum utilization of resources to minimize consumption of energy, water and natural resources while maximizing production volumes in eco-friendly manner.

3. Does the Company identify and assess potential environmental risks? Y/N

Response: Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Response: The Company does not have any Clean Development Mechanism(CDM) Projects.

5. Has the Company undertaken any other initiatives on clean technology, energy, efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Response: Covered under Board Report which forms part of the Annual Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported.

Response: The Emissions/Waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Response: As on March 31, 2021, there are no show cause/ legal notices received from CPCB/ SPCB which are pending / unresolved.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Response: Yes, the Company is the member of following:

- a) Automotive Component Manufacturer Association of the India (ACMA)
- b) Confederation of Indian Industry (CII)
- c) NCR Chamber of Commerce and Industry



2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Response: No

**Principle 8: Businesses should support inclusive growth and equitable development.**

1. Does the Company have specified programmes /initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Response: As a responsible corporate citizen, the Company focuses on community development through its CSR activities. Details of CSR activities are provided in the Board's Report forming part of this Annual Report

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Response: The Company undertakes CSR activities through its philanthropic arm Sandhar Foundation and through external implementing agencies.

3. Have you done any impact assessment of your initiative?

Response: No

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Response: CSR spend for the year under review is 2020-21. Please refer to 'Annexure V' forming part of the Board's Report

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Response: Please refer to CSR Report forming part of the Board's Report

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Response: Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Response: The Company displays product information on the product label as mandated by the law.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Response: No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Response: No

# Management Discussions and Analysis (MD&A)

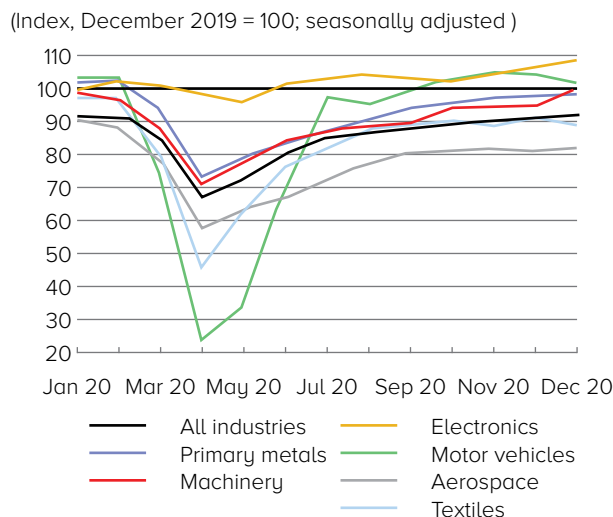
## Global Economy Overview

In 2020, the Covid-19 pandemic had spread with alarming speed, infecting countless individuals all over the globe and bringing economic activity to a near stand-still. Countries across the globe attempted to curb the spread of the virus by implementing strict restrictions on transport and public movement, along with hygiene regulations and social distancing norms. The crisis had made it clear that urgent action was essential to soften the blow on healthcare and the economy, to shield vulnerable populations, and create solutions for recovery.<sup>1</sup> Adherence to these general guidelines by majority of the economies, was the crucial factor for the gradual recovery over the year.

The Global Economic output is expected to expand 4% in 2021 but continues to remain more than 5% below pre-pandemic trend. Emerging market and developing economies (EMDE) continue facing challenges with regard to growth (estimated to be 5% in 2021) as their output is limited to levels below pre-pandemic projection. Debt levels have reached historic highs, making the global economy particularly vulnerable to financial market stress. Global cooperation is critical in combating many of these problems, especially to prevent a debt crises in EMDEs. In all, the global economy is estimated to have contracted 4.3% in 2020 which is 0.9% lower than expected in June, 2020, with the global GDP in 2021 forecasted to be 5.3% below pre-pandemic projections – or about USD 4.7 trillion. The year has passed by with most countries experiencing basic level of recovery which will contribute to moderate growth in 2022 of around 3.8%.<sup>2</sup>

Global recovery is strengthening but remains uneven across various economies and demographics. In response to disturbances due to the onset of the Covid-19 pandemic, many central banks in EMDEs employed asset purchase programs for the first time. These programs were successful in lowering bond yields without triggering currency depreciations. Asset purchase programs were occurring in a protected space of internationally synchronized monetary support, which may be less impactful when global financial conditions become tighter.<sup>4</sup>

## Global Manufacturing: Selected Industries



Source: Haver Analytics; and IMF staff calculations,  
Note: Excluding China.

Global manufacturing contracted sharply in the spring of 2020 but did not experience the same prolonged effects of the global financial crisis by making synchronized V-shaped recoveries across both advanced & emerging market economies in the second half of the year. Owing to factors like re-opening of production facilities post lockdown period, other demand related points including release of pent-up requirements and increased product needs to support work-from-home operations and protective equipment. The pandemic has increased demand for some products like electronics to support teleworking & virtual learning, communication, as well as plastic, rubber, and textiles as the main source of personal protective equipment. These sectors account for about 10% of the rebound in manufacturing.<sup>3</sup>

## Indian Economy Overview

India's GDP was estimated at USD 452.74 billion for the second quarter of FY2020-21, against the USD 489.62 billion in Q2 FY2019-20.<sup>5</sup> The growth in GDP during 2020-21 is estimated at -8.0% as compared to 4.0% in 2019-20. The Per Capita Income

<sup>1</sup><https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>

<sup>2</sup><https://www.worldbank.org/en/publication/global-economic-prospects>

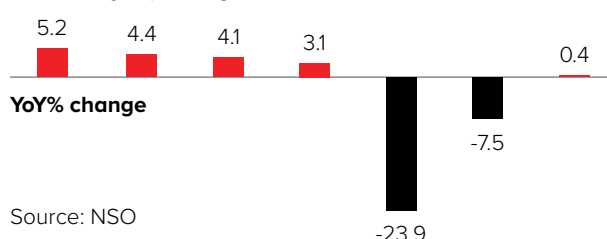
<sup>3</sup><https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

<sup>4</sup><https://pubdocs.worldbank.org/en/341201616621160151/Global-Monthly-Mar21.pdf>

in real terms (at 2011-2012 Prices) during 2020-21 is estimated to attain a level of INR 85,929 as compared to INR 94,566 in the year 2019-2020, giving a growth of (-)9.1% during 2019-2020. At current prices, the per Capita Income during 2020-21 is estimated to be INR 127,768 showing a decline of 4.8%.<sup>6</sup> According to preliminary data from the Commerce Ministry, the country's exports increased to USD 13.72 billion in April 2021, owing to a robust growth rate in important sectors such as engineering, gems and jewellery, while the total value of exports in same period stood at USD 3.59 billion.<sup>7</sup>

### End of Recession

And slipping in to the negative territory for 2 consecutive quarters, Indian economy is back on the growth path, ending the phase of recession by expending 0.4% in Q3 FY21



While there was a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one with 7.5% decline in Q2 and the recovery across all key economic indicators. The government launched a slew of structural reforms to expand supply significantly in the medium to long term. On the demand side, at the onset of the pandemic, India's policies focused solely on necessities.<sup>8</sup> Significant support from the government and RBI in the form of substantial fiscal and monetary support has helped the rapid recovery of the Indian economy - which also includes the world's largest food subsidy programme targeting 80.96 crore beneficiaries. Several other notable factors include the sustained resurgence in high frequency indicators such as power demand, E-way bills, renewed inter & intra state movement and record high monthly GST collection have marked the unlocking of industrial and commercial activity. The vaccination drive across the nation can potentially re-awaken the services sector and further drive the V-shaped economic recovery.<sup>9</sup>

### Outlook

India is projected to achieve GDP of USD 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms. The nation is expected to be one of the top three economic powers in the world in the next 10-15 years, backed by robust democracy and strong partnerships.<sup>5</sup> Monetary policy projections are consistent with achieving the Reserve Bank of India's inflation target over the medium term.<sup>3</sup> India is expected to be the third largest consumer economy as its consumption may triple to USD 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern.<sup>5</sup> According to IMF projections, the nation's growth rate is estimated

to jump an impressive 12.5% in 2021 and continue growth by 6.9% in 2022, reflecting additional fiscal support and anticipated vaccine-powered recovery.<sup>3</sup> India's real GDP is projected to record a growth of 11.0% in 2021-22 and nominal GDP by 15.4%. These conservative estimates reflect upside potential that can manifest due to the continued normalisation in economic activities as rollout of Covid-19 vaccines gathers traction. Projections for growth in real GDP are by around 2.4% over the absolute level of 2019-2020, implying the economy would take two years to reach and go past pre-pandemic level. These projections are in line with estimate of GDP growth of 11.5% in 2021-2022 for India and 6.8% in 2022-23. India is expected to emerge as the fastest growing economy in the next two years.<sup>9</sup>

### Global Automotive Industry

The automotive industry is one of the most significant contributors to the overall economy with a hand in innovative scientific and technological advancements globally. The sector plays a critical role influencing global corporations' growth and performance. The industry has faced many recent challenges due to the Covid-19 pandemic and is gradually overcoming them. There have been significant disruptions in exports, manufacturing interruptions and plant closures all across the world. Global auto production in 2020 was severely hit by the Covid-19 crisis with a 16% drop in world auto production. The industry continues to bolster efforts to recover even with the possibility of a second wave of the Covid-19 pandemic. The FY2022 is projected to be a better year for the industry overall. Revenues which were significantly impacted in fiscals 2020 and 2021, may see a steep recovery due to improved demand for automobiles across segments. Improved ancillary revenues -which benefits vehicle sales, will support overall operating profitability for automobiles and boost cash accruals.

### Outlook

Globally the repercussions of the Covid-19 crisis are immense and unprecedented where major OEMs in the global auto sector have seen profits decline by around USD 100 billion in 2020 and will require significant innovative steps to recover from this plunge. For the Global Automotive Industry, the evolution of mobility & connectivity, smart cities, transportation and other factors will all play a part for rejuvenation of the industry and keeping growth on track. Building value in both EVs and connected technology is projected to be key for OEMs looking to generate an ROI on massive R&D investments. With global zero emission goals in clear focus, major OEMs may be taking a shift to marketing EV's across their vehicle line-up, with many scaling and recalibrating their business models to sell EVs at scale. Due to the Covid-19 pandemic and the accompanying restrictions, improved customer experience has become absolutely critical in 2021. On further investments in digital sales solutions, improved customer

<sup>5</sup><https://www.ibef.org/economy/indian-economy-overview>

<sup>6</sup>[http://mospi.nic.in/sites/default/files/press\\_release/PRESS%20NOTE%20SAE%2026-02-2021.pdf](http://mospi.nic.in/sites/default/files/press_release/PRESS%20NOTE%20SAE%2026-02-2021.pdf)

<sup>7</sup><https://www.ibef.org/news/exports-rise-to-us-1372-billion-during-apr-114-commerce-ministry-data>

<sup>8</sup><https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

<sup>9</sup>[https://www.indiabudget.gov.in/economicsurvey/doc/echapter\\_vol2.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/echapter_vol2.pdf)

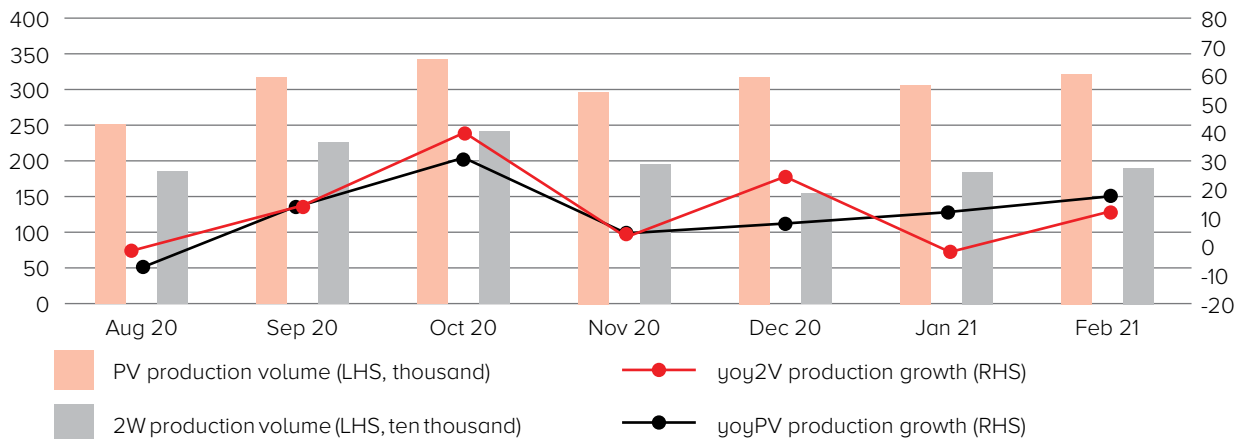
<sup>10</sup><https://www.icra.in/Media/OpenMedia?Key=94fc3816-1f7b-48aa-987d-d2cd1ec7b753>

connectivity and shopping experience, there is a projected improvement in the overall passenger vehicle acquisition process. And while it may not be major area of focus in 2021, there are many possible opportunities in self driving and autonomous vehicles. Depending on 2021 budgets, major OEMs can slowly introduce these technologies in target geographies and roll out autonomous vehicles in a few years.

### Indian Automotive Industry

Automotive industry in India is one of the main pillars of the economy with the automotive manufacturing industry comprising the production of commercial vehicles, passenger cars, three-wheelers and two-wheelers. It is expected to become one of the largest job creating engines in the Indian economy creating nearly 65 million direct or indirect jobs within India by 2026.

#### Production levels have stabilized over December 2020 - February 2021 after the festive season highs



Source: SIAM, Ind-Rating

The Indian Auto Industry continues amidst the challenges of Covid-19 including the possibility of a second wave, to maximise production and sales, whilst ensuring safety of its people, partners and customers. A deep structural slowdown in the industry even before the pandemic, combined with the impact of Covid-19 in 2020-21, has pushed all vehicle segments back

by many years. A significant investment in terms of time of effort will be necessary from all stakeholders for the recovery of the sector. There is a degree of uncertainty in the value chain owing to semiconductors, lockdowns and raw material, which may add to the overall downtrend seen in the industry.

<sup>11</sup><https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/COVID-19/gx-COVID-19-Impact-Automotive-Sector.pdf>

<sup>12</sup><https://www.oica.net/wp-content/uploads/OICA-Press-Release-2021-03-24.pdf>

<sup>13</sup><https://www.autocarindia.com/car-news/indian-auto-industry-bounces-back-in-q4-fy2021-420512>

<sup>14</sup><https://www.crisil.com/en/home/newsroom/press-releases/2021/03/for-automobile-dealers-revenue-and-profitability-to-rebound-to-pre-Covid-levels-next-fiscal.html#>

<sup>15</sup><https://www.ibef.org/download/Automobiles-January-2021.pdf>

<sup>16</sup><https://www.siam.in/uploads/filemanager/47AUTOMOTIVEMISSIONPLAN.pdf>

<sup>17</sup><https://www.indiaratings.co.in/PressRelease?pressReleaseID=54207&title=Auto-Monitor%3A-Production-Levels-Remained-Steady-in-February-2021%3B-PVs-Continue-to-Lead-Revival>

<sup>18</sup><https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=481>

## Advantage India

### 1. Growing Demand

- Rise in middle class income and young population to result in strong growth
- Indian automotive industry is targeting to increase the export of vehicles by five times during 2016-26

### 2. Rising Investments

- India has significant cost advantages. Auto firms save 10-25% on the operations in Europe and Latin America.
- Cumulative FDI Inflow of about US\$ 25.40 billion in the automobile sector between April 2020 and December 2020.
- The Government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023.

### 3. Policy support

- Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and Indian Automotive Industry to lay down the roadmap for development of the industry
- The Government aims to develop India as a global manufacturing hub.
- In Union Budget 2021-22, the government announced the voluntary vehicle scrappage policy to phase out old and unfit vehicles.



### 4. Opportunities

- Focus shifting on electric cars to reduce emissions.
- Governments aims to build India into R&D hub.
- India could be a shared leader in mobility by 2030, providing opportunities for electric and autonomous vehicles.

## Evolution of the sector

### Before 1982 :



- Closed Market
- 5 players
- Long waiting periods & outdated models
- Seller's market

### 1983-1992



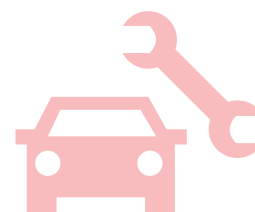
- Indian Government & Suzuki formed Maruti Udyog and commenced production in 1983
- Component manufacturers entered the market via joint venture (JV).
- Buyers market.

### 1992-2007



- Sector de-licensed in 1993
- Major OEM's started assembly operations in India
- Imports permitted from April 2001
- Introduction of value-added tax in 2005.

### 2015 Onwards



- Closed Market
- 5 players
- Long waiting periods & outdated models
- Seller's market
- GST introduced



### Domestic Performance of Vehicles segments

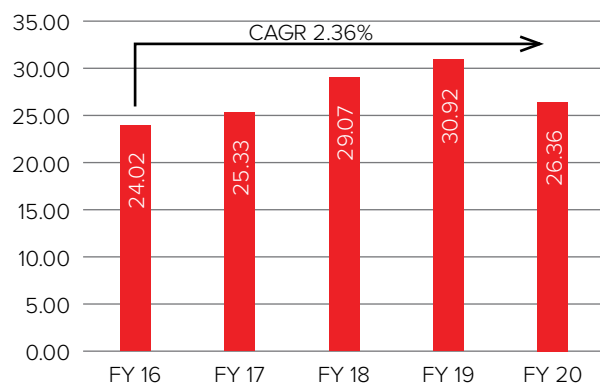
In FY20-21, there was a decay in sales of all segments compared to the previous years (-) 2.24% for passenger vehicles (PV), (-) 13.19% for two-wheelers (2W), (-) 20.77% for Commercial Vehicles and (-) 66.06% for three-wheelers.<sup>18</sup> Two-wheelers and passenger vehicles dominated the domestic demand.<sup>15</sup> While the industry was hit hard in Q1 FY2021, most PV and 2W OEMs started operating at pre-Covid level capacity utilisation during quarter ending Sep, 2020 (inventory re-stocking at dealership also supported wholesale dispatched), which was a positive sign.<sup>10</sup>

Production Volume Growth	FY19	FY20	FY21 E	FY22 P
Passenger vehicles	3%	-18%	-4%	24%
Two-wheelers	5%	-18%	-13%	18%
Commercial vehicles	18%	-29%	-21%	36%

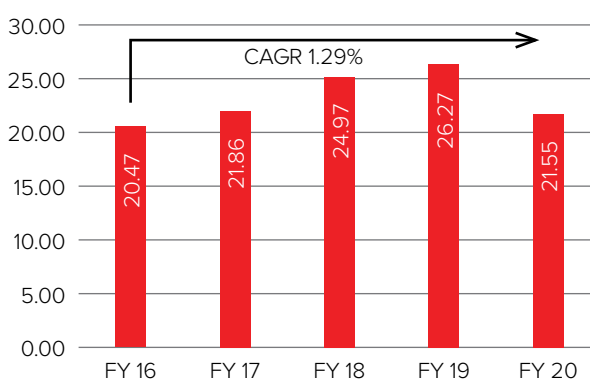
Source: CRISIL Research, CRISIL Rating

Note: E=estimated, P=projected

### Number of Automobiles Produced in India (in millions)



### Number of Automobiles Sold in India (in millions)



- The automotive manufacturing industry comprises the production of commercial vehicles, passenger car, three wheelers and two wheelers.
- Domestic automobile production increased by 2.36% CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20.
- Overall, domestic automobiles sales increased by a CAGR of 1.29% between FY16-FY20 with 21.55 million vehicles being sold in FY20.
- The Indian auto industry is expected to record strong growth in 2021-22, post recovering from effect of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22.
- A report of India Energy Storage Alliance estimated that EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for EV battery market is forecast to expand at a CAGR of 30% during the same period.

Source: Society of Indian Automobile Manufacturers (SIAM), The Economic Times

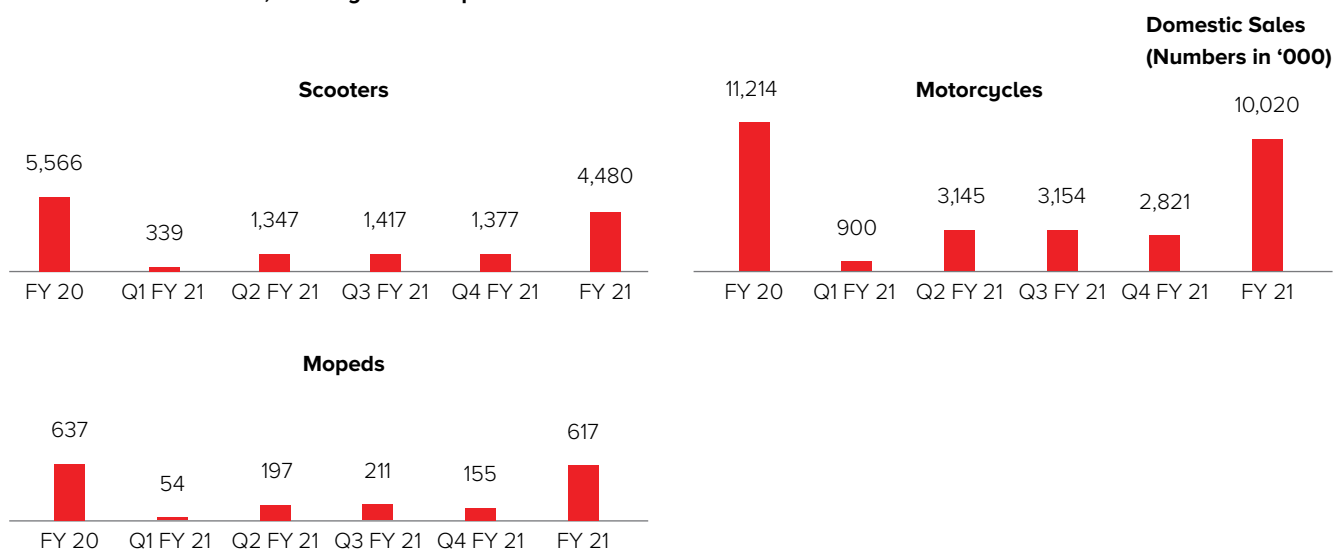
### Two-wheeler sector

In the domestic market, two wheeler sales in Jan-March 2021 stood at 43.54 lacs. The Covid-19 pandemic had pushed more than 32 million Indians out of the middle class with a huge impact on two wheelers as it witnessed a steep decline. This combined with inflation in fuel prices created more barriers for entry level customers. On YoY basis, 2W has unrelentingly fell by (-) 35.26%. After facing several challenges due to the Covid-19 pandemic, the two wheeler market situation continued to be weak since the festive season. The cost of acquisition of two wheelers has

gone up significantly due to raw material and fuel price inflation. The Indian two wheeler industry has shown resilience in a very challenging FY2021 and the statistics would have been worse if not for improved fortunes in Q4 2021. The economy motorcycle segment generates approximately 75% of sales from the rural market, and should benefit personal transport. While the two-wheeler sector has seen few week business cycles in the past decade, credit quality of manufacturers has largely remained unaffected due to strong balance sheets, limited debt, negative working capital cycle, and robust liquidity of players.

<sup>19</sup><https://www.crisil.com/en/home/newsroom/press-releases/2021/03/for-automobile-dealers-revenue-and-profitability-to-rebound-to-pre-Covid-levels-next-fiscal.html#>

<sup>20</sup><http://www.fadaindia.org/images/Automobile%20Retail%20Sales%20Data%20for%20March%202021.pdf>

**Two Wheelers - Scooters, Motorcycles & Mopeds****Three-wheeler sector**

The three wheeler marketing is witnessing a tactical shift from ICE to EV's. While prices of vehicles are increasing due to BS-6 and metals prices, customers from lower income category are unable to continue riding operations due to social distancing norms & closure of educational institutions. For the sector, there was a (-) 50.72% fall. Three wheeler segment was the worst hit with a sales of 0.86 lacs in this quarter compared to 1.97 lacs in Jan-March 2021 quarter. Faster adoption of EV three wheelers is a function of cost and e-Autos are cheaper to own and run compared with their ICE counterparts. By 2024, as much as 43-48% of new three wheelers (excluding e-rickshaws) sold in India will be electric vehicles (EVs). Major influential factors for the adoption of EVs are battery costs, government subsidy and charging infrastructure. Even incumbent original equipment manufacturers are launching e-autos at a rapid pace. Costs for lithium ion battery – a key driver of EV adoption in India - are estimated to drop globally by fiscal 2024, further boosted by the government's phased manufacturing program for EV batteries.

**Outlook**

A sustained uptick in demand across the Auto segments over December 2020-February 2021 suggests that consumer sentiments are improving. While concerns over the near term supply-side constraints remain, barring a major global crisis, the domestic auto industry's demand revival is likely to continue to FY22. The industry is expected to reach INR 16-18 trillion (USD 251-282 billion) by 2026 with strong policy support from the government and is targeting to increase export of vehicles by five times during 2016-2026. Positive macroeconomic factors have also backed up this notion of recovery,

especially recovery from the effects of Covid-19 pandemic. Auto volumes are expected to rebound at 16-20% YoY in FY22 after recording declines in FY21. Continued preference for personal mobility and demand across urban & rural markets would be positive for Personal Vehicles (PVs) and 2 Wheelers (2W). PV and 2W sale should grow by 18-22% YoY and 16-20% respectively in FY22. Commercial Vehicles (CVs) have potential to achieve double digit growth in FY22 of 25-30% YoY, with a boost in industrial production, growing infrastructure/construction activities. Indian automotive industry (including component manufacturing) is expected to reach INR 16-18 trillion (USD 251-282 billion) by 2026 with strong policy support from the Government.

**Demand Drivers****Two wheeler**

Two wheeler dealers are expected to see revenue growth of 15-17% growth in fiscal 2022. Healthy rural demand and increasing preference for personal mobility will drive growth for 2 wheelers. A low base effect along with expectation of improvement in economic activity and gradual waning of pandemic may spur growth for two wheelers to 10-12%. There is a huge demand for individual mobility which is the key offering of two wheeler vehicles, and development of green solutions encouraged by government, institutions and people. It is projected to report a strong recovery resulting in significant increase YoY in 2021 and the following year 2022. The introduction of rules, incentives and subsidies for Electric Two Wheelers will support the market evolution in the rest of this decade. The market is currently dominated by China having electric two wheelers (excluding e-bicycles) whereas the share of the rest of the World EVs segment is still marginal. The Chinese

<sup>21</sup><https://www.timesnownews.com/business-economy/industry/article/two-wheeler-segment-facing-tremendous-challenges-due-to-localised-lockdowns/747373>

<sup>22</sup><https://www.autocarindia.com/bike-news/tvs-reports-record-high-two-wheeler-exports-bajaj-continues-to-be-top-exporter-420513>

<sup>23</sup><https://www.crisil.com/en/home/newsroom/press-releases/2020/10/rural-demand-to-soften-blow-for-two-wheeler-makers.html>

EV manufacturers will disrupt global completion as they already have a huge advantage in terms of knowledge, technology and product portfolio. This includes India which will hope to continue as one of the leaders in the Asian markets due to the nation's large population and increasing consumer spending on two-wheelers.

### Passenger Vehicles

The Passenger industry volume is expected to witness strong double-digit growth (>15%) in FY2022. This will be after two consecutive years of negative growth at (-17.9%) in FY2020 and (-22% to -25%) in FY2021. The industry's long term drivers are intact but compared to the Chinese and other key global markets, the domestic market is witnessing a slower paced recovery. With the announcement of the much awaited scrappage policy in combination with several other supportive measures is expected to progressively remove unfit vehicles from the road. This is projected to boost replacement vehicle demand in the ecosystem, thereby augmenting new vehicle demand as well. The mandatory fitness test requirement would be applicable for passenger vehicles (PVs) older than 20 years and commercial vehicles (CVs) older than 15 years, starting from April 2023 for heavy commercial vehicles and other vehicles progressively from June 2024. With a proportion of vehicles pushed into scrappage with the implementation of these policies, it can offer a fillip to volumes by spurring replacement demand, and support the industry out of its trough.

### Company Overview

Sandhar Technologies Limited (Sandhar) is a customer-centric component supplier, largely focused on vehicular safety and security systems with a pan-India presence and growing international footprint. We mainly cater to Original Equipment Manufacturers (OEM) and are one of the leading automotive components & system suppliers, engaged in the manufacturing of

a diverse range of products. We have a presence across vehicle segments including two wheelers (2W), passenger vehicles (PV), tractors and OHV, commercial vehicles & others. We have 43 manufacturing facilities including Joint ventures along with subsidiaries – Spain, Mexico, Poland & Romania.

### Core Competencies

- Scalable business model with high technological capabilities through in-house R&D, global tie-ups and acquisitions
- Leadership position in core products and among largest supplier of Lock, Mirrors and OHV cabins in India and AI.spools in Europe
- Customer relationships with over 80 Indian and global automotive OEM customers with leading names like Hero, Honda, TVS, Royal Enfield and Tata Motors. With Hero, our relationship spans over 30 years
- Diversified product portfolio which consists of over 27 product categories including safety and securities systems such as lock, mirror and wheel & brake panels assemblies, operator cabins for off-highway vehicles (OHV), aluminium die casting and sheet metal components
- Production facilities strategically in close proximity to our OEM customers in all key auto-clusters in India and abroad, which is in line with our philosophy of being 'Glocal'. This allows to optimise our deliveries to customers and facilitates greater interaction, with the ability to respond quickly
- Sandhar Center For Innovation & Development - enables our in-house research and development, design capability and technical collaborations, for the development of new products, designing, prototyping, and product upgrades

### Financial Overview

Particulars	FY 2021	FY 2020	YoY growth
Revenue from operation (Rs. in crore)	1,864	1,943	-4.1%
EBITDA (Rs. in crore)	199	206	-3.4%
Total Comprehensive Income (Rs. in crore)	54	67	-19.4%
EBITDA Margin (in %)	10.7	10.6	10 bps
Net Profit Margin (in %)	2.9	3.5	-60 bps
Debt Equity Ratio (in times)	0.27	0.26	0.01 Times
Current Ratio (in times)	1.12	0.88	0.24 Times

<sup>24</sup><https://www.crisil.com/en/home/newsroom/press-releases/2020/02/by-2024-nearly-half-of-new-3-wheelers-sold-will-be-e-autos.html> (First link was the original mention, later re-iterated in latest 2021 articles like <https://www.financialexpress.com/auto/electric-vehicles/electric-vehicle-finance-in-india-lending-rate-cap-lower-interest-rate-will-boost-adoption-revfin-bikes-scooters-cars/2201608/>)

<sup>25</sup><https://www.indiaratings.co.in/PressRelease?pressReleaseID=54126&title=FY22-Auto-Volumes-to-Grow-in-Double-Digits%2C-led-by-Economic-Recovery>

<sup>26</sup><https://www.motorcyclesdata.com/2021/04/08/world-motorcycles-market/>

<sup>27</sup>[https://www.researchandmarkets.com/reports/5136002/apac-two-wheeler-market-by-vehicle-type-by?utm\\_source=GNOM&utm\\_medium=PressRelease&utm\\_code=xbdpkr&utm\\_campaign=1506992+-+Asia-Pacific+Two+Wheeler+Market+Report+2021%3a+Historical+Analysis+2015-2020+%26+Forecasts+2021-2025&utm\\_exec=chdo54prd](https://www.researchandmarkets.com/reports/5136002/apac-two-wheeler-market-by-vehicle-type-by?utm_source=GNOM&utm_medium=PressRelease&utm_code=xbdpkr&utm_campaign=1506992+-+Asia-Pacific+Two+Wheeler+Market+Report+2021%3a+Historical+Analysis+2015-2020+%26+Forecasts+2021-2025&utm_exec=chdo54prd)

<sup>28</sup><https://www.icra.in/Media/OpenMedia?Key=0bf2cd75-5fa9-4f49-86a1-0ac9e5a20c4b>

<sup>29</sup><https://www.indiaratings.co.in/PressRelease?pressReleaseID=52796&title=India-Ratings-Affirms-Sandhar-Technologies-at-%27IND-AA-%27%2FStable>

## Outlook & Strategy

Sandhar continues to outperform the industry average. To continue its robust growth trajectory, the company plans to diversify its product offering to newer segments in order to increase its market share. The company plans to increase its production capacity to cater to the growing domestic and international market demand. Sandhar has plans to leverage current trends in the automotive sectors such as increasing focus on safety, fuel efficiency, comfort, customization, as well as auto electronics. It intends to focus on adopting strategies to establish a standardised platform across its business units for its processes, hardware and software

infrastructures and workforce. Going ahead, Sandhar would focus more on offering high value added products like ABS/CBS, Tyre pressure monitors, auto electronics parts etc.

## Risk Mitigation

Sandhar's risk management policies are formulated in such a way that the company can respond swiftly and implement the necessary mitigation strategies. A prudent risk management framework has been structured such that a cautious approach is undertaken to identify and analyse internal and external risks and minimize its impact on the manufacturing operations.

Key Risks	Nature of Risk	Risk Mitigation Strategies
Customer Retention Risk	Inability to address customer needs and growing competition may lead loss in revenue.	<ul style="list-style-type: none"> <li>Sandhar has a well-integrated product portfolio mix to cater the needs of changing tastes and preferences of the customers.</li> <li>The R&amp;D and marketing team merge marketing trends and adapt innovative architectural theorems to design new auto component parts.</li> </ul>
Currency Risk	With significant exports and foreign currency volatility, Sandhar's profitability remains under threat.	<ul style="list-style-type: none"> <li>Sandhar has followed a consistent policy of hedging to avoid any major fluctuations.</li> </ul>
Interest Rate Risk	The Company is always looking at expanding its presence. It uses borrowings to fund its expansion plans and hence, has an incremental exposure to interest rate risk.	<ul style="list-style-type: none"> <li>Sandhar's financial planning team ensures average cost of borrowings remains at subdued level then the industry.</li> <li>A considerate mix of loan portfolio and internal cash accruals is carried out to fund its expansion plans, while working capital limit is maintained at a sufficient threshold.</li> </ul>
Employee Retention Risk	Attrition of key employees could impact business operations and growth of the company.	<ul style="list-style-type: none"> <li>Sandhar's employee-centric policies and initiatives facilitate in retaining key intellectuals.</li> <li>Its training calendar, performance management system, and people involvement and motivation programs help encourage and retain talent.</li> </ul>
Components costs	Increase in prices of raw materials used in product may lead to higher production cost and have adverse effect on the profitability of the company.	<ul style="list-style-type: none"> <li>Sandhar has a system of planned purchase of the required raw materials on quarterly or six month basis to offset the volatility in price.</li> <li>The company also undertake re-designing of the product to reduce the material content and material standardization to globally available raw materials</li> <li>Sandhar take supplies from limited suppliers, hence giving it the benefit of planned purchase at a competitive price.</li> </ul>

Key Risks	Nature of Risk	Risk Mitigation Strategies
Pricing and Competition risk	Automobile component industry consists of many small and big players. Hence the company face intense competition from domestic as well as international players. The company may face margin pressures with rising input cost.	<ul style="list-style-type: none"> <li>Sandhar has an established brand reputation in the market, giving it an edge over the competitors.</li> <li>The focus has always been on cost-reduction and creating value added products for the customer. These strategies help the company to gain customer loyalty and trust</li> <li>Sandhar continuously monitors its cost to sales ratio in order to maintain the desired level of profitability.</li> </ul>
Dependence on Suppliers	With the given nature of Sandhar's business, it dependence upon its suppliers for bought out components being supplied by several Tier-2 suppliers, at each stage of production. If the suppliers fail to deliver the products on time may have adverse effect on the business.	<ul style="list-style-type: none"> <li>The company maintains optimum number of suppliers in every segment and has develop alternate suppliers around in multiple geographical locations resulting in uninterrupted and high quality component suppliers of the required material.</li> </ul>

## Human Resources

'Human resources are the most critical element of Sandhar. The company strives towards attracting and retaining the best talent required for the business to grow. The company possesses a talented pool of human procurement team which chooses the best employee with the able skill set which is apt for the working process of Sandhar. The company focuses on leveraging the skill set and competencies by regularly training their employees in technical and soft skills to help enhance their capabilities and performances. Sandhar appreciates and recognizes outstanding employee performances and achievements through performance oriented annual rewards and incentive schemes. During FY 2020-21 302 new employees are recruited and they are in the process being trained by the in-house talent acquisition team.

The human capital of the company ensures that the employees should work in such a way which will leverage them both personally as well as professionally. Its focus is to ensure a transparent, safe, healthy, progressive and engaging work environment which is aimed at creating leaders of the future. Employees have a sense of belongingness and feel empowered in driving business profitability.'

## Information Technology

Sandhar has invested in the Oracle enterprise resource planning systems ("ERP") and have implemented ERP systems since 2009 which encompasses the management of all production, materials, maintenance and human resource functions. It has always made conscious efforts to consistently upgrade its systems to ensure efficiency and reduce redundancies. All our security systems and business continuity management systems are ISO certified. The Company has also established use of information technology systems in design, development and prototyping such as Autodesk, Dassault, Ironcad, Delcam, Mastercam and Unigraphics. The Company has already reduced its dependency

on Hardware Infrastructure and upgraded to cloud-based modern ERP solutions along with introduction of Robotic Process Automations (RPA) to optimise its IT related costs and to increase overall efficiency of the organization.

## Internal control and adequacy

The Company has put in place adequate internal financial control systems commensurate with its size, nature and complexity of operations. These controls are adequate for ensuring the orderly and efficient conduct of the business and are working effectively. These controls have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets from unauthorized use and prevention and detection of frauds and errors.

The internal audit function is carried out by an independent firm of Chartered Accountants, viz. M/s. GSA & Associates, New Delhi which has the requisite experience and knowledge of the industry segment and the control systems necessary for the nature, size and scale of operations of the Company and it reviews the adequacy of internal control systems and covers significant areas of the Company's operations. Risk based audits are performed, based on an annual internal audit plan, which is developed in consultation with the Audit Committee. Internal Audit reports are regularly reviewed by the Top Management. The Internal Audit process also monitors the progress in implementation of suggestions for improvements.

The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them. During the period, the Audit Committee met regularly to review the reports submitted by the Internal Auditors. All significant audit observations and improvement actions thereon were reported, discussed and acted upon by the Audit Committee.



Besides the internal audit, the Company has an internal team which undertakes Commercial audit, the objective of which, inter-alia, is to identify areas of operational improvement and efficiency, unlocking of capital from idle or under-utilised assets and identify aspects of cost over-runs and unbudgeted expenses incurred due to non-compliance or non-adherence to standard operating procedures.

#### Health, Environment & Safety

Sandhar has always taken initiatives to reduce the risk of accidents at its facilities by carrying out trainings, safety audits, and by installing safety devices such as sensors, exhaust, fire extinguishers. The Company observes and celebrates safety day in its facilities to improve awareness among employees on safety at workplaces. In addition to creating initiatives to improve employee safety at workplaces, it has also implement initiatives to reduce the environmental impact of its operations. Such initiatives include:

- Maintaining treatment plants to avoid water pollution and soil contamination;
- Recycling and reusing water wherever possible;
- Ensuring zero discharge wherever possible;
- Implementing 'Swachh Bharat Abhiyan' in all facilities;
- Managing e-wastes and hazardous wastes;

- Installing solar panels to conserve energy;
- Obtaining OHSAS 18001 certification for its units;
- Obtaining LEED Certification (Energy Saving) for its Corporate Office; and
- Planting new saplings on a yearly basis in each one of its units.

Environmental requirements imposed by the Government will not have an effect on operations of the Company. The Company believes that it has complied with,

and will continue to comply with all applicable environmental laws, rules and regulations. The Company has obtained, or is in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for it to carry on with its business. The activities of the Company are subject to the environmental laws and regulations of India which govern, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. The Company's overseas subsidiaries in Mexico, Poland and Spain are also subject to regulations relating to environmental, health and safety measures as per their country norms which they are complying in full.

## Independent Auditor's Report

To the Members of Sandhar Technologies Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone Financial Statements of Sandhar Technologies Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2021, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2021, and Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Standalone Financial Statements.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

##### a) Revenue recognition

See note 17 to the Standalone Financial Statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 17 to the Standalone Financial Statements, the Company's revenue from operations for the year ended 31 March 2021 was INR 158,530.80 Lacs (Previous year INR 164,002.85 Lacs).</p> <p>The Company's revenue is derived primarily from sale of products which comprises automotive components.</p> <p>Standards on Auditing presume that there is fraud risk with regard to revenue recognition. Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement.</p> <p>In view of the above, we have identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard;</li> <li>- Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions;</li> <li>- Involved our IT specialists to assist us in testing of key IT system controls which impact relating to revenue recognition;</li> <li>- Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such sample, verified the underlying documents, including customer acceptance, to assess whether these are recognized in the appropriate period in which control is transferred;</li> <li>- Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> <li>- Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the State of Affairs, Profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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 has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Standalone Financial Statements - Refer Note 31 to the Standalone Financial Statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the Standalone Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Standalone Financial Statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022

**Shashank Agarwal**

Partner

Place: Gurugram

Date: 21 May 2021

Membership No.: 095109

ICAI UDIN: 21095109AAAADH8337

## Annexure A referred to in our Independent Auditor's Report

to the members of Sandhar Technologies Limited on the Standalone Financial Statements for the year ended 31 March 2021.

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the fixed assets were physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property is held in the name of the Company, except for:

Land situation*	Whether leasehold/freehold	Gross block as at 31 March 2021 (Rs. In Lacs)	Net block as at 31 March 2021 (Rs. In Lacs)
Attibele	Freehold	35.02	35.02
Chennai	Freehold	21.31	21.31
Manesar	Freehold	510.46	510.46
Peenya	Freehold	5,006.68	5,006.68
		<b>5,573.47</b>	<b>5,573.47</b>

\* The aforesaid land parcels had been transferred to the Company pursuant to the schemes of amalgamation dated 2 May 2013 and 29 December 2005 for which registration in the name of the Company is pending

- (ii) According to the information and explanations given to us, the inventories, except goods-in-transit and stock lying with third parties, have been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmation have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted loans to four companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- b) The said companies have been regular in repayment of principal, which are payable on demand. Further, the said companies have been regular in payment of interest.
- c) There are no overdue amounts in respect of the loans granted to the companies listed in the register maintained under Section 189 of the Act.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to other parties, firms or limited liability partnerships covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, providing guarantee and making investments, as applicable. Moreover, the Company has not provided any security as specified under Section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for certain activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax since effective 1 July 2017, these statutory dues has been subsumed into GST.

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, GST, Sales-tax, Service tax, Duty of customs, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in Lacs)	Amount paid under protest (Rs. in Lacs)
Income Tax Act, 1961	Expenses disallowed u/s 35 (2AB)	AY 2013-14 to AY 2016-17	Income tax Appellate Tribunal (ITAT)	81.96	-
Income Tax Act, 1961	Penalty proceed	AY 2014-15	Commissioner of Income tax (A) – LTU	3.12	-
Income Tax Act, 1961	Mat credit disallowed	AY 2016-17	Income tax Appellate Tribunal (ITAT)	63.14	-
Income Tax Act, 1961	Depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt	AY 2017-18	Commissioner of Income tax (A) – LTU	19.40	-
Income Tax Act, 1961	P.F & ESI expenses disallowed	AY 2018-19	Assessing Officer	1.46	-
Haryana Sales Tax Act	Local area development tax levied	FY 2000-01	Joint Commissioner (A), Sales Tax	1.27	-
Finance Act, 1994 Service tax	Service tax on freight	FY 2005-06	Assistant Commissioner, Central Excise	1.18	-
Finance Act, 1994 Service tax	Service tax on freight	FY 2016-17- July-2016 to March 2017	Commissioner (Appeal) Central Goods and Services Tax Gurugram	6.92	-
Finance Act, 1994 Service tax	Service tax on freight	April-17 to June-18	Supdt. Central Goods and Services Tax, Gurugram	4.10	-
Finance Act, 1994 Service tax	Service tax on Manpower for Job work	FY 2005-06 to 2010-11	Joint Commissioner, CE, LTU, Delhi	100.78	-
Finance Act, 1994 Service tax	Service tax on Manpower for Job work	March-2011 to February-2015	Additional Commissioner, Central Excise	160.29	-
Finance Act, 1994 Service tax	Service tax on Commercial & industrial construction	FY 2006-07	Assistant Commissioner, Central Excise	2.11	-
Finance Act, 1994 Service tax	Service tax on various outward freight, & Telephone Service	FY 2016-17- July-16 to March-17	Assistant Commissioner, Central Excise	1.30	-

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in Lacs)	Amount paid under protest (Rs. in Lacs)
Finance Act, 1994 Service tax	Service tax on taking credit on levy of service tax on Outdoor catering services	FY 2009-10	Dy. Commissioner, Central Excise LTU Delhi	0.49	-
Finance Act, 1994 Service tax	Service tax on Civil construction, CHA, maintenance or repair, outward freight, Travel Agent, Catering Pandal, Shamiana, Authorised Service Station & Telephone Service	February-2004 to November-2011	Commissioner, Joint Commissioner and Deputy Commissioner, Central Excise	33.85	-

(viii) In our opinion and according to the information and explanations given to us and on the basis of records examined by us, the Company has not defaulted in repayment of loans or borrowings to banks and a financial institution. Further, the Company did not have any outstanding dues to any debenture holder and from government during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the

related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022

**Shashank Agarwal**

Partner

Place: Gurugram

Date: 21 May 2021

Membership No.: 095109

ICAI UDIN: 21095109AAAADH8337

## Annexure B to the Independent Auditor's Report

on the Standalone Financial Statements of Sandhar Technologies Limited for the year ended 31 March 2021

**Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of Sandhar Technologies Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate Internal Financial Controls with reference to Standalone Financial Statements and such Internal Financial Controls were operating effectively as at 31 March 2021, based on the Internal Financial Controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the Internal Financial Controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of such Internal Financial Controls, 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A Company's Internal Financial Controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls with reference to Standalone Financial Statements include 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 Standalone Financial Statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Standalone Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Standalone Financial Statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

ICAI UDIN: 21095109AAAADH8337

Place: Gurugram

Date: 21 May 2021

# Standalone Balance Sheet

as at 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	55,180.88	55,230.58
Capital work-in-progress		736.42	2,209.57
Right-of-use assets	4	3,916.70	3,565.16
Goodwill	5	552.35	552.35
Other intangible assets	5	533.15	789.58
Financial assets	6		
- Investments	6A	11,438.77	9,123.60
- Loans	6B	986.27	940.19
Income-tax assets	8	502.34	202.78
Other non-current assets	8	176.04	196.40
<b>Total non-current assets</b>		<b>74,022.92</b>	<b>72,810.21</b>
<b>Current assets</b>			
Inventories	7	13,397.11	12,099.67
Financial assets	6		
- Loans	6B	783.31	766.92
- Trade receivables	6C	31,286.21	16,084.10
- Cash and cash equivalents	6D	87.35	299.50
- Other bank balances	6E	81.34	79.26
- Other financial assets	6F	3,562.57	278.97
Other current assets	8	1,438.72	1,792.72
<b>Total current assets</b>		<b>50,636.61</b>	<b>31,401.14</b>
<b>Assets held for sale</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,24,659.53</b>	<b>1,04,211.35</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	6,019.07	6,019.07
Other equity	10	74,654.97	69,735.78
<b>Total equity</b>		<b>80,674.04</b>	<b>75,754.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11	5.31	23.85
- Lease liabilities	13	1,217.02	863.80
Deferred tax liabilities (net)	16	995.00	1,119.00
<b>Total non current liabilities</b>		<b>2,217.33</b>	<b>2,006.65</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	11	4,305.79	3,866.89
- Trade payables	12		
• total outstanding dues of micro enterprises and small enterprises		3,832.45	1,135.94
• total outstanding dues of creditors other than micro enterprises and small enterprises		29,689.07	17,694.26
-Lease liabilities	13	613.86	577.81
- Other financial liabilities	13	845.45	1,933.30
Other current liabilities	14	1,407.82	608.34
Income-tax liabilities	15	380.95	-
Provisions	15	692.77	633.31
<b>Total current liabilities</b>		<b>41,768.16</b>	<b>26,449.85</b>
<b>Total equity and liabilities</b>		<b>1,24,659.53</b>	<b>1,04,211.35</b>

Significant accounting policies

2

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited****Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021



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# Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I REVENUE</b>			
Revenue from operations	17	1,58,530.80	1,64,002.85
Other income	18	939.33	1,012.48
<b>Total income (I)</b>		<b>1,59,470.13</b>	<b>1,65,015.33</b>
<b>II EXPENSES</b>			
Cost of raw materials and components consumed	19	1,01,910.72	1,03,138.41
Changes in inventories of finished goods and work-in-progress	20	(54.98)	414.76
Employee benefits expense	21	20,887.08	22,329.83
Finance costs	24	909.43	1,263.43
Depreciation and amortization expense	22	6,857.01	7,560.17
Other expenses	23	20,413.15	22,216.24
<b>Total expenses (II)</b>		<b>1,50,922.41</b>	<b>1,56,922.84</b>
<b>III Profit before exceptional item and tax ( III = I - II )</b>		<b>8,547.72</b>	<b>8,092.49</b>
Exceptional item	25	-	-
<b>IV Profit before tax (IV)</b>		<b>8,547.72</b>	<b>8,092.49</b>
<b>V Tax expense:</b>			
Current tax		2,013.92	2,293.31
Deferred tax (credit)/charge		10.60	(292.92)
<b>Total tax expense (V)</b>		<b>2,024.52</b>	<b>2,000.39</b>
<b>VI Profit for the year ( VI = IV - V )</b>		<b>6,523.20</b>	<b>6,092.10</b>
<b>VII Other Comprehensive Income (VII)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement gain/(loss) on defined benefit plans	26	(534.80)	980.99
Income tax relating to re-measurement gain/(loss) on defined benefit plans		134.60	(246.92)
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>(400.20)</b>	<b>734.07</b>
<b>VIII "Total Comprehensive Income for the year ( VIII = VI - VII )</b>		<b>6,123.00</b>	<b>6,826.17</b>
<b>(Comprising Profit and Other Comprehensive Income for the year)"</b>			
<b>IX Earnings per equity share:</b>			
(1) Basic-Par value of Rs. 10 per share	27	10.84	10.12
(2) Diluted-Par value of Rs. 10 per share		10.84	10.12
Significant accounting policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited****Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

## Standalone Statement of Changes in Equity for the year ended March 31, 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### A. Equity share capital:

Particulars	Notes	Equity Shares	
		No. of shares in lacs	Amount
<b>Balance as at 1 April 2019</b>	9	<b>601.91</b>	<b>6,019.07</b>
Changes during the year		-	-
<b>Balance as at 31 March 2020</b>		<b>601.91</b>	<b>6,019.07</b>
Changes during the year		-	-
<b>Balance as at 31 March 2021</b>		<b>601.91</b>	<b>6,019.07</b>

### B. Other equity

Particulars	Reserves and Surplus (1)			Items of other comprehensive income (2)	Total
	Retained earnings	Securities Premium	Capital reserves	Remeasurements of defined benefit liabilities	
<b>Balance as at 1 April 2019</b>	<b>34,549.12</b>	<b>27,859.67</b>	<b>2,653.66</b>	<b>(216.14)</b>	<b>64,846.31</b>
<i>Transactions with owners directly recorded in equity</i>					
Adjustment relating to lease pertains to previous years	(132.49)	-	-	-	(132.49)
<i>Total Comprehensive income for the year ended 31 March 2020</i>					
Profit for the year	6,092.10	-	-	-	6,092.10
Other comprehensive income (net of tax)	-	-	-	734.07	734.07
<i>Contribution by and distribution to owner</i>					
Dividend on equity shares (Interim)	(752.38)	-	-	-	(752.38)
Dividend on equity shares (Final)	(752.38)	-	-	-	(752.38)
Tax on Dividend	(299.45)	-	-	-	(299.45)
<b>Balance as at 31 March 2020</b>	<b>38,704.52</b>	<b>27,859.67</b>	<b>2,653.66</b>	<b>517.93</b>	<b>69,735.78</b>
<i>Transactions with owners directly recorded in equity</i>					
Adjustment relating to lease pertains to previous years					
<i>Total Comprehensive income for the year ended 31 March 2021</i>					
Profit for the year	6,523.20	-	-	-	6,523.20
Other comprehensive income (net of tax)	-	-	-	(400.20)	(400.20)
<i>Contribution by and distribution to owner</i>					
Dividend on equity shares (Final)	(451.43)	-	-	-	(451.43)
Dividend on equity shares (interim)	(752.38)	-	-	-	(752.38)
Tax on Dividend	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>44,023.91</b>	<b>27,859.67</b>	<b>2,653.66</b>	<b>117.73</b>	<b>74,654.97</b>

Notes:

- During the year ended 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.
- Refer note 10 for nature and purpose of other equity.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

## Standalone Statement of Cash Flows for the year ended March 31, 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flows from operating activities</b>		
<b>1 Profit before tax</b>	8,547.72	8,092.49
<b>2 Adjustments for :</b>		
Depreciation and amortization expenses	6,857.01	7,560.17
(Profit) on sale of property, plant and equipment	(42.74)	(113.95)
MTM gain on derivative	-	(14.42)
Provision for doubtful debts and advances	11.35	244.31
Unrealised foreign exchange (gain)/loss	(22.58)	20.70
Interest expense	909.43	1,263.43
Interest income on security deposits measured at amortised cost	(45.03)	(1.26)
Gain on investments carried at fair value through profit or loss	(32.73)	(55.02)
Interest income	(148.31)	(186.08)
Dividend income	(137.03)	(81.25)
<b>3 Operating profit before working capital changes (1+2)</b>	<b>15,897.09</b>	<b>16,729.13</b>
<b>4 Movements in working capital:</b>		
Decrease/(Increase) in trade receivables	(15,211.58)	13,741.90
Decrease/(Increase) in inventories	(1,297.43)	1,355.29
(Increase) in long-term loans and advances	(46.07)	(21.38)
Decrease/(Increase) in financial assets	(3,295.14)	817.24
Decrease in other current assets	353.99	405.55
Increase/(Decrease) in trade payables	14,712.02	(10,562.20)
Increase in current provisions	(469.82)	86.82
Increase in other financial liabilities	177.46	194.84
Increase/(Decrease) in other current liabilities	799.48	(991.37)
<b>Total movement in working capital:</b>	<b>(4,277.09)</b>	<b>5,026.69</b>
<b>5 Cash generated from operations (3+4)</b>	<b>11,620.00</b>	<b>21,755.82</b>
<b>6 Income tax paid (net of refunds)</b>	<b>1,938.05</b>	<b>2,473.49</b>
<b>7 Net cash generated from operating activities (5-6)</b>	<b>9,681.95</b>	<b>19,282.33</b>
<b>B Cash flow from investing activities:</b>		
Purchase of Property, plant and equipment, Capital work in progress, other intangible assets and capital advances	(5,587.36)	(5,781.89)
Proceeds from sale of property, plant and equipment	77.20	91.02
Purchase of non-current investment in joint ventures	(2,644.24)	(2,324.40)
Sale of non-current investment in joint ventures	361.80	-
Redemption/(Increase) of Bank deposits (having original maturity of more than 3 months)	(2.08)	26.68
Dividend income	137.03	81.25
Interest received	188.49	181.84
<b>Net cash used in investing activities:</b>	<b>(7,469.16)</b>	<b>(7,725.50)</b>
<b>C Cash flow from financing activities:</b>		
Repayment of long-term borrowings	(35.58)	(41.19)
(Repayment)/ proceeds from short-term borrowings (net)	438.90	(7,450.36)
Payment of lease liabilities	(741.37)	(719.65)
Dividend paid during the year (including dividend distribution tax)	(1,203.81)	(1,804.22)
Interest paid	(883.08)	(1,299.83)
<b>Net cash used in financing activities:</b>	<b>(2,424.94)</b>	<b>(11,315.25)</b>
<b>D Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(212.15)</b>	<b>241.58</b>

## Standalone Statement of Cash Flows for the year ended March 31, 2021 (Contd..)

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>E-1</b> Cash and cash equivalents as at the beginning of year	299.50	57.92
<b>E-2</b> Cash and cash equivalents as at end of the year	87.35	299.50
<b>Cash and cash equivalents include :</b>		
Balances with banks:		
- In current accounts	73.07	286.49
Cash on hand	14.28	13.01
<b>Cash and cash equivalents at the end of the year</b>	<b>87.35</b>	<b>299.50</b>

### Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Equity Shares	
	No. of shares in lacs	Amount
<b>Opening balance as at 1 April 2020</b>	<b>68.14</b>	<b>3,866.89</b>
Cash flows during the year	(42.02)	438.90
Non-cash changes:	-	-
<b>Closing balance as at 31 March 2021</b>	<b>26.12</b>	<b>4,305.79</b>

\*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 13.

#### Notes:

- The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash Flows".
- Refer note 2 for significant accounting policies.
- The Company paid in cash Rs. 216.66 Lacs for the year ended 31 March 2021 and Rs. 198.04 Lacs for the year ended 31 March 2020 towards Corporate Social Responsibility (CSR) expenditure.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and  
Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021  
(Rupees in lacs, except share data, per share data and unless otherwise stated)

## 1. Corporate information

Sandhar Technologies Limited ('STL' or 'the Company') is a Public Limited Company domiciled in India. The Company was incorporated on 19 October 1987 in New Delhi, India. The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry.

## 2. Significant accounting policies

### 2.1 Basis of preparation

#### (i) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

Effective 1 April 2016, the Company transitioned to Ind AS while the Financial Statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

#### a) Business Combination:

Company has opted for exemption under Ind AS 101 with respect to Business Combinations whereby Company has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to business combinations that occurred before the date of transition to Ind AS. As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward.

#### b) Deemed cost exemption on Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

#### c) Investment in subsidiaries:

As per the requirements of Ind AS 27, Company has opted to record its equity investment in subsidiary at cost. Ind AS 101 provides that while measuring investment at cost, an entity shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (i) cost determined in accordance with Ind AS 27; or
- (ii) deemed cost. The deemed cost of such an investment shall be its
  - (a) fair value at the entity's date of transition to Ind ASs in its Separate Financial Statements; or
  - (b) previous GAAP carrying amount at that date.

Accordingly, Company has opted to record its investment in subsidiary at previous GAAP carrying amount at transition date.

#### d) Leases:

Ind AS 101 permits that if there is any land lease newly classified as finance lease then the first time adopter may recognise assets and liability at fair value on that date; and any difference between those fair values is recognized in retained earnings.

Company has therefore classified land leases with multi decade lease periods as finance lease as on transition date.

#### (ii) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

#### (iii) Basis of measurement

These Standalone Financial Statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability	Fair value
Investment in preference shares (unquoted)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 2. Significant accounting policies (Contd..)

#### (iv) Use of estimates and judgements

In preparation of these Standalone Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 28
- Estimated impairment of financial assets and non-financial assets – Note 2.3 (e)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3 (a)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 30
- Valuation of Inventories – Note 2.3 (g)
- Recognition and measurement of provision and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources – Note 31
- Lease classification – Note 34
- Fair value measurement – Note 2.1 (v)
- In assessing the recoverability of receivables including unbilled receivables, goodwill, financial assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have a duration of twelve months.

#### (v) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – Financial instrument.

### 2.2 Changes in significant accounting policies

In the previous year the Company has initially applied Ind AS 116 from 01 April 2019. Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these Standalone Financial Statements has not been restated to reflect the requirements of the new standard.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for the previous year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed in note 2.3 (c).

On adoption of the standard, the company has recognized 'Right-of-use' assets and 'Lease liabilities' amounting as at 1 April 2019. Operating lease expenses which were charged as lease rentals in the corresponding last year have now been recognized in the current year as depreciation expense relating to the right-of-use asset and finance cost for interest accrued on lease liability, as required by the new standard.

A number of other new standards and amendments are also effective from 01 April 2019, but they do not have a material effect on the Company's Standalone Financial Statements.

### 2.3 Summary of significant accounting policies

#### a. Property, plant and equipment

##### (i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1(iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 Standalone Statement of Profit and Loss when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the Standalone Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### (iii) Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Standalone Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land is amortized on a straight line basis over the period of the lease which ranges between 89-99 years.

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The Company has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act on its property, plant and equipment, except for temporary erection, Computers (Servers and networks) and Non – commercial vehicles.

Items Asset category	Useful lives estimated by the management (years)
Factory Buildings	30 years
Other Buildings	60 years
Carpeted RCC Roads	10 years
Tube wells	5 years
Plant and Machinery	7.5 – 15 years
Electrical Installations	10 years
Office Equipment	5 years
Racks and Bins	10 years
Furniture & Fixtures	10 years
Commercial Vehicles	8 years
Tools, Moulds and Dies	6 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful lives of temporary erection is estimated 1year, which is lower than those indicated in Schedule II
- Computers (Servers and networks) are depreciated over the estimated useful lives of 3 years, which is lower than those indicated in Schedule II.
- Non Commercial Vehicles are depreciated over the estimated useful lives of 6 years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### b. Intangible assets

#### (i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase

price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Standalone Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Standalone Statement of Profit and Loss as incurred.

#### (iii) Amortization

The useful lives of intangible assets are assessed as either finite or indefinite

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

#### • Technical knowhow

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

### • Software

Software purchased by the Company are amortized on a straight line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

### • Goodwill

Goodwill is not amortized but is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

### c. Leases

The Company has applied Ind AS 116 w.e.f. 01 April 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

#### Policy applicable from 1 April 2019 – Ind AS 116

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### As a lessee –

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

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- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases- The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Policy applicable before 1 April 2019 – Ind AS 17

#### (i) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair

values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

#### (ii) Assets held under lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Standalone Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.3(d)). Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating lease) are not recognized in the Company's Balance Sheet.

#### (iii) Lease payments

Payments made under operating leases are generally recognized in the Standalone Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.



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Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### d. Borrowing Costs

Borrowing cost includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

### e. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an

appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication 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. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### f. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

### g. Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.

- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

### h. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the Standalone Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the statement of profit and loss are also recognized in OCI or the statement of profit and loss, respectively).

### i. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the

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seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to

determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer,

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on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

### Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss.

### Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

### j. Income tax

Income tax expense comprises current and deferred tax. It is recognized in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

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 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### k. Segment reporting

#### Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their

performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

### L. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the Profit or Loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

### m. Provisions (Other than employee benefits)

#### General provisions

Provisions are recognized 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 expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

### n. Employee benefits

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for

example, a reduction in future payment or a cash refund.

#### iii. Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to Kotak Mahindra Old Mutual Life Insurance Limited and LIC of India. There are no other obligations other than the contribution payable to the respective trust.

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.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### iv. Other long term employee benefits

##### Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

#### o. Financial instruments

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

##### i. Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

##### ii. Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. 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 FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the 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 FVPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

### Investments in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

### Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### Financial assets: Subsequent measurement and gains and losses

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### Debt investment at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

#### Equity investment at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

### iii. Derecognition

#### Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

#### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### v. Derivative financial instruments

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

### Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial

asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Standalone Statement of the Profit and Loss and is recognized in OCI.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### p. Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

### q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

### **r. Cash flow statement**

Cash flows are reported using the indirect method, whereby 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.

### **s. Cash dividend and non-cash distribution to equity holders of the parent**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### **t. Corporate Social Responsibility ("CSR") expenditure:**

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

### **u. Research and development:**

Expenditure on research and development activities is recognized in the Standalone Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

### **v. Recent Indian Accounting Standards (Ind AS) and interpretations not yet adopted:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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### 3. Property, plant and equipment

Particulars	Freehold Land (refer note 1 below)	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
<b>Gross carrying value as at 1 April 2019</b>	10,632.66	18,204.30	38,451.39	1,903.91	638.89	889.18	70,720.33
Additions	764.82	665.56	4,837.06	232.60	32.99	26.61	6,559.64
Disposals	-	18.82	644.64	239.18	34.71	45.35	982.70
<b>Balance as at 31 March 2020</b>	<b>11,397.48</b>	<b>18,851.04</b>	<b>42,643.81</b>	<b>1,897.33</b>	<b>637.17</b>	<b>870.44</b>	<b>76,297.27</b>
Additions	4.08	677.85	5,068.78	73.39	114.99	14.60	5,953.69
Disposals	-	-	498.50	86.59	273.06	6.38	864.53
<b>Balance as at 31 March 2021</b>	<b>11,401.56</b>	<b>19,528.89</b>	<b>47,214.09</b>	<b>1,884.13</b>	<b>479.10</b>	<b>878.66</b>	<b>81,386.43</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2019</b>	-	1,985.96	11,807.07	974.24	243.26	285.27	15,295.80
Depreciation for the year	-	847.16	5,291.61	342.70	100.20	97.70	6,679.37
Accumulated depreciation on disposal	-	0.85	602.70	235.47	34.70	34.76	908.48
<b>Balance as at 31 March 2020</b>	-	<b>2,832.27</b>	<b>16,495.98</b>	<b>1,081.47</b>	<b>308.76</b>	<b>348.21</b>	<b>21,066.69</b>
Depreciation for the year	-	839.55	4,606.29	326.11	103.98	92.97	5,968.90
Accumulated depreciation on disposal	-	-	479.96	86.48	257.22	6.38	830.04
<b>Balance as at 31 March 2021</b>	-	<b>3,671.82</b>	<b>20,622.31</b>	<b>1,321.10</b>	<b>155.52</b>	<b>434.80</b>	<b>26,205.55</b>
<b>Net carrying amount</b>							
<b>As at 31 March 2021</b>	<b>11,401.56</b>	<b>15,857.07</b>	<b>26,591.78</b>	<b>563.03</b>	<b>323.58</b>	<b>443.86</b>	<b>55,180.88</b>
<b>As at 31 March 2020</b>	<b>11,397.48</b>	<b>16,018.77</b>	<b>26,147.83</b>	<b>815.86</b>	<b>328.41</b>	<b>522.23</b>	<b>55,230.58</b>

#### 1. Freehold land

- Land aggregating to Rs. 566.79 Lacs (31 March 2020: Rs. 595.33 Lacs) transferred to the Company pursuant to the scheme of amalgamation dated December 29, 2005 are pending for registration in the name of the Company.
- Land aggregating to Rs. 5,006.68 Lacs (31 March 2020: Rs. 5,006.68 Lacs) transferred to the Company pursuant to the scheme of amalgamation duly approved by Honourable High Court of Delhi, vide its order dated May 2, 2013 are pending for registration in the name of the Company.

### 4. Right-of-use asset\*

Particulars	Leasehold Land	Total
<b>Gross carrying value</b>		
<b>As at 1 April 2019</b>	2,384.66	2,384.66
Impact of Ind AS 116	1,855.34	1,855.34
<b>As at 31 March 2020</b>	<b>4,240.00</b>	<b>4,240.00</b>
Additions	962.05	962.05
<b>As at 31 March 2021</b>	<b>5,202.05</b>	<b>5,202.05</b>
<b>Accumulated amortization</b>		
<b>As at 1 April 2019</b>	77.45	77.45
Depreciation charge for the year	597.39	597.39
<b>As at 31 March 2020</b>	<b>674.84</b>	<b>674.84</b>
Depreciation charge for the year	610.51	610.51
<b>As at 31 March 2021</b>	<b>1,285.35</b>	<b>1,285.35</b>
<b>Net carrying amount</b>		
<b>As at 31 March 2021</b>	<b>3,916.70</b>	<b>3,916.70</b>
<b>As at 31 March 2020</b>	<b>3,565.16</b>	<b>3,565.16</b>

\*Refer note 34

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 5 Intangible assets

Particulars	Computer software	Technical know how	Goodwill*	Total
<b>Gross carrying value as at 1 April 2019</b>	817.70	810.01	552.35	2,180.06
Additions	226.93	189.28	-	416.21
Disposals	87.25	-	-	87.25
<b>Balance as at 31 March 2020</b>	<b>957.38</b>	<b>999.29</b>	<b>552.35</b>	<b>2,509.02</b>
Additions	25.62	-	-	25.62
Disposals	9.68	-	-	9.68
<b>Balance as at 31 March 2021</b>	<b>973.32</b>	<b>999.29</b>	<b>552.35</b>	<b>2,524.96</b>
<b>Accumulated amortization</b>				
<b>Balance as at 1 April 2019</b>	543.61	417.86	-	961.47
Amortization for the year	139.95	152.92	-	292.87
Accumulated amortization on disposal	87.25	-	-	87.25
<b>Balance as at 31 March 2020</b>	<b>596.31</b>	<b>570.78</b>	<b>-</b>	<b>1,167.09</b>
Amortization for the year	141.78	140.27	-	282.05
Accumulated amortization on disposal	9.68	-	-	9.68
<b>Balance as at 31 March 2021</b>	<b>728.41</b>	<b>711.05</b>	<b>-</b>	<b>1,439.46</b>
<b>Net carrying amount</b>				
<b>As at 31 March 2021</b>	<b>244.91</b>	<b>288.24</b>	<b>552.35</b>	<b>1,085.50</b>
<b>As at 31 March 2020</b>	<b>361.07</b>	<b>428.51</b>	<b>552.35</b>	<b>1,341.93</b>

#### \*Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.
- Discount rate ranging from 7% to 13% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 6. Financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investments</b>		
<b>A. Non-current Investments</b>		
<b>Investments at cost</b>		
<b>Investments in subsidiaries</b>		
<b>(i) Investment in equity shares (Unquoted)</b>		
47.95 Lacs (31 March 2020: 47.95 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Tooling Private Limited	387.19	387.19
32.48 Lacs (31 March 2020: 32.48 Lacs) equity shares of EUR. 1/- each fully paid-up in Sandhar Technologies Barcelona SL	2,029.00	2,029.00
0.09 Lacs (31 March 2020: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Strategic Systems Private Limited	1.00	1.00
<b>Investments in joint ventures</b>		
<b>(ii) Investment in equity shares (Unquoted)</b>		
NIL (31 March 2020: 2 Lacs) equity shares of Rs. 10/- each fully paid-up in Indo Toolings Private Limited	-	20.00
161.979 Lacs (31 March 2020: 136.486 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	1,619.80	1,364.86
6.89 Lacs (31 March 2020: 6.89 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Ecco Green Energy Private Limited*	222.48	222.48
68.65 Lacs (31 March 2020: 24.96 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	686.50	249.70
153.2 Lacs (31 March 2020: 83.2 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	1,532.00	832.00
161.73 Lacs (31 March 2020: 149.73 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daewha Automotive Systems Private Limited	1,617.31	1,497.31
0.107 Lacs (31 March 2020: 0.107 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Dashin Auto Systems Private Limited	1.07	1.07
83.241 Lacs (31 March 2020: 68.3069 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	832.41	683.07
100.84 Lacs (31 March 2020: 10.95 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	1,008.37	109.52
0.099 Lacs (31 March 2020: 0.099 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Automotive Private Limited**	1.00	1.00
27.50 Lacs (31 March 2020: 19.998 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	275.00	199.99
4 Lacs (31 March 2020: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winnercom Sandhar Technologies Private Limited	400.00	400.00
0.09 Lacs (31 March 2020: Nil ) equity shares of Rs.10/- each fully paid-up in Sandhar Daeshin Technologies Private Limited	1.00	-
<b>Investments at fair value through profit and loss</b>		
<b>Investments in joint ventures</b>		
<b>(iii) Investments in Preference shares (Unquoted)</b>		
NIL (31 March 2020: 3.32 Lacs) preference shares of Rs. 100/- each fully paid-up in Indo Toolings Private Limited	-	313.07
23.43 Lacs (31 March 2020: 23.43 Lacs) preference shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	234.38	234.38
65.03 Lacs (31 March 2020: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	650.38	650.38

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 6. Financial assets (Continued...)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(iv) Non Trade investment (Unquoted)</b>		
0.2 Lacs (31 March 2020: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	84.05	70.75
	<b>11,582.94</b>	<b>9,266.77</b>
<b>Less: Aggregate amount of impairment in the value of investments</b>		
<b>Investment in Joint Venture*</b>		
(i) In fully paid equity shares	(144.17)	(143.17)
<b>Total aggregate amount of impairment / sale of investments</b>	<b>(144.17)</b>	<b>(143.17)</b>
<b>Total investments</b>	<b>11,438.77</b>	<b>9,123.60</b>
<b>Aggregate value of unquoted investments</b>	11,582.94	9,266.77
<b>Aggregate amount of impairment in value of investments</b>	(144.17)	(143.17)
<b>Current</b>	-	-
<b>Non-Current</b>	11,438.77	9,123.60

\*During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ('Sandhar Ecco Green Energy Private Limited'). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 143.17 Lacs (31 March 2019 Rs. 148.05) Lacs was recognized in the standalone financial statements. In absence of visibility of business in the joint venture, the financial statements of the JV have been prepared on non going concern basis, where the assets and liabilities have been disclosed as a realizable basis. During the current year the Investment in joint venture has been shown at the realisable value.

\*\*During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company went under liquidation. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

Particulars	As at 31 March 2021	As at 31 March 2020
<b>B. Loans</b>		
Security deposits - Non current	986.27	940.19
Security deposits - Current	-	5.24
Loans recoverable from related parties- Current	638.18	518.18
Loans to employees - Current	40.40	32.08
Other advances - Current	104.73	211.42
<b>Total loans</b>	<b>1,769.58</b>	<b>1,707.11</b>
Less: loss allowance	-	-
<b>Total loans</b>	<b>1,769.58</b>	<b>1,707.11</b>
Break up of total loans		
(a) Secured, considered good;	-	-
(b) Unsecured, considered good; and	1,769.58	1,707.11
(c) Doubtful.	-	-
	<b>1,769.58</b>	<b>1,707.11</b>
Less: loss allowance	-	-
	<b>1,769.58</b>	<b>1,707.11</b>
Current	783.31	766.92
Non-current	986.27	940.19

Particulars	As at 31 March 2021	As at 31 March 2020
<b>C. Trade receivables</b>		
(unsecured and considered good, unless otherwise stated)		
Trade receivables*	31,286.21	16,084.10
<b>Total trade receivables</b>	<b>31,286.21</b>	<b>16,084.10</b>

\*For explanations on the Company's credit risk management processes, refer to Note -37

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 6. Financial assets (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>D. Cash and cash equivalents</b>		
Balances with banks:		
– In current accounts	73.07	286.49
– Cheques on hand	-	-
Cash on hand	14.28	13.01
<b>Total Cash and cash equivalents</b>	<b>87.35</b>	<b>299.50</b>
<b>E. Other Bank balances</b>		
In current account for equity dividend	0.74	7.59
Deposits with original maturity for more than 3 months but less than 12 months*	80.60	71.67
<b>Total other bank balances</b>	<b>81.34</b>	<b>79.26</b>
*These deposits are held as margin money deposits with government authorities.		
<b>F. Other financial assets</b>		
Derivative assets	-	14.42
Interest accrued but not due on fixed deposits	16.08	11.22
Unbilled revenue	3,546.49	253.33
<b>Total other financial assets</b>	<b>3,562.57</b>	<b>278.97</b>
<b>Current</b>	<b>35,800.78</b>	<b>17,508.75</b>
<b>Non-current</b>	<b>12,425.04</b>	<b>10,063.79</b>
<b>Total financial assets (A+B+C+D+E+F)</b>	<b>48,225.82</b>	<b>27,572.54</b>
<b>Break up of financial assets carried at amortised cost</b>		
Security Deposits	986.27	945.43
<b>Total financial assets carried at amortised cost</b>	<b>986.27</b>	<b>945.43</b>

### 7. Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials {includes goods in transit of Rs. 756.43 Lacs (31 March 2020: Rs. 443.97 Lacs)}	9,749.35	8,477.99
Work in progress	636.15	658.82
Finished goods {includes goods in transit of Rs. 628.84 Lacs (31 March 2020: Rs. 558.04 Lacs)}	1,902.83	1,825.18
Stores and spares	1,133.78	1,162.68
	<b>13,422.11</b>	<b>12,124.67</b>
Provision for inventory obsolescence	(25.00)	(25.00)
<b>Total inventories at the lower of cost and net realisable value</b>	<b>13,397.11</b>	<b>12,099.67</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 8. Other assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Other non - current assets</b>		
<b>A. Capital advances</b>		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good.	176.04	196.40
<b>Total capital advances</b>	<b>176.04</b>	<b>196.40</b>
<b>B. Income-tax asset</b>		
(Unsecured and considered good, unless otherwise stated)		
Advance income-tax (net of provision for taxation) (refer note 15)	502.34	202.78
	<b>502.34</b>	<b>202.78</b>
<b>Total other non - current assets (A+B)</b>	<b>678.38</b>	<b>399.18</b>
<b>Other current assets</b>		
<b>C. Other advances</b>		
Unsecured, considered good.	521.18	416.44
Doubtful	-	-
<b>Total other advances</b>	<b>521.18</b>	<b>416.44</b>
Less: Loss allowance	-	-
<b>Total net other advances</b>	<b>521.18</b>	<b>416.44</b>
<b>D. Prepaid expenses</b>		
Prepaid expenses	269.99	299.69
	<b>269.99</b>	<b>299.69</b>
<b>E. Balance with statutory / government authorities</b>		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good	486.77	500.41
<b>Total balance with statutory / government authorities</b>	<b>486.77</b>	<b>500.41</b>
<b>F. Plan Asset</b>		
Plan asset over defined benefit obligation	160.78	576.18
<b>Total Balance in Plan Assets</b>	<b>160.78</b>	<b>576.18</b>
<b>Total other current assets (C+D+E+F)</b>	<b>1,438.72</b>	<b>1,792.72</b>
Current	1,438.72	1,792.72
Non-current	678.38	399.18

### 9. Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Authorised share capital</b>		
680 lacs equity shares of Rs.10 each	6,800.00	6,800.00
(31 March 2020: 680 lacs equity shares of Rs.10 each)		
2 lacs preference shares of Rs.100 each	200.00	200.00
(31 March 2020: 2 lacs preference shares of Rs.100 each)		
	<b>7,000.00</b>	<b>7,000.00</b>
Particulars	As at 31 March 2021	As at 31 March 2020
601.91 lacs equity shares of Rs. 10 each fully paid up	6,019.07	6,019.07
(31 March 2020: 601.91 lacs equity shares of Rs. 10 each)		
	<b>6,019.07</b>	<b>6,019.07</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 9. Share capital (Contd..)

#### C. Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity shares outstanding at the beginning of the year	601.91	6,019.07	601.91	6,019.07
Issued during the year	-	-	-	-
Outstanding at the end of the year	601.91	6,019.07	601.91	6,019.07

#### Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of Rs.10 per share (31 March 2020: Rs.10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

On 21 May, 2021, the Board of Directors of the Company recommended a final dividend of Rs. 1.00 per equity share of face value Rs. 10 each in respect of the year ended 31 March, 2021. The dividend payout is subject to approval of shareholders at the Annual General Meeting. The company has paid an interim dividend of Rs. 1.25 per equity share of face value Rs. 10 each, which was declared on 13 February 2021.

In the event of liquidation of the Company, the share 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 share holders.

#### D. Details of shareholders holding more than 5% shares in the company

Particulars	No. of shares in Lacs	% of shareholding
Jayant Davar*	314.15	52.19%

\*90,909 Equity Shares are held by Mr. Jayant Davar in his Capacity as proprietor of Sandhar Enterprises

### 10. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Capital reserve</b>		
<b>At the beginning and end of the year</b>	<b>2,653.66</b>	<b>2,653.66</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	27,859.67	27,859.67
Less: Share issue expenses	-	-
<b>Balance at the end of the year</b>	<b>27,859.67</b>	<b>27,859.67</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	39,222.45	34,332.98
Adjustment relating to lease pertains to previous years	-	(132.49)
Add: Profit for the year	6,523.20	6,092.10
Other comprehensive income - Re-measurement of defined benefit liabilities	(400.20)	734.07
Less: Dividend on equity shares (Final)	(451.43)	(752.38)
Less: Dividend on equity shares (Interim)	(752.38)	(752.38)
Less: Tax on Dividend	-	(299.45)
<b>Balance at the end of the year</b>	<b>44,141.64</b>	<b>39,222.45</b>
<b>Total of other equity</b>	<b>74,654.97</b>	<b>69,735.78</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 10. Other equity (Contd..)

Nature and purpose of other equity

#### 1. Capital Reserve:

This represents Capital reserve created during the year ended 31 July 2013, consequent to the approval by the Hon'ble High Court of Delhi of the scheme of amalgamation of MAG Engineering Private Limited with the Company.

#### 2. Securities premium:

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

#### 3. Remeasurements of defined benefit obligation:

Remeasurements of defined benefit obligation comprises actuarial gains and losses.

#### 4. Retained earnings

This represents the cumulative profits/(losses) of the Company.

### 11. Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current borrowings</b>		
<b>Term Loans</b>		
Indian rupee loan from others (secured) (refer note A)	5.31	23.85
<b>Total non-current borrowings</b>	<b>5.31</b>	<b>23.85</b>
Secured	5.31	23.85
<b>B. Current borrowings</b>		
<b>a) Current maturities of long term loans</b>		
Indian rupee loan from banks (secured) (refer note A)	18.54	35.58
<b>Total Current maturities of long term loans</b>	<b>18.54</b>	<b>35.58</b>
<b>b) Cash credit from banks (secured) (refer note B)</b>	4,305.79	3,866.89
<b>Total current borrowings</b>	<b>4,324.33</b>	<b>3,902.47</b>
Less: Amount presented under "other financial liabilities" (refer note 13)	(18.54)	(35.58)
<b>Total current borrowings</b>	<b>4,305.79</b>	<b>3,866.89</b>
Aggregate secured loans	4,324.33	3,902.47

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Terms of borrowings:</b>		
(A) Vehicle loan are from banks are secured by hypothecation of the financed vehicle.	23.85	59.43
(B) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the company.	4,305.79	3,866.89

### 12. Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 40)	3,832.45	1,135.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,925.06	17,694.26
Acceptances*	3,764.01	-
<b>Total trade payables</b>	<b>33,521.52</b>	<b>18,830.20</b>

#### Terms and conditions of the above financial liabilities:

For explanations on the Company's credit risk management processes, refer to Note 37.

\*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions. There is no change in the credit terms with the financial institutions which is similar to the credit terms with vendors.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 13. Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial liabilities at amortised cost</b>		
Payables for capital goods	667.84	1,773.88
Interest accrued but not due	0.14	0.36
Interest accrued and due on borrowings	2.13	8.35
Current maturities of long term borrowings (refer note 11)	18.54	35.58
Unpaid equity dividend	0.74	7.59
Security deposit payable-Current	81.87	66.15
Provision for Interest - MSMED (refer note 40)	74.19	41.39
Lease liabilities - non current	1,217.02	863.80
Lease liabilities - current	613.86	577.81
<b>Total financial liabilities at amortised cost</b>	<b>2,676.33</b>	<b>3,374.91</b>
Current	1,459.31	2,511.11
Non-current	1,217.02	863.80

### 14. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Other payables:</b>		
Statutory dues	1,407.82	608.34
<b>Total</b>	<b>1,407.82</b>	<b>608.34</b>
Current	1,407.82	608.34
Non-current	-	-

### 15. Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Provision for leave benefits	641.53	580.44
<b>Other provisions</b>		
Provision for income tax (net of tax paid) (refer note 8B)	380.95	-
Provision for warranties*	51.24	52.87
<b>Total</b>	<b>1,073.72</b>	<b>633.31</b>
Total Income tax liabilities	380.95	-
Total Current provision	692.77	633.31
<b>*Provision for warranties</b>		
At the beginning of the year	52.87	85.59
Accrued during the year	52.81	50.67
Utilized during the year	(54.44)	(83.39)
At the end of the year	51.24	52.87

Provision is recognized for expected warranty claims on products sold during the last two to five years, based on past experience of level of repairs and returns. It is expected that the most of this cost will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales level and current information available about returns based on the two to five year warranty period for all products sold.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 16. Deferred tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
-Post-employment benefits	161.00	146.00
-Provision for doubtful debt & advances	75.00	83.00
-Employee benefits	43.00	128.00
-Fair value measurement	74.00	69.00
<b>Total deferred tax assets</b>	<b>353.00</b>	<b>426.00</b>
<b>Items leading to creation of deferred tax liabilities</b>		
-Property, plant and equipment & others: Impact of difference between tax and depreciation/amortization charged for the financial reporting	929.88	1,221.87
-Impact of IND-AS 116	418.12	323.13
-Fair value measurement	-	-
<b>Total deferred tax liabilities</b>	<b>1,348.00</b>	<b>1,545.00</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(995.00)</b>	<b>(1,119.00)</b>

### 17. Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	1,54,489.52	1,59,650.50
Sale of services	2,079.48	2,128.31
<b>Other operating revenue</b>		
Scrap sale	1,961.80	1,924.24
Claim received from customer	-	299.80
<b>Revenue from operations</b>	<b>1,58,530.80</b>	<b>1,64,002.85</b>

### 18. Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other non-operating income</b>		
Dividend income on long-term investments	137.03	81.25
Profit on sale of property, plant and equipment	42.74	113.95
MTM gain on derivative liability	-	14.42
Foreign exchange fluctuation gain (net)	46.38	-
Interest from bank	10.35	16.81
Interest from others	137.96	169.27
Interest income on security deposits measured at amortised cost	45.03	1.26
Gain on investments carried at fair value through profit or loss	32.73	55.02
Other miscellaneous income	487.11	560.50
	<b>939.33</b>	<b>1,012.48</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 19. Cost of raw material and components consumed

#### Raw material and components consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	8,477.99	9,534.15
Add: Purchases during the year	1,03,182.08	1,02,082.25
	<b>1,11,660.07</b>	<b>1,11,616.40</b>
Less: Inventory at the end of the year	9,749.35	8,477.99
Cost of raw material and components consumed	<b>1,01,910.72</b>	<b>1,03,138.41</b>

### 20. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Closing inventories		
Finished goods	1,902.83	1,825.18
Work in progress	636.15	658.82
Opening inventories		
Finished goods	1,825.18	1,662.72
Work in progress	658.82	1,236.04
<b>Net changes</b>	<b>(54.98)</b>	<b>414.76</b>

### 21. Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	18,994.82	20,023.96
Contribution to provident and other funds	867.29	1,021.03
Staff welfare expenses	894.09	1,118.70
Gratuity expense (refer note 30)	130.88	166.14
	<b>20,887.08</b>	<b>22,329.83</b>

### 22. Depreciation and amortization expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	5,968.91	6,679.37
Depreciation on right of use assets	610.51	597.39
Amortisation on intangible assets	282.05	292.87
	<b>6,861.47</b>	<b>7,569.63</b>
Less: Depreciation on plant and machinery capitalized during the year	4.46	9.46
	<b>6,857.01</b>	<b>7,560.17</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 23. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	3,557.07	3,406.58
Packing material	2,061.46	2,044.71
Job work charges	3,254.63	3,513.75
Rent	176.93	87.10
Rates and taxes	114.53	106.90
Insurance	209.52	185.85
Freight and forwarding charges	1,743.91	1,751.37
Power and fuel	4,792.68	5,179.92
Repairs and maintenance		
- Buildings	153.87	95.97
- Plant and machinery	621.92	1,033.48
- Others	880.13	799.84
Legal and professional charges	650.94	935.88
Travelling and conveyance	114.84	295.99
Payment to auditor*	53.74	58.01
CSR expenditure**	216.66	198.04
Provision for doubtful debts and advances	11.35	244.31
Reversal of provision for doubtful debts	(42.35)	(90.86)
Bad debts and advances written off	42.35	90.86
Provision for warranties (net of reversal)	52.81	50.67
Royalty	102.29	151.62
Commission to directors	371.13	394.70
Security service charges	530.24	528.76
Testing and development expenses	65.12	99.51
Festival and celebration expenses	48.47	46.49
Directors sitting fee	40.10	26.90
Foreign exchange fluctuation loss (net)	-	113.48
Miscellaneous expenses	588.81	866.41
<b>Total other expenses</b>	<b>20,413.15</b>	<b>22,216.24</b>

#### \*Payment to auditors :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As auditor:</b>		
- Audit fees	39.00	39.00
- Limited Review	13.00	13.00
<b>In other capacity</b>		
- Other services (certification fees)	0.70	0.02
- Reimbursement of expenses	1.04	5.99
<b>Total</b>	<b>53.74</b>	<b>58.01</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 23. Other expenses (Contd..)

**\*\*Disclosure relating to CSR expenditure:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross Amount required to be spent by the Company as per Section 135 of the "Companies Act 2013"	213.72	192.31
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- In cash	216.66	198.04
- Yet to be paid in cash	-	-
	<b>216.66</b>	<b>198.04</b>

### 24. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest to banks on</b>		
- Cash credit	375.15	478.82
- Others	229.32	431.49
Interest to others	65.44	81.94
Finance charges	65.26	101.69
Bank charges	5.68	-
Interest on lease liabilities (refer note 34)	168.58	169.49
<b>Total finance costs</b>	<b>909.43</b>	<b>1,263.43</b>

### 25. Exceptional Items

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment loss on investment in joint venture (refer note 6)	-	-
<b>Total exceptional items</b>	<b>-</b>	<b>-</b>

### 26. Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the period ended 31 March 2021:**

Particulars	Retained earnings	Total
Re-measurement gain on defined benefit plans	(534.80)	(534.80)
Tax impact on re-measurement gain on defined benefit plans	134.60	134.60
	<b>(400.20)</b>	<b>(400.20)</b>

**During the year ended 31 March 2020:**

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	980.99	980.99
Tax impact on re-measurement loss on defined benefit plans	(246.92)	(246.92)
	<b>734.07</b>	<b>734.07</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 27. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity holders of the Company	6,523.20	6,092.10
Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted) (Number of shares in Lacs)	601.91	601.91
Earning Per Share (Basic and Diluted) (Rs.)	10.84	10.12
Face value per share (Rs.)	10	10

#### Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share:		
<b>Balance as at 1 April 2019</b>	<b>601.91</b>	<b>601.91</b>
Issued during the year 2019-20 (Number of shares in lacs)		
<b>Balance as at 31 March 2020</b>	<b>601.91</b>	<b>601.91</b>
Issued during the year 2020-21 (Number of shares in lacs)	-	-
<b>Balance as at 31 March 2021</b>	<b>601.91</b>	<b>601.91</b>
At present, the Company does not have any dilutive potential equity shares		

### 28. Income Tax

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:		
<b>Income tax recognized in statement of profit and loss</b>		
<b>Current income tax:</b>		
Current tax	2,121.34	2,293.31
Current tax relating to earlier years	(107.42)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	10.60	(292.92)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>2,024.52</b>	<b>2,000.39</b>
<b>Income tax recognized in other comprehensive income</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	134.60	(246.92)
<b>Income tax charged to other comprehensive income</b>	<b>134.60</b>	<b>(246.92)</b>

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(b) Reconciliation of effective tax rate		
Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2021 and 31 March 2020:		
Profit for the year	8,547.72	8,092.49
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,151.29	2,036.72
Tax impact of deductible/ non-deductible expenses		

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 28. Income Tax (Contd..)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Effect of Dividend Income	(34.49)	(20.45)
- Effect of CSR expenses	54.53	49.84
- Effect of Interest paid to MSMED	7.77	2.24
- Income tax of earlier years	(107.42)	-
- Others	(47.16)	(67.96)
Income tax expense after adjustment of tax impact of non deductible items	2,024.52	2,000.39

### 29. Group information

The Company has investment in following subsidiaries and joint ventures:

Name of the entity	Principal place of business	Relationship	Percentage of ownership interest	
			As at 31 March 2021	As at 31 March 2020
Sandhar Tooling Private Limited	India	Subsidiary	79.92	79.92
Sandhar Technologies Barcelona SL	Spain	Subsidiary	100.00	100.00
Sandhar Strategic System Private Limited	India	Subsidiary	100.00	100.00
Indo Toolings Private Limited (exit from 9th October 2020)	India	Joint Venture	-	50.00
Sandhar Han Sung Technologies Private Limited	India	Joint Venture	50.00	50.00
Sandhar Ecco Green Energy Private Limited	India	Joint Venture	50.00	50.00
Jinyoung Sandhar Mechatronics Private Limited	India	Joint Venture	50.00	50.00
Sandhar Daewha Automotive Systems Private Limited	India	Joint Venture	50.00	50.00
Sandhar Amkin Industries Private Limited	India	Joint Venture	50.00	50.00
Sandhar Daeshin Auto Systems Private Limited (w.e.f. 3rd May 2018)	India	Joint Venture	50.00	50.00
Sandhar Whetron Electronics Private Limited (w.e.f. 19th July 2018)	India	Joint Venture	50.00	50.00
Kwangsung Sandhar Technologies Private Limited (w.e.f. 6th February 2019)	India	Joint Venture	50.00	50.00
Sandhar Han Shin Automotive Private Limited (w.e.f. 16th September 2019) (under process of Striking off)	India	Joint Venture	-	50.00
Sandhar Han Shin Auto Technologies Private Limited (w.e.f. 26th November 2019)	India	Joint Venture	50.00	50.00
Winnercom Sandhar Technologies Private Limited (w.e.f. 22nd August 2019)	India	Joint Venture	50.00	50.00
Sandhar Daeshin Technologies Private Limited (w.e.f. 29th July 2020)	India	Joint Venture	50.00	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 30. Gratuity and other post-employment benefit plans

#### A. Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, National pension scheme and Employee state insurance scheme ('ESI') which are collectively defined as defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrued.

The amount recognized as an expense/ (adjusted):

Particulars	For the year ended	
	31 March 2021	31 March 2020
Contribution to provident fund	635.34	744.39
Contribution to national pension scheme	38.26	55.89
Contribution to employee state insurance scheme	47.69	58.54

#### B. Defined benefit plan

The Company has a defined benefit gratuity plan for its employees, governed by the Payment of Gratuity Act, 1972. Every employee who has rendered at least five years of continuous service gets a gratuity on departure at the rate of fifteen days of last drawn salary for each completed year of service or part thereof in excess of 6 months. The scheme is funded with insurance companies in the form of qualifying insurance policies. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### I. Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Liability for gratuity	1,964.90	1,581.68
Plan asset for gratuity	2,125.68	2,157.86
<b>Net plan Asset (Current):</b>	<b>160.78</b>	<b>576.18</b>

#### II. Reconciliation of present value of defined benefit obligation:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	1,581.68	2,187.91
Current service cost	170.06	139.11
Interest cost	107.55	169.57
Benefits paid	(233.24)	(131.40)
Past Service Cost including curtailment Gains/Losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	338.85	(783.51)
Balance at the end of the year	1,964.90	1,581.68

#### III. Reconciliation of fair value of plan assets:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	2,157.86	1,839.20
Actual return on plan asset	146.74	142.53
Contribution paid into the plan	-	250.00
Benefits paid	(220.83)	(124.65)
Actuarial gain/(loss) on plan assets recognized in other comprehensive income	41.91	50.78
Closing fair value of plan asset	2,125.68	2,157.86

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 30. Gratuity and other post-employment benefit plans (Contd..)

#### IV. Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	170.06	139.11
Past service cost	-	-
Interest cost	(39.18)	27.03
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>130.88</b>	<b>166.14</b>

#### V. Remeasurement recognised in other comprehensive income (OCI)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial gain / (loss) on Defined Benefit Obligation	(338.85)	783.51
Return on Plan Assets excluding interest income	41.91	50.78
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(296.94)</b>	<b>834.29</b>

#### VI. Bifurcation of Actuarial Gain/Loss on Defined benefit obligation:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial gain/(loss) due to demographic assumption change	-	0.79
Actuarial gain/(loss) due to financial assumption change	(367.38)	857.85
Actuarial gain/(loss) due to experience adjustment	28.53	(75.13)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(338.85)</b>	<b>783.51</b>

The principal assumptions used in determining gratuity and compensated absences are as follows:

#### (a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Inflation rate	4.50%	2.00%
Expected rate of return on assets	7.00%	7.00%

#### (b) Demographic assumptions

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.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Particulars	As at 31 March 2021	As at 31 March 2020
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement Age	58 years	58 years
<b>Attrition Rate</b>		
Up to 30 years	10% p.a.	10% p.a.
From 31 to 44 years	3% p.a.	3% p.a.
Above 44 years	1% p.a.	1% p.a.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 30. Gratuity and other post-employment benefit plans (Contd..)

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(83.99)	90.35	(60.53)	64.84
Expected rate of future salary increase (0.5% movement)	88.26	(83.12)	64.71	(60.71)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Gratuity expense expected to be incurred in the next year is Rs. 187.82 Lacs (previous year Rs. 113.07 Lacs).

#### Expected maturity analysis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	136.49	142.34
1-2 years	88.81	89.77
2-5 years	410.88	337.97
More than 5 years	1,328.72	1,011.59

#### Other long-term employee benefits:

During the year ended 31 March 2021, the Company has incurred an expense on compensated absences amounting to Rs. 140.85 (previous year Rs. 157.25). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

### 31. Contingent liabilities and commitments (to the extent not provided for)

#### A. Capital commitments

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	557.29	614.46

The Company has purchased a land at Pune wherein the Company shall commence the construction on the land and commence production.

#### B. Contingent liabilities

Particulars	31 March 2021	31 March 2020
<b>a. Claims against the Company not acknowledged as debts*</b>		
- Service tax matters (refer note A below)	311.03	311.03
- Income tax matters (refer note B below)	169.08	160.59
- Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
- Other matters	61.55	55.32
<b>b. Guarantees given by the Company (refer note D below)</b>	9,620.00	8,812.82

\*It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 31. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

#### Note A:

- i) Show cause notice received in respect of credit taken on freight outward for the period 2005-2006, 2016-17 and 2017-18. The reply has been submitted and personal hearing is awaited with Assistant Commissioner, Central Excise. The amount involved is Rs. 12.21 (31 March, 2020: Rs. 12.21).
- ii) Show cause notice received in respect of credit taken on manpower supply for the period 2005-2006 to 2014-15 (up to Feb-15). The matter is pending for personal hearing with the Additional Commissioner, Commissioner, and Joint Commissioner, Central Excise. The amount involved is Rs. 261.07 (31 March, 2020: Rs. 261.07).
- iii) Show cause notice received in respect of credit taken on the Services on Commercial and Industrial construction work for the period 2009-2010. The matter is pending with Additional Commissioner, Central Excise and CESTAT, Chandigarh. The amount involved is Rs. 2.11 (31 March 2020: Rs.2.11).
- iv) Show cause notices received in respect of credit taken on outdoor catering & courier services for the period 2010-2011. The matter is pending with the Superintendent and Deputy Commissioner, Central excise. The amount involved is Rs. 0.50 (31 March 2020: Rs. 0.50).
- v) Show cause notices received in respect of credit taken on various services such clearing and forwarding agency services, Construction and industrial Construction, repair & maintenance, travel agent, pandal, authorized service station & outward freight, for the period 2004-05 to 2016-17 (up to Mar-2017). The personal hearing attended & final order awaited from Assistant Commissioner, LTU New Delhi. The amount involved is Rs. 35.14 (31 March 2020: Rs. 35.14).

#### Note B:

- i) In respect of Assessment Year 2012-13 demand was raised due to disallowance of certain expenses and also certain penalty proceedings on the above issue. The matter was pending with income tax authority. The demand of Rs. 0.32 was adjusted against the refund. The amount involved is Rs. NIL (31 March 2020: Rs. 0.32).
- ii) In respect of assessment year 2013-14, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 64.54 (31 March 2020: Rs. 64.54)
- iii) In respect of assessment year 2014-15, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 3.12 (31 March 2020: Rs. 3.12)
- iv) In respect of assessment year 2015-16 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 11.80 (31 March 2020: Rs. 3.96).
- v) In respect of assessment year 2016-17 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 2.50 (31 March 2020: Rs. 1.38).
- vi) In respect of assessment year 2014-15 demand was issued for penalty proceeding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2020: Rs. 3.12).
- vii) In respect of assessment year 2017-18 demand was issued for depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt. The appeal has been filed with CIT (Appeal-22). The amount involved is Rs. 19.40 (31 March 2020: Rs. 19.54).
- viii) In respect of assessment year 2016-17 demand was issued for disallowance of MAT credit. The appeal has been filed with ITAT. The amount involved is Rs. 63.14 (31 March 2020: Rs. 63.14).
- ix) In respect of assessment year 2018-19 demand was issued for disallowance of provident fund and ESI expenses. The correction has been filed and amount involved is Rs. 1.46 (31 March 2020: Rs. 1.47).

#### Note C:

- i) In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated October 23, 2015 whereby demand of Rs. 761.04 has been raised for allowing a time extension for making additional investment in the project on land allotted to the Company (31 March 2020: Rs. 761.04). The Company has filed a request letter to waive off the same.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 31. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

- ii) In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2020: Rs. 76.48). The Company is in process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases and as advised by Company's tax/legal advisors, wherever applicable, the management believes that the Company has strong chance of success and hence no provision against matters disclosed in "Claims against the Company not acknowledged as debts" are considered necessary.

#### Note D:

In relation to 32(2) above guarantee given by the Company:

To facilitate grant of financing facilities to the Company's Joint Ventures Subsidiaries and others, Company has given Corporate Guarantees to banks. As at the year-end, the outstanding Corporate Guarantee/Stand by-Letter of Credits/ bank guarantees so given amounts to Rs. 9,620.00 (31 March 2020: Rs. 8,812.82).

### 32. Related party transactions

- A. For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

#### Enterprises under common control

Sanjeevani Impex Private Limited  
Sandhar Intelli-Glass Solutions Limited  
Sandhar Info systems Limited  
Sandhar Estate Private Limited  
YSG Estates Private Limited  
Sandhar Enterprises  
KDB Investment Private Limited  
Jubin Finance & Investment Limited  
Raasaa Retail Private Limited  
Haridwar Estates Private Limited  
Supanavi Trading Private Limited

#### Subsidiary companies

Sandhar Tooling Private Limited  
Sandhar Technologies Barcelona S.L.  
Sandhar Breniar Project, S.L. (Liquidated on 23 April 2021)  
Sandhar Technologies De Mexico S de RL de CV  
Sandhar Technologies Poland sp. z o.o  
Sandhar Technologies Ro SRL (incorporated on 4 March 2021)  
Sandhar Strategic System Private Limited

#### Joint Ventures

Indo Toolings Private Limited (exit from JV w.e.f. 9th October 2020)  
Sandhar Han Sung Technologies Private Limited  
Sandhar Ecco Green Energy Private Limited  
Jinyoung Sandhar Mechatronics Private Limited  
Sandhar Amkin Industries Private Limited  
Sandhar Daewha Automotive Systems Private Limited  
Sandhar Daeshin Auto Systems Private Limited  
(w.e.f. 3rd May 2018)  
Sandhar Whetron Electronics Private Limited  
(w.e.f. 19th July 2018)  
Kwangsung Sandhar Technologies Private Limited  
(w.e.f. 6th February 2019)  
Sandhar Han Shin Automotive Private Limited  
(w.e.f. 16th September 2019) (under strike off)  
Sandhar Han Shin Auto Technologies Private Limited  
(w.e.f. 26th November 2019)  
Winnercom Sandhar Technologies Private Limited  
(w.e.f. 22nd August 2019)

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

	Kwangsung Sandhar Automotive Systems Private Limited (w.e.f. 21st November 2019) Daewha India Private Limited (w.e.f. 29 January 2021) Sandhar Autotech Private Limited (w.e.f. 27 January 2021)
<b>Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company</b>	Mr. Jayant Davar
<b>Key Managerial Personnel</b>	Mr. Jayant Davar (Co-Chairman and Managing Director) Mr. Arvind Joshi (Whole Time Director, C.F.O. & Company Secretary) (resigned w.e.f. 10th May 2020) Mr. Narender Kumar Dogra (Chief Financial Officer) (appointed w.e.f. 11th May 2020) (Resigned w.e.f. 31st July 2020) Mr. Puru Aggarwal (Chief Financial Officer appointed w.e.f. 1st August 2020) (Whole Time Director w.e.f. 6 November 2020) (Resigned w.e.f. 26th February 2021) Mr. Yashpal Jain (Chief Financial Officer) (appointed w.e.f. 16th March 2021) Ms. Komal Malik (Company Secretary) (appointed w.e.f. 6th November 2020) Ms. Subhi Gupta (Company Secretary) (appointed w.e.f. 11th May 2020) (Resigned w.e.f. 6th November 2020)
<b>Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company</b>	Mr. D. N. Davar (Chairman) Mrs. Monica Davar Mr. Neel Jay Davar Mrs. Santosh Davar Mrs. Poonam Juneja Mrs. Urmila Joshi Mrs. Minakshi Aggarwal
<b>Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence</b>	Swaran Enterprises (Mrs. Santosh Davar is a Partner) Shorah Realty LLP

- B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	2,676.12	2,815.79
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	332.06	180.35
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	230.56	180.22
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	13.89	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	34.64	-
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	27.05	27.93
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	10.65	13.58
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	138.27	216.09
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	1.61	2.27

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of Property, Plant and Equipment	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	3.46	-
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	0.94
	Sandhar Tooling Private Limited	Subsidiaries	-	0.88
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	0.04
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	205.74
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.83	0.97
Purchase of Property, Plant and Equipment	Sandhar Tooling Private Limited	Subsidiaries	11.21	7.45
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	56.26
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	3.09	-
	Sandhar Intelli Glass Solutions Limited	Enterprises under Common control	-	113.99
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	0.17	-
Reimbursement of expenses from	Sandhar Technologies Barcelona SL	Subsidiaries	92.81	18.61
	Sandhar Tooling Private Limited	Subsidiaries	12.80	10.76
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	100.27	103.98
	Sandhar Infosystems Limited	Enterprises under Common control with the Reporting Enterprises	0.01	0.01
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	0.13	-
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	19.82	10.17
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	15.98
	Sandhar Daewha Automotive Systems Pvt Ltd	Joint Venture of Reporting Enterprises	7.80	51.77
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	23.94	34.52
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	49.37	85.88
Reimbursement of expenses from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	16.65	77.19
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	2.78	0.38
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	39.81	20.89
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	7.50	2.42

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Reimbursement of expenses to	Sandhar Tooling Private Limited	Subsidiaries	-	3.12
	Sandhar Technologies Barcelona S.L	Subsidiaries	8.63	60.94
Lease rentals (including service tax/ GST) paid to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	32.70	32.70
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	290.72	268.36
	Urmila Joshi	Key Managerial Personnel & their relatives	0.51	9.14
	Minakshi Aggarwal	Key Managerial Personnel & their relatives	49.64	-
	Jayant Davar	Key Managerial Personnel & their relatives	7.89	6.00
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	0.71	0.59
Lease rentals received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	26.36	15.05
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	23.04	23.30
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.28	0.28
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	-	2.40
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	12.60	-
Dividend Received from	Sandhar Tooling Private Limited	Subsidiaries	23.98	47.95
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	113.05	33.30
Services received from	Sandhar Tooling Private Limited	Subsidiaries	-	4.76
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	3.53	-
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	0.69	-
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	2.37
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	14.06
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	17.02	-
	Sandhar Tooling Private Limited	Subsidiaries	0.55	-
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	6.41
Interest Received	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	14.78	3.77
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	28.50	32.94
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	0.08
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.58	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Managerial remuneration	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1.07	-
	Sandhar Han Sung Technologies Pvt. Ltd.	Joint Venture of Reporting Enterprises	-	1.66
	Jayant Davar	Key Managerial Personnel & their relatives	459.27	476.27
	Puru Aggarwal	Key Managerial Personnel & their relatives	69.50	-
	Yashpal Jain	Key Managerial Personnel & their relatives	5.25	-
	Komal Malik	Key Managerial Personnel & their relatives	9.27	-
	Subhi Gupta	Key Managerial Personnel & their relatives	2.44	-
	Arvind Joshi	Key Managerial Personnel & their relatives	7.20	172.73
Dividend paid	Narender Kumar Dogra	Key Managerial Personnel & their relatives	7.86	47.41
	Jayant Davar	Key Managerial Personnel & their relatives	627.80	781.56
	Others	Enterprises under Common control with the Reporting Enterprises	102.42	128.88
Investment made in JV's and subsidiaries	Others	Key Managerial Personnel & their relatives	117.33	146.67
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	254.93	679.39
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	436.80	-
	Sandhar Daewha Automotive System Pvt Ltd	Joint Venture of Reporting Enterprises	120.00	15.00
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	700.00	287.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	898.85	108.52
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	149.34	633.49
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	1.00
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	75.00	199.99
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	400.00
	Sandhar Daeshin Technologies Private Limited	Joint Venture of Reporting Enterprises	1.00	-
Loan & Advances Given to	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	105.44	88.18
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	505.00	400.00
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	95.00	-
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	165.00	-



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	16.00
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	100.78
Outstanding Receivable	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	11.13	-
	Haridwar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	130.77	130.77
	Jingyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	0.10	0.06
	Sandhar Daewha Automotive System Pvt Ltd	Joint Venture of Reporting Enterprises	214.54	145.66
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	509.74	486.15
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	1.09	0.92
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.01
	Sandhar Infosystems Limited	Enterprises under common control	-	0.01
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	5.98
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.24	0.15
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.12	14.08
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	5.88
Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	373.29	291.92
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	-	0.12
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	12.30
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	30.98
	Sandhar Technologies Barcelona S.L	Subsidiaries	-	42.33
	Sandhar Tooling Private Limited	Subsidiaries	11.22	1.57
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.05	-
	Urmila Joshi	Key Managerial Personnel & their relatives	-	0.76
Security deposit given to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	36.00	36.00
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	98.88	98.88
Security deposit received	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	5.97	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Corporate guarantee/standby letter of credit given to	Sandhar Technologies Barcelona S L	Subsidiaries	7,899.87	8,737.80
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	919.69	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	700.00	-
Managerial Remuneration Payable	Jayant Davar	Key Managerial Personnel & their relatives	361.82	333.56
	Yashpal Jain	Key Managerial Personnel & their relatives	5.25	-
	Arvind Joshi	Key Managerial Personnel & their relatives	-	46.66
	Narender Kumar Dogra	Key Managerial Personnel & their relatives	-	2.89
Investment in JV's and subsidiaries	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	352.50
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,854.18	1,599.25
	Sandhar Tooling Private Limited	Subsidiaries	387.19	387.19
	Sandhar Technologies Barcelona SL	Subsidiaries	2,029.00	2,029.00
	Sandhar Ecco Green Energy Private Limited*	Joint Venture of Reporting Enterprises	222.48	222.48
	Sandhar Strategic Systems Private Limited	Subsidiaries	1.00	1.00
	Jingyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1,336.87	900.07
	Sandhar Daewha Automotives System Pvt Ltd	Joint Venture of Reporting Enterprises	1,617.31	1,497.31
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	1,532.00	832.00
	Sandhar Daeshin Auto Systems Private Limited	Joint Venture of Reporting Enterprises	1.07	1.07
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	832.41	683.07
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	400.00	400.00
	Sandhar Han Shin Automotive Private Limited**	Joint Venture of Reporting Enterprises	1.00	1.00
	Sandhar Daeshin Technologies Private Limited	Joint Venture of Reporting Enterprises	1.00	-
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	275.00	199.99
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.37	109.52

\*During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ("Sandhar Ecco Green Energy Private Limited"). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 143.17 Lacs (31 March 2019 Rs. 148.05) Lacs was recognized in the standalone financial statements. In

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Related party transactions (Contd..)

absence of visibility of business in the joint venture, the financial statements of the JV have been prepared on non going concern basis, where the assets and liabilities have been disclosed as a realizable basis. During the current year the Investment in joint venture has been shown at the realisable value.

\*\*During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company went under liquidation. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

#### C. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances at the year-end are unsecured and interest free and are to be settled in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

### 33. Disclosure required under Section 186(4) of the Companies Act, 2013

#### a. Particulars of loan given

Name of the loanee	Loan given in earlier years	Loan given during the year	Loan written off	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2021	Purpose
Sandhar Daewha Automotives System Pvt Ltd	88.18	45.00	-	-	-	133.18	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Ltd	430.00	505.00	-	150.00	280.00	505.00	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Private Limited	-	95.00	-	95.00	-	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Technologies Private Limited	-	165.00	-	165.00	-	-	Loan given to joint venture company in pursuant to business support.

#### (ii) Particulars of Corporate guarantee/ standby letter of credit given to:

Name of the loanee	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2021	Purpose
Sandhar Technologies Barcelona SL	7,899.87	-	7,899.87	To secure working capital loan
Sandhar Han Sung Technologies Private Limited	919.69	-	919.69	To secure working capital loan
Sandhar Amkin Industries Private Limited	700.00	-	700.00	To secure working capital loan

#### (iii) Particulars of investments made:

Refer note 6A for investments made by the Company.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 34. Leases

- i. The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:
- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
  - The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
  - The Company has not applied the requirements of Ind AS 116 for leases of low value assets
  - The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.
- ii. The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 8.8% p.a. for measuring the lease liabilities.

#### iii. Impact of adoption of Ind AS 116 on the retained earnings

Particulars	As at 1 April 2019
Right-of-use assets	1,787.76
Lease liabilities	(1,920.25)
<b>Impact on the retained earnings</b>	<b>132.49</b>

#### iv. Impact of adoption of Ind AS 116 on the statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities (refer note 24)	168.58	169.49
Depreciation of Right-of-use assets (refer note 4)	610.51	597.39
<b>Impact on the statement of profit and loss for the year</b>	<b>779.09</b>	<b>766.88</b>

#### v. Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities including interest expenses	741.37	719.65
<b>Impact on the statement of cash flows for the year</b>	<b>741.37</b>	<b>719.65</b>

- vi. The Company does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 35. Financial Instruments- Fair Values

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:

Particulars	Carrying value		Fair value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>				
<b>A. FVTPL:</b>				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	84.05	70.75	84.05	70.75
<b>B. Amortised Cost:</b>				
Security deposit	986.27	945.44	986.27	945.44
Loans recoverable from related parties	638.18	518.18	638.18	518.18
Loans to employees	40.40	32.08	40.40	32.08
Other advances	104.73	211.42	104.73	211.42
<b>Total</b>	<b>1,769.58</b>	<b>1,707.12</b>	<b>1,769.58</b>	<b>1,707.12</b>
<b>Financial liabilities</b>				
<b>A. Amortised Cost:</b>				
<b>Borrowings</b>				
Loans	4,329.64	3,926.32	4,329.64	3,926.32
Lease liabilities	1,830.88	1,441.61	1,830.88	1,441.61
<b>Total</b>	<b>6,160.52</b>	<b>5,367.93</b>	<b>6,160.52</b>	<b>5,367.93</b>

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate Receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, is calculated by arriving at intrinsic value of the investee. The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company has entered into derivative financial instruments with financial institutions/ banks through Cross currency interest rate swap and principals swap.

Such derivatives are valued using valuation techniques, which employs the use of market observable inputs. Valuation technique applied by the company is Mark to Market as provided by the bank as on the date of valuation.

#### Discount rates used in determining fair value:

The interest rates used to discount estimated future cash flows, where applicable, are based on the discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 36. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements 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.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised with in 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 prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Finance Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### A. Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at FVTPL:</b>				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	84.05	-	-	84.05
<b>Assets measured at amortised cost for which fair values are disclosed (refer note 35):</b>				
Security deposit	986.27	-	-	986.27
Loans recoverable from related parties	638.18	-	-	638.18
Loans to employees	40.40	-	-	40.40
Other advances	104.73	-	-	104.73
<b>Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):</b>				
Loans	4,329.64	-	-	4,329.64
Lease liabilities	1,830.88	-	-	1,830.88

During the year ended 31 March 2021, there were no transfers between Level 1 and Level 2 fair value measurements.



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 36. Fair value hierarchy (Contd..)

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

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at FVTPL:</b>				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	70.75	-	-	70.75
<b>Assets measured at amortised cost for which fair values are disclosed (refer note 35):</b>				
Security deposit	945.44	-	-	945.44
Loans recoverable from related parties	518.18	-	-	518.18
Loans to employees	32.08	-	-	32.08
Other advances	211.42	-	-	211.42
<b>Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):</b>				
Loans	3,926.32	-	-	3,926.32
Lease liabilities	1,441.61	-	-	1,441.61

During the year ended 31 March 2020, there were no transfers between Level 1 and Level 2 fair value measurements

### 37. Financial risk management objectives and policies

The Company is primarily engaged in the manufacturing and assembling of automotive components such as lock-set, mirrors and various sheet metal components including cabins for two wheelers, four wheelers and off road vehicle industry. The Company's principal financial liabilities, comprises loans and borrowings, trade and other payables and finance lease obligation. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, employee advances, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions viz. CCIRS and Principal Swaps.

The Company has exposure to the following risks arising from financial instruments

- Market risk (see (b));
- Credit risk (see (c)); and
- Liquidity risk (see (d)).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

#### a) Risk Management Framework

The Company's activities makes it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure Arising From	Measurement	Management of Risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, Sensitivity analysis	Availability of borrowing facilities.
Market risk - foreign currency risk	Future commercial transactions, Recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, Sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

#### b) 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 following types of risk: interest rate risk, currency risk, price risk, and commodity risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

#### Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

Particulars	31 March 2021	31 March 2020
<b>Financial Liabilities</b>		
Fixed rate instruments		
- Vehicle Loan	23.85	59.43
Variable rate instruments		
- Cash credit from bank	4,305.79	3,866.89
<b>Financial Assets</b>		
Fixed rate instruments		
- Fixed Deposits	80.60	71.67
- Loans	1,769.58	1,707.11

The Company does not account for fixed rate financial assets or financial liabilities at fair value through profit or loss, and the company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Interest Rate sensitivity

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Increase / decrease in basic points	Profit or loss	Profit or loss (net of tax)
<b>31 March 2021</b>			
Secured term loan from banks	100	0.24	0.18
Cash credit from bank	100	43.06	32.22
Secured term loan from banks	(100)	(0.24)	(0.18)
Cash credit from bank	(100)	(43.06)	(32.22)
<b>31 March 2020</b>			
Secured term loan	100	0.59	0.44
Cash credit from bank	100	38.67	28.94
Secured term loan	(100)	(0.59)	(0.44)
Cash credit from bank	(100)	(38.67)	(28.94)

#### 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 exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency (ECB borrowings).

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

Details of unhedged foreign currency exposures:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amount In Foreign Currency	Amount in Rs	Amount In Foreign Currency	Amount in Rs
Trade Payables (USD)	17.85	1,305.13	5.50	415.19
Trade Payables (JPY)	845.09	558.77	1,604.55	1,129.30
Trade Payables (GBP)	0.02	1.61	0.02	1.85
Trade Payables (EUR)	0.82	70.00	0.57	47.74
Trade Receivables (USD)	2.18	159.64	2.65	200.10
Trade Receivables (EUR)	0.03	2.42	-	-

The following significant exchange rates were applied at the year end:

Particulars	(All figures in lacs) Year end rates	
	As at 31 March 2021	As at 31 March 2020
INR/ JPY	0.66	0.7038
INR/ USD	73.12	75.55
INR/ GBP	100.78	93.55
INR/ EUR	85.78	83.08

#### Sensitivity Analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Company's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the USD would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure JPY	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/JPY Increases by 1 %	Import Trade payables	0.6612	0.0066	845.09	(5.59)	(4.18)
	INR/JPY Decreases by 1 %		0.6612	0.0066	845.09	5.59	4.18
<b>As at 31 March 2020</b>	INR/JPY Increases by 1 %		0.7038	0.0070	1,604.55	(11.29)	(8.45)
	INR/JPY Decreases by 1 %		0.7038	0.0070	1,604.55	11.29	8.45

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/USD Increases by 1 %	Import Trade payables	73.1150	0.7312	17.85	(13.05)	(9.77)
	INR/USD Decreases by 1 %		73.1150	0.7312	17.85	13.05	9.77
<b>As at 31 March 2020</b>	INR/USD Increases by 1 %		75.5500	0.7555	5.50	(4.15)	(3.11)
	INR/USD Decreases by 1 %		75.5500	0.7555	5.50	4.15	3.11

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure JPY	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/GBP Increases by 1 %	Import Trade payables	100.78	1.0078	0.02	(0.016)	(0.012)
	INR/GBP Decreases by 1 %		100.78	1.0078	0.02	0.016	0.012
<b>As at 31 March 2020</b>	INR/GBP Increases by 1 %		93.5490	0.9355	0.02	(0.02)	(0.01)
	INR/GBP Decreases by 1 %		93.5490	0.9355	0.02	0.02	0.01

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure EURO	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/EURO Increases by 1 %	Import Trade payables	85.78	0.8578	0.82	(0.70)	(0.52)
	INR/EURO Decreases by 1 %		85.78	0.8578	0.82	0.70	0.52
<b>As at 31 March 2020</b>	INR/EURO Increases by 1 %		83.0850	0.8308	0.57	(0.48)	(0.36)
	INR/EURO Decreases by 1 %		83.0850	0.8308	0.57	0.48	0.36

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/USD Increases by 1 %	Import Trade Receivables	73.115	0.7312	2.18	1.6	1.19
	INR/USD Decreases by 1 %		73.115	0.7312	2.18	(1.6)	(1.19)
<b>As at 31 March 2020</b>	INR/USD Increases by 1 %		75.5500	0.7555	2.65	2.00	1.50
	INR/USD Decreases by 1 %		75.5500	0.7555	2.65	(2.00)	(1.50)

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/EUR Increases by 1 %	Import Trade Receivables	85.78	0.8578	0.03	0.024	0.018
	INR/ EUR Decreases by 1 %		85.78	0.8578	0.03	(0.024)	(0.018)
<b>As at 31 March 2020</b>	INR/ EUR Increases by 1 %		83.085	0.8308	-	-	-
	INR/ EUR Decreases by 1 %		83.085	0.8308	-	-	-

#### Equity price risk

The Company's listed & non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

#### Credit risk

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

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables of 31,286.23 as at 31 March 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

Company's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of 31 March 2021 and 31 March 2020 however there was no default on account of those customers in the past.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

#### (a) Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans	783.31	766.92
Other financial assets	3,562.57	278.97
<b>Total</b>	<b>4,345.88</b>	<b>1,045.89</b>

#### (b) The ageing analysis of trade receivables for which loss allowance is measured using Life Time Expected Credit Losses as of the reporting date is as follows:

Particulars	As at 31 March 2021	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	31,585.75	31,203.40	44.72	337.63
Expected credit loss (Loss allowance provision)	299.54	-	-	299.54
Carrying amount of trade receivables	31,286.21	31,203.40	44.72	38.09



## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Financial risk management objectives and policies (Contd..)

Particulars	As at 31 March 2020	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	16,415.49	16,027.76	38.39	349.34
Expected credit loss (Loss allowance provision)	331.39	-	-	331.39
Carrying amount of trade receivables	16,084.10	16,027.76	38.39	17.95

#### (c) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is represented by the carrying amount of each financial asset.

#### (d) Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2021	0- 1 year	1- 5 year	More than 5 year
Trade Payable	33,521.52	33,521.52	-	-
Borrowings	4,329.64	4,324.33	5.31	-
Lease liabilities	1,830.88	613.86	1,217.02	-
Other financial liabilities	826.91	826.91	-	-
<b>Total</b>	<b>40,508.95</b>	<b>39,286.62</b>	<b>1,222.33</b>	<b>-</b>

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2020	0- 1 year	1- 5 year	More than 5 year
Trade Payable	18,830.20	18,830.20	-	-
Borrowings	3,926.32	3,902.47	23.85	-
Lease liabilities	1,441.61	577.81	863.80	-
Other financial liabilities	1,897.73	1,897.73	-	-
<b>Total</b>	<b>26,095.86</b>	<b>25,208.21</b>	<b>887.65</b>	<b>-</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Capital management

#### The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt equity ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	31 March 2021	31 March 2020
Net Debt (A)*	4160.95	3,547.56
Equity (B)	80,674.04	75,754.85
<b>Debt Equity Ratio (A/B)</b>	<b>0.05</b>	<b>0.05</b>

\*Net debt includes Non-Current borrowing, Current borrowing, Current maturities of non-current borrowing net off cash and cash equivalent and other bank balance

### 39. Segment Reporting

The Company is engaged in the business of manufacturing and assembling of automotive components. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards.

The operating segment of the Company is identified to be "Automotive components" as the CODM reviews business performance at an overall Company level as one segment.

Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard - 108 Operating Segment have not been provided in the standalone financial statements.

### 40. Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
(a) The principal amount remaining unpaid to any supplier as at the end of the year	3,832.45	1,135.94
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	5.57	2.08
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 alongwith the amounts of the payments made to the supplier beyond the appointed day during each accounting year		
- Interest paid	1.16	37.93
- Payment to Suppliers	4,661.49	1,321.36

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

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### 40. Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006. (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	28.40	6.83
(e) Amount of Interest accrued and remaining unpaid at the end of the year	33.97	8.92
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	74.19	41.39

### 41. Research & Development (R & D) Expenses

The Company has incurred following expenditure on its Research and Development center at Gurgaon approved and recognised by the Ministry of Science & Technology, Government of India.

#### a. Capital Expenditure

Particulars	31 March 2021	31 March 2020
Capital expenditure	12.06	47.77

#### b. Revenue Expenditure\*

Particulars	31 March 2021	31 March 2020
Material/Consumables/Spares	9.15	8.37
Employee benefits expense	323.93	482.49
Power & Fuel	1.48	4.38
Repair & maintenance	4.45	21.23
Travelling & conveyance	0.25	5.68
Legal & professional charges	1.93	8.06
Miscellaneous expenses	16.85	5.59
<b>Total</b>	<b>358.04</b>	<b>535.80</b>

\*This includes amount of Rs. 39.41 which is not allowed as deduction under section 35(2AB) of the Income-Tax Act, 1961 as R&D Expenditure.

## Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

**42.** The Company has assessed the impact that may result from Covid 19 on its liquidity position, carrying amounts of tangible assets, investments, 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 standalone 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 standalone 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 standalone financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the standalone financial statements of the relevant periods.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

**Shashank Agarwal**

Partner

Membership No. 095109

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

# Independent Auditor's Report

To The Members of **Sandhar Technologies Limited**

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the Consolidated Financial Statements of Sandhar Technologies Limited (hereinafter referred to as the 'Holding Company') and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), and its Joint Ventures (including a Subsidiary of a Joint Venture Company), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate Financial Statements of such Subsidiaries and Joint Ventures as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated State of Affairs of the Group and its Joint Ventures (including a Subsidiary of a Joint Venture Company) as at

31 March 2021, of its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Ventures (including a Subsidiary of a Joint Venture Company) in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matter

**a) Revenue recognition**

See note 19 to the Consolidated Financial Statements

The key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 19 to the Consolidated Financial Statements, the Holding Company's revenue from operations for the year ended 31 March 2021 was INR 186,356.51 Lacs (Previous year INR 194,339.70 Lacs).</p> <p>The Holding Company's revenue is derived primarily from sale of products which comprises automotive components.</p> <p>Standards on Auditing presume that there is fraud risk with regard to revenue recognition. Also, revenue is one of the key performance indicators of the Holding Company which makes it susceptible to misstatement.</p> <p>In view of the above, we have identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard;</li> <li>- Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions;</li> <li>- Involved our IT specialists to assist us in testing of key IT system controls which impact relating to revenue recognition;</li> <li>- Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such sample, verified the underlying documents, including customer acceptance, to assess whether these are recognised in the appropriate period in which control is transferred;</li> <li>- Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> <li>- Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.</li> </ul>

**Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, 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.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated

Cash Flows of the Group including its joint ventures (including a Subsidiary of a Joint Venture Company) in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group and Joint Ventures (including a Subsidiary of a Joint Venture Company) are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and its Joint Ventures (including a Subsidiary of a Joint Venture Company) are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the Companies included in the Group and Joint Ventures (including a Subsidiary of a Joint Venture Company) is responsible for overseeing the financial reporting process of each Company.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Joint Ventures (including a Subsidiary of a Joint Venture Company) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and Joint Ventures (including a Subsidiary of a Joint Venture Company) to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matter' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Other Matter**

- (a) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 40,872.88 Lacs as at 31 March 2021, Group's share of total revenue (before consolidation adjustments) of Rs.

27,998.09 Lacs and Group's share of net cash inflows (before consolidation adjustments) of Rs. 138.62 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditors. The Consolidated Financial Statements also include the Group's share of net loss after tax (and other comprehensive income) (before consolidation adjustments) of Rs. 982.50 Lacs for the year ended 31 March 2021, as considered in the Consolidated Financial Statements, in respect of nine joint ventures, whose financial statements have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

Five subsidiaries are located outside India, whose financial statements and other financial information has been prepared in accordance with the accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Independent firm of Chartered Accountants have audited these conversion adjustments made by the Holding Company's management in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India are based on the report of other auditors in their respective countries and conversion adjustments prepared by the management and audited by Independent firm of Chartered Accountants in India.

Our opinion on the Consolidated Financial Statements, in so far, as it relates to the amounts and disclosures included in respect of said subsidiaries located outside India, is based solely on the report of such auditors and the conversion adjustments prepared by the management and procedures performed by Independent firm of Chartered Accountants in India, as stated in paragraph above.

- (b) The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 85.88 lacs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of three joint ventures (including two subsidiaries of a joint venture), whose financial information have not been audited by us. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Board of Directors.

#### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on Separate Financial Statements of such Subsidiaries and Joint Ventures as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Joint Ventures, incorporated in India, none of the directors of the Group companies and Joint Ventures (including a Subsidiary of a Joint Venture Company) incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its Subsidiary Companies and Joint Ventures (including a Subsidiary of a Joint Venture Company) incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. 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 and based on the consideration of the reports of the other auditors on separate Financial Statements of the Subsidiaries and Joint Ventures, as noted in the 'Other Matter' paragraph:

- i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and Joint Ventures (including a Subsidiary of a Joint Venture Company). Refer Note 32 to the Consolidated Financial Statements;
- ii. The Group and its Joint Ventures (including a Subsidiary of a Joint Venture Company) did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021;
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its Subsidiary Companies and Joint Ventures (including a Subsidiary of a Joint Venture Company) incorporated in India during the year ended 31 March 2021; and
- iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November

2016 to 30 December 2016 have not been made in the Consolidated Financial Statements since they do not pertain to the financial year ended 31 March 2021.

- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022

**Shashank Agarwal**

Partner

Place: Gurugram

Date: 21 May 2021

Membership No.: 095109

ICAI UDIN: 21095109AAAADJ1987

## Annexure A referred to in our Independent Auditor's Report

on the Consolidated Financial Statements of Sandhar Technologies Limited ('hereinafter referred to as "the Holding Company") for the year ended 31 March 2021

**Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31 March 2021, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of the Holding Company and such Companies incorporated in India under the Companies Act, 2013 which are its Subsidiary Companies and its Joint Venture Companies (including a Subsidiary of a Joint Venture Company), as of that date.

In our opinion, the Holding Company and its two Subsidiary Companies and three Joint Venture Companies which are Companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by such Companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an

audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

**Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements**

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Consolidated Financial Statements insofar as it relates to two Subsidiary Companies and three Joint Venture Companies, which are Companies incorporated in India,

is based on the corresponding reports of the auditors of such Companies incorporated in India.

Further, ten(10) Joint Venture Companies , incorporated in India, are exempted from the requirement of their auditor reporting on whether the respective Joint Venture Company (including Subsidiary of a Joint Venture Company) has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.

Our opinion is not modified in respect of the above matters.

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

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022

**Shashank Agarwal**

Partner

Place: Gurugram

Date: 21 May 2021

Membership No.: 095109

ICAI UDIN: 21095109AAAADJ1987

# Consolidated Balance Sheet

as at 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	72,093.34	71,803.66
Capital work-in-progress		1,454.81	3,299.95
Right-of-use assets	4	10,579.59	9,894.41
Goodwill	5	553.30	553.30
Other intangible assets	5	952.67	880.57
Equity accounted investees	6	5,166.37	3,681.20
Financial assets	7		
- Investments	7 A	520.74	820.50
- Loans	7 B	1,208.78	1,126.87
- Other financial assets	7 F	1.85	-
Income-tax assets	9 B	505.84	235.89
Other non-current assets	9 A	176.04	196.40
<b>Total non-current assets</b>		<b>93,213.33</b>	<b>92,492.75</b>
<b>Current assets</b>			
Inventories	8	21,136.90	19,569.36
Financial assets	7		
- Investments	7 A	153.82	294.23
- Loans	7 B	2,157.77	1,664.68
- Trade receivables	7 C	35,745.84	19,187.77
- Cash and cash equivalents	7 D	596.90	670.37
- Other bank balances	7 E	514.62	79.26
- Other financial assets	7 F	3,562.61	279.08
Other current assets	9 C, D, E, F	2,512.51	2,351.84
<b>Total current assets</b>		<b>66,380.97</b>	<b>44,096.59</b>
<b>Assets held for sale</b>		-	-
<b>Total assets</b>		<b>1,59,594.30</b>	<b>1,36,589.34</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	6,019.07	6,019.07
Other equity	11	74,418.43	70,225.94
<b>Equity attributable to owners of the Company</b>		<b>80,437.50</b>	<b>76,245.01</b>
Non controlling interest	12	369.06	362.56
<b>Total equity</b>		<b>80,806.56</b>	<b>76,607.57</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	13	9,928.40	921.39
- Lease liabilities	15	7,841.39	6,965.50
- Other financial liabilities	15	195.96	375.78
Provisions	17	102.01	70.69
Deferred tax liabilities (net)	18	1,596.35	1,754.98
<b>Total non current liabilities</b>		<b>19,664.11</b>	<b>10,088.34</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	13	11,379.54	18,579.82
- Trade payables	14		
• total outstanding dues of micro enterprises and small enterprises		3,832.45	1,135.94
• total outstanding dues of creditors other than micro enterprises and small enterprises		35,710.08	22,874.63
- Lease liabilities	15	1,136.49	1,267.41
- Other financial liabilities	15	3,621.67	3,990.37
Other current liabilities	16	2,347.15	1,405.92
Income-tax liabilities	17	400.36	-
Provisions	17	695.89	639.34
<b>Total current liabilities</b>		<b>59,123.63</b>	<b>49,893.43</b>
<b>Total equity and liabilities</b>		<b>1,59,594.30</b>	<b>1,36,589.34</b>

Significant accounting policies

2

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited****Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021



# Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>REVENUE</b>			
Revenue from operations	19	1,86,356.51	1,94,339.70
Other income	20	1,077.63	1,004.97
<b>Total income (I)</b>		<b>1,87,434.14</b>	<b>1,95,344.67</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	21	1,09,150.09	1,09,882.99
Changes in inventories of finished goods and work-in-progress	22	61.86	1,478.82
Employee benefits expense	23	27,774.19	29,085.81
Finance costs	26	1,602.06	2,045.63
Depreciation and amortization expense	24	9,394.78	9,841.47
Other expenses	25	30,529.70	34,255.30
<b>Total expenses (II)</b>		<b>1,78,512.68</b>	<b>1,86,590.02</b>
<b>Profit before share of loss of investment accounted for using equity method, exceptional items and tax (III = I - II)</b>		<b>8,921.46</b>	<b>8,754.65</b>
Exceptional items	27	-	-
<b>Profit before share of loss of investment accounted for using equity method, and tax (IV)</b>		<b>8,921.46</b>	<b>8,754.65</b>
<b>Share in loss of joint ventures accounted for using equity method, net (V)</b>		<b>1,119.93</b>	<b>949.72</b>
<b>Profit before tax (VI = IV - V)</b>		<b>7,801.53</b>	<b>7,804.93</b>
<b>Tax expense:</b>	30		
Current tax		2,038.25	2,386.43
Deferred tax (credit)/ charge		(20.08)	(279.38)
<b>Total tax expense (VII)</b>		<b>2,018.17</b>	<b>2,107.05</b>
<b>Profit for the year (VIII = VI - VII)</b>		<b>5,783.36</b>	<b>5,697.88</b>
<b>Other comprehensive income</b>	28		
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gain/ (loss) on defined benefit plans		(544.67)	1,006.11
Income tax relating to re-measurement gain/ (loss) on defined benefit plans		137.08	(253.24)
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of foreign operations		44.08	280.46
Income tax relating to exchange difference in translation		(11.02)	(70.12)
<b>Total other comprehensive income for the year, net of tax (IX)</b>		<b>(374.53)</b>	<b>963.21</b>
<b>Total comprehensive income for the year (X = VIII + IX)</b>		<b>5,408.83</b>	<b>6,661.09</b>
<b>(Comprising Profit and Other Comprehensive Income for the year)</b>			
Profit attributable to:			
- Owners of the Company		5,775.37	5,689.60
- Non-controlling interest		7.99	8.28
		<b>5,783.36</b>	<b>5,697.88</b>
<b>Other comprehensive income attributable to:</b>			
- Owners of the Company		(373.04)	959.44
- Non-controlling interest		(1.49)	3.77
		<b>(374.53)</b>	<b>963.21</b>
<b>Total comprehensive income attributable to:</b>			
- Owners of the Company		5,402.33	6,649.04
- Non-controlling interest		6.50	12.05
		<b>5,408.83</b>	<b>6,661.09</b>
<b>Earnings per equity share:</b>	29		
(1) Basic-Par value of Rs. 10 per share		9.61	9.47
(2) Diluted-Par value of Rs. 10 per share		9.61	9.47

Significant accounting policies

2

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited****Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**Co-Chairman and  
Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### A. Equity share capital:

Particulars	Note	Equity Shares	
		No. of shares in lacs	Amount
Balance as at 1 April 2019	10	601.91	6,019.07
Changes during the year		-	-
<b>Balance as at 31 March 2020</b>		<b>601.91</b>	<b>6,019.07</b>
Changes during the year		-	-
<b>Balance as at 31 March 2021</b>		<b>601.91</b>	<b>6,019.07</b>

### B. Other equity

Particulars	Reserves and Surplus (1)			Items of other comprehensive income (2)		Total attributable to owners of the Company	Attributable to Non-controlling interest	Total
	Retained earnings	Securities Premium	Capital reserves	Exchange differences on translation of foreign operations	Remeasurements of defined benefit liabilities			
<b>Balance as at 1 April 2019</b>	<b>34,705.27</b>	<b>27,859.67</b>	<b>3,190.97</b>	<b>406.13</b>	<b>(221.81)</b>	<b>65,940.23</b>	<b>350.51</b>	<b>66,290.74</b>
Transactions with owners directly recorded in equity								
Adjustment relating to lease pertains to previous years	(534.72)					(534.72)		(534.72)
Total Comprehensive income for the year ended 31 March 2020								
Profit for the year	5,685.82	-	-	-	-	5,685.82	12.05	5,697.87
Other comprehensive income (net of tax)	-	-	-	210.34	752.87	963.21	-	963.21
Contribution by and distribution to owner								
Dividend on equity shares (Final)	(752.38)	-	-	-	-	(752.38)	-	(752.38)
Dividend on equity shares (Interim)	(776.77)	-	-	-	-	(776.77)	-	(776.77)
Tax on Dividend	(299.45)	-	-	-	-	(299.45)	-	(299.45)
<b>Balance as at 31 March 2020</b>	<b>38,027.77</b>	<b>27,859.67</b>	<b>3,190.97</b>	<b>616.47</b>	<b>531.06</b>	<b>70,225.94</b>	<b>362.56</b>	<b>70,588.50</b>
Total Comprehensive income for the year ended 31 March 2021								
Profit for the Year	5,776.86	-	-	-	-	5,776.86	6.50	5,783.36
Other comprehensive income (net of tax)	-	-	-	33.06	(407.59)	(374.53)	-	(374.53)
Contribution by and distribution to owner								
Non controlling Interest								
Dividend on equity shares (Final)	(451.43)	-	-	-	-	(451.43)	-	(451.43)
Dividend on equity shares (Interim)	(758.41)	-	-	-	-	(758.41)	-	(758.41)
<b>Balance as at 31 March 2021</b>	<b>42,594.79</b>	<b>27,859.67</b>	<b>3,190.97</b>	<b>649.53</b>	<b>123.47</b>	<b>74,418.43</b>	<b>369.06</b>	<b>74,787.49</b>

#### Notes:

- During the year ended 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.
- Refer note 11 for nature and purpose of other equity.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and

Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

## Consolidated Statement of Cash Flows for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flows from operating activities</b>		
<b>1 Profit before tax</b>	<b>7,801.53</b>	<b>7,804.93</b>
<b>2 Adjustments for :</b>		
Depreciation and amortisation expense	9,394.78	9,841.47
Share in loss of joint ventures accounted for using equity method	1,119.93	949.72
Profit on sale of property, plant and equipment	(47.29)	(114.85)
Provision for doubtful debts and advances	34.82	244.31
Unrealised foreign exchange loss (net)	(22.58)	20.70
Interest expense	1,602.06	2,045.63
MTM gain on derivative	-	(14.42)
Bad debts and advances written off	42.35	90.86
Interest income on security deposits measured at amortised cost	(45.69)	(1.87)
Gain on investments carried at fair value through profit or loss	(45.06)	(62.87)
Interest income	(156.49)	(195.07)
Dividend income	(113.05)	(33.30)
<b>3 Operating profit before working capital changes (1+2)</b>	<b>19,565.31</b>	<b>20,575.24</b>
<b>4 Movements in working capital:</b>		
Decrease/(Increase) in trade receivables	(16,633.36)	14,200.54
Decrease/(Increase) in inventories	(1,567.54)	2,366.92
Increase in non current financial assets	(83.76)	(45.71)
Decrease/(Increase) in current financial assets	(3,771.83)	1,183.16
Decrease in other current assets	(160.66)	617.62
Increase/(Decrease) in trade payables	15,552.66	(11,493.51)
Increase in current provisions	(413.25)	85.78
Increase/(Decrease) in other financial liabilities	896.52	(13.34)
Increase/(Decrease) in other current liabilities	941.23	(1,043.61)
<b>Total movement in working capital:</b>	<b>(5,239.99)</b>	<b>5,857.85</b>
<b>5 Cash flows generated from operations (3+4)</b>	<b>14,325.32</b>	<b>26,433.09</b>
<b>6 Less : Income tax paid (net of refunds)</b>	<b>1,952.88</b>	<b>2,532.19</b>
<b>7 Net cash flows generated from operating activities (5-6)</b>	<b>12,372.44</b>	<b>23,900.90</b>
<b>B Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment, Capital work in progress, other intangible assets and capital advances	(7,696.89)	(8,751.95)
Proceeds from sale of property, plant and equipment	201.35	161.76
Purchase of non-current investment in joint ventures	(2,634.41)	(2,326.55)
Sale of non-current investment in joint ventures	361.80	-
Proceeds/ (Purchase) from/ of investments	152.74	568.48
(Increase) / Redemption of Bank deposits (having original maturity of more than 3 months)	(435.36)	26.67
Dividend income	113.05	33.30
Interest received	197.40	194.96
<b>Net cash flows used in investing activities:</b>	<b>(9,740.32)</b>	<b>(10,093.33)</b>
<b>C Cash flows from financing activities:</b>		
Repayment of long-term borrowings	(576.18)	(692.11)
Proceeds from long-term borrowings	9,755.47	654.53
(Repayment)/ proceeds from short-term borrowings (net)	(7,278.99)	(7,340.95)
Payment of lease liabilities	(1,738.02)	(1,179.17)
Dividend paid during the year (including dividend distribution tax)	(1,209.84)	(1,828.60)
Interest paid	(1,575.71)	(2,053.01)
<b>Net cash flows used in financing activities:</b>	<b>(2,623.27)</b>	<b>(12,439.31)</b>

## Consolidated Statement of Cash Flows for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>D Net increase in Cash and cash equivalents (A+B+C)</b>	<b>8.85</b>	<b>1,368.26</b>
Impact on cash flow on account of foreign currency translation	(82.32)	(1,068.22)
E-1 Cash and cash equivalents as at the beginning of year	670.37	370.33
E-2 Cash and cash equivalents as at end of the year	596.90	670.37
<b>Cash and cash equivalents include :</b>		
Balances with banks:		
– In current accounts	438.65	503.39
Cash on hand	18.25	16.98
Deposits with original maturity for less than three months	140.00	150.00
<b>Cash and cash equivalents at the end of the year</b>	<b>596.90</b>	<b>670.37</b>

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non - current borrowings*	Current borrowings
<b>Opening balance as at 1 April 2020</b>	<b>1,506.28</b>	<b>18,579.82</b>
Cash flows during the year	9,172.84	(7,278.99)
Non-cash changes due to:		
- Foreign currency translation	-	78.71
<b>Closing balance as at 31 March 2021</b>	<b>10,679.12</b>	<b>11,379.54</b>

\*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 15.

### Notes:

- The Consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash Flows".
- Refer note 2 for significant accounting policies.
- The Company paid in cash Rs. 216.66 Lacs for the year ended 31 March 2021 and Rs. 198.04 Lacs for the year ended 31 March 2020 towards Corporate Social Responsibility (CSR) expenditure.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

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DIN:00002008

**Jayant Davar**

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Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

# Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

## 1. Corporate Information

Sandhar Technologies Limited ('STL' or 'the Company' or 'the Parent Company') is a Public Limited Company domiciled in India and was incorporated on 19 October 1987 in New Delhi, India under the provisions of the Companies Act in India. Sandhar Group (the Parent Company and its subsidiary companies together referred to as "the Group") and its joint ventures are principally engaged in the manufacturing and assembling of automotive components for the automotive industry in India, designing and manufacturing of moulds, dies and dies parts, machine tools, jigs and fixtures and fabrication and assembly and construction, agri – farm and railway products.

The Consolidated Financial Statements for the year ended 31 March 2021 comprise Financial Statements of the Group and its joint ventures.

## 2. Significant Accounting Policies, Principles of Consolidation and Basis of preparation

### 2.1 Principles of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The subsidiary companies which are included in the Consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2020-21	2019-20	
1	Sandhar Tooling Private Limited (STPL)	Subsidiary	79.92	79.92	India
2	Sandhar Technologies Barcelona S.L. (STB)	Subsidiary	100	100	Spain
	A Breniar Project, SL (BP) (Liquidated on 23 April 2021)	Step Down Subsidiary	100	100	Spain
	B Sandhar Technologies Poland sp.Zoo (STP)	Step Down Subsidiary	100	100	Poland
	C Sandhar Technologies de Mexico S de RL de CV (STM)	Step Down Subsidiary	100	100	Mexico
	D Sandhar Technologies Ro SRL (w.e.f. 4 March 2021)	Step Down Subsidiary	100	-	Romania
3	PT Sandhar Indonesia (PTSI) (ceased w.e.f 29 August 2016)	Subsidiary	-	-	Indonesia
4	Sandhar Euro Holdings B.V. (SHBV) (ceased w.e.f 2 January 2017)	Subsidiary	-	-	Netherlands
5	Sandhar Strategic Systems Private Limited	Subsidiary	99.99	99.99	India

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Financial Statements of all entities used for the purpose of Consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for Consolidation purposes, additional Financial Information as of the same date as the Financial Statements of the parent to enable the parent to Consolidate the Financial Information of the subsidiary, unless it is impracticable to do so.

### ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iii. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

### iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in its joint ventures.

The joint venture companies which are included in the Consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV		Country of Incorporation and Principal place of Business
			2020-21	2019-20	
1.	Indo Toolings Private Limited (ITPL)	JBM Auto Limited	50	50	India
2.	Sandhar Han Sung Technologies Private Limited (SHTPL)	Han Sung Imp Co. Limited	50	50	India
3.	Sandhar Ecco Green Energy Private Limited	DMRG Investment Private Limited and Tarun Agarwal	50	50	India
4.	Jinyoung Sandhar Mechatronics Private Limited	Jinyoung Electro-Mechanics Co. Ltd.	50	50	India
5.	Sandhar Amkin Industries Private Limited	Amkin Group Private Limited	50	50	India
6.	Sandhar Daewha Automotive Systems Private Limited	Daehwa fuel pump Ind., Limited	50	50	India
7.	Sandhar Daeshin Auto Systems Private Limited	Daeshin Machinery Ind. Co. Ltd.	50	50	India
8.	Sandhar Whetron Electronics Private Limited	Whetron Electronics Co. Ltd.	50	50	India
9.	Kwangsung Sandhar Technologies Private Limited	Kwangsung Corporation Limited	50	50	India
10.	Winnercom Sandhar Technologies Private Limited	Winnercom Co. Ltd.	50	50	India
11.	Sandhar Han Shin Automotive Private Limited	Han Shin Corporation	50	50	India
12.	Sandhar Han Shin Auto Technologies Private Limited	Han Shin Corporation	50	50	India
13.	Sandhar Daeshin Technologies Private Limited (Incorporated on 29 July 2020)	Daeshin Machinery Ind. Co. Ltd.	50	NA	India

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Interests in joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on Consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests

- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

## 2.2 Basis of preparation

### (i) Statement of compliance

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013, (the 'Act'), read with Companies (Indian Accounting Standards) (Amendment) Rules as amended from time to time and other relevant provisions of the Act.

Effective 1 April 2016, the Group had transitioned to Ind AS while the Financial Statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

#### a) Business Combination:

Group has opted for exemption under Ind AS 101 with respect to Business Combinations whereby Group has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. (to business combinations that occurred before the date of transition to Ind AS). As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward.

#### b) Deemed cost exemption on Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### c) Investment in subsidiaries:

As per the requirements of Ind AS 27, Group has opted to record its equity investment in subsidiary at cost. Ind AS 101 provides that while measuring investment at cost, an entity shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (i) cost determined in accordance with Ind AS 27; or
- (ii) deemed cost. The deemed cost of such an investment shall be its
  - (a) fair value at the entity's date of transition to Ind ASs in its Separate Financial Statements; or
  - (b) previous GAAP carrying amount at that date.

Accordingly, Company has opted to record its investment in subsidiary at previous GAAP carrying amount at transition date.

### d) Investment in joint ventures

Ind AS 101 permits a first-time adopter to elect while changing from proportionate consolidation to equity method, to measure its investments in a joint venture at the date of transition as the aggregate of the carrying amount of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The resultant amount is regarded as deemed cost of investment in the joint venture at initial recognition. Accordingly, the Group has elected to carry the deemed cost of investment in joint ventures as the aggregate amount of the assets of liabilities that was previously proportionately consolidated.

### e) Leases:

Ind AS 101 permits that if there is any land lease newly classified as finance lease then the first time adopter may recognise assets and liability at fair value on that date; and any difference between those fair values is recognized in retained earnings.

Group has therefore classified land leases with multi decade lease periods as finance lease as on transition date.

### (ii) Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

### (iii) Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability	Fair value
Investment in preference shares (unquoted)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

### (iv) Use of estimates and judgements

In preparation of these Consolidated Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 30
- Estimated impairment of financial assets and non-financial assets – Note 2.4(q)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4(d)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 31
- Valuation of Inventories – Note 2.4(j)

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

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- Recognition and measurement of provisions and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources – Note 32
- Lease classification – Note 35
- Fair value measurement – Note 2.2(v)
- In assessing the recoverability of receivables including unbilled receivables, goodwill, financial assets, and certain investments, the Group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods.

### (v) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Parent Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 36 – Financial instrument.

### 2.3 Changes in significant accounting policies

The Group has initially applied Ind AS 116 from 01 April 2019. Due to the transition methods chosen by the Group in applying the above standard, comparative information throughout these Consolidated Financial Statements has not been restated to reflect the requirements of the new standard.

The Group applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for the previous year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed in note 2.4 (f).

On adoption of the standard, the Group has recognized 'Right-of-use' assets and 'Lease liabilities' amounting as at 1 April 2019. Operating lease expenses which were charged as lease rentals in the corresponding last year have now been recognized in the current year as depreciation expense relating to the right-of-use asset and finance cost for interest accrued on lease liability, as required by the new standard.

A number of other new standards and amendments are also effective from 01 April 2019, but they do not have a material effect on the Consolidated Financial Statements.

### 2.4 Summary of significant accounting policies

#### a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

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of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- (b) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets held for Sale and Discontinued Operations are measured in accordance with that standard.
- (d) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair

value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### b. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity joint venture, the Group recognizes its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in joint venture), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of joint venture. If the joint

venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

### c. Foreign currency transactions

The Group's Consolidated Financial Statements are presented in INR, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit

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or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the statement of profit and loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

### Group companies

On Consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for Consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### d. Property, plant and equipment ('PPE')

#### (i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use the cost of replacing part of the plant and equipment and borrowing costs for long – term construction projects if the recognition criteria are met and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.2 (iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain



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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 when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the Consolidated Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment are no longer amortized or depreciated.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### (iv) Depreciation

Depreciation on PPE is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Consolidated Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land is amortized on a straight line basis over the period of the lease which ranges between 89-99 years.

The Group has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act, on its PPE, except for temporary erection, Computers (Servers and networks) and Non – commercial vehicles.

Asset category	Useful lives estimated by the management (years)
Factory Buildings	30 years
Other Buildings	60 years
Carpeted RCC Roads	10 years
Tube wells	5 years
Plant and Machinery	7.5 - 20 years
Electrical Installations	10 - 25 years
Office Equipment	5 years
Racks and Bins	10 years
Furniture & Fixtures	10 - 20 years
Commercial Vehicles	8 years
Tools, Moulds and Dies	5 - 6 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful lives of temporary erection is estimated 1year, which is lower than those indicated in Schedule II
- Computers (Servers and networks) are depreciated over the estimated useful lives of 3 - 4 years, which is lower than those indicated in Schedule II.
- Non Commercial Vehicles are depreciated over the estimated useful lives of 6 years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

In case of Sandhar Technologies Barcelona S.L., the costs of acquisition of equipment, systems or installations for the elimination, reduction or control of the possible environment impacts of the business are capitalized.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

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### e. Goodwill and other intangible assets

#### (i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Consolidated Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

#### (iii) Amortization

The useful lives of intangible assets are assessed as either finite or indefinite

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Consolidated Statement of

Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

#### - Technical knowhow

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

#### - Software

Software purchased by the Group are amortized on a straight line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

#### - Goodwill

Goodwill is not amortized but is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate

### f. Leases

The Group has applied Ind AS 116 w.e.f. 01 April 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

#### Policy applicable from 1 April 2019 – Ind AS 116

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or

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contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### As a lessee –

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group elected to use the following practical expedients on initial application:

- Applied discount rates to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there

is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases- The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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### Policy applicable before 1 April 2019 – Ind AS 17

#### (i) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

#### (ii) Assets held under lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.4 (g)). Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Subsequent to the initial recognition, the assets are accounted for in

accordance with the accounting policies applicable to similar owned assets. Assets held under leases that do not transfer to the Group and its joint ventures substantially all the risk and rewards of ownership (i.e. operating lease) are not recognized in the Group's Balance Sheet.

#### (iii) Lease payments

Payments made under operating leases are generally recognized in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease. Operating lease payments are not straight lined in cases where the escalation is expected to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### g. Borrowing Costs

Borrowing cost includes interest, and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

#### h. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into

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cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Groups's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Consolidated Statement of Profit and Loss. Impairment losses of continuing operations, including impairment

on inventories, are recognized in the Consolidated Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Group reviews at each reporting date whether there is any indication 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. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### i. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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### j. Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Companies in the Group, adopt First-in-first-out (FIFO) method for valuing raw materials, components, stores and spares (RM & Stores).
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of work-in-progress (WIP) and finished goods (FG) is based on FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

### k. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of goods

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.



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- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

### Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the Consolidated Statement of Profit and Loss.

### Dividends

Revenue is recognized when the Group's right to receive the payment is established by the reporting date.

### L. Income tax

Income tax expense comprises current and deferred tax. It is recognized in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

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 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off

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the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner

in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

### m. Segment reporting

#### Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their

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performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

The Group and its joint ventures are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group and its joint ventures business activities fall within a single primary business segment. The principal geographical segments are classified as India, Europe and others since there are different risks and returns of the geographies.

### n. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o. Provisions (other than for employee benefits)

#### General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Warranties

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

### p. Employee benefits

#### India

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund, superannuation fund scheme and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are

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recognized as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### iii. Defined benefit plans

The Group operates a defined benefit gratuity plan, which requires contributions to be made to Kotak Mahindra Old Mutual Life Insurance Limited and LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Group 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.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on

the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### iv. Other long term employee benefits

#### Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Group does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at year end.

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### Europe

In case of Sandhar Technologies Barcelona S.L. according to the sector social agreement (Convenio Siderometalurgico de la provincia de Barcelona) the Company pays 2 additional payrolls in June and December. The 2 additional payments, as well as the holiday payroll are provisioned every month on accrual basis.

### q. Financial instruments

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

#### i. Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that

are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group

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may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held

within that business model) and how those risks are managed;

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial asset: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amounts or timings of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual



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interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

### iii. Derecognition

#### Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### v. Derivative financial instruments and hedge accounting

The Group uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

measured at fair value and changes therein are generally recognized in profit and loss.

### Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is 90 days or more past due.

### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to Consolidated Statement of Profit and Loss and is recognized in OCI.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for the recovery of amount due.

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

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits, and advances.
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### r. Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- The amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

### s. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Group's cash management.

### t. Cash flow statement

Cash flows are reported using the indirect method, whereby 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.

### u. Cash dividend and non-cash distribution to equity holders of the parent

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### v. Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Group is charged to the Consolidated Statement of the Profit and Loss.

### w. Research and development:

Expenditure on research and development activities is recognized in the Consolidated Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses, if any.

### x. Recent Indian Accounting Standards (Ind AS) and interpretations not yet adopted:

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 3. Property, plant and equipment

Particulars	Freehold Land (refer note 1 below)	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
<b>Gross carrying value as at 1 April 2019</b>	10,727.89	18,258.49	56,955.74	2,159.54	638.87	934.80	89,675.33
<b>Additions</b>	764.82	665.56	6,716.83	277.61	32.99	27.06	8,484.87
Disposals	-	18.82	763.38	239.18	34.71	45.36	1,101.45
Exchange difference on translation of foreign operations	-	-	1,231.40	17.60	-	1.75	1,250.75
<b>Gross carrying value as at 31 March 2020</b>	<b>11,492.71</b>	<b>18,905.23</b>	<b>64,140.59</b>	<b>2,215.57</b>	<b>637.15</b>	<b>918.25</b>	<b>98,309.50</b>
Additions	4.08	776.63	6,825.40	106.36	114.99	14.60	7,842.06
Disposals	-	-	798.53	98.85	273.06	6.46	1,176.90
Exchange difference on translation of foreign operations	-	-	446.75	3.92	-	1.47	452.14
<b>Gross carrying value as at 31 March 2021</b>	<b>11,496.79</b>	<b>19,681.86</b>	<b>70,614.21</b>	<b>2,227.00</b>	<b>479.08</b>	<b>927.86</b>	<b>1,05,426.80</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2019	-	1,995.68	15,323.16	1,065.84	243.26	293.42	18,921.36
Depreciation for the year	-	850.39	6,818.87	380.01	100.20	99.39	8,248.86
Depreciation on disposal	-	0.85	641.94	235.47	34.70	34.77	947.73
Exchange difference on translation of foreign operations	-	-	276.88	6.47	-	-	283.35
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>2,845.22</b>	<b>21,776.97</b>	<b>1,216.85</b>	<b>308.76</b>	<b>358.04</b>	<b>26,505.84</b>
Depreciation for the year	-	865.43	6,286.98	362.87	103.98	94.70	7,713.96
Depreciation on disposal	-	-	660.41	98.74	257.22	6.45	1,022.82
Exchange difference on translation of foreign operations	-	-	133.60	2.88	-	-	136.48
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>3,710.65</b>	<b>27,537.14</b>	<b>1,483.86</b>	<b>155.52</b>	<b>446.29</b>	<b>33,333.46</b>
<b>Net carrying amount</b>							
<b>As at 31 March 2021</b>	<b>11,496.79</b>	<b>15,971.21</b>	<b>43,077.07</b>	<b>743.14</b>	<b>323.56</b>	<b>481.57</b>	<b>72,093.34</b>
<b>As at 31 March 2020</b>	<b>11,492.71</b>	<b>16,060.01</b>	<b>42,363.62</b>	<b>998.72</b>	<b>328.39</b>	<b>560.21</b>	<b>71,803.66</b>

#### 1. Freehold land

- Land aggregating to Rs. 566.79 Lacs (31 March 2020: Rs. 595.33 Lacs) transferred to the Company pursuant to the scheme of amalgamation dated 29 December 2005 are pending for registration in the name of the Company.
- Land aggregating to Rs. 5,006.68 Lacs (31 March 2020: Rs. 5,006.68 Lacs) transferred to the Company pursuant to the scheme of amalgamation duly approved by Honourable High Court of Delhi, vide it's order dated 2 May 2013 are pending for registration in the name of the Company.

### 4. Right-of-use asset\*

Particulars	Leasehold Land	Total
<b>Gross carrying value as at 1 April 2019</b>	2,384.66	2,384.66
<b>Impact of Ind AS 116</b>	8,536.83	8,536.83
Additions	-	-
Exchange difference on translation of foreign operations	361.02	361.02
<b>Gross carrying value as at 31 March 2020</b>	<b>11,282.51</b>	<b>11,282.51</b>
Additions	1,857.23	1,857.23
Disposals	-	-
Exchange difference on translation of foreign operations	182.01	182.01
<b>Gross carrying value as at 31 March 2021</b>	<b>13,321.75</b>	<b>13,321.75</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 4. Right-of-use asset\* (Contd..)

Particulars	Leasehold Land	Total
<b>Accumulated depreciation</b>		
Balance as at 1 April 2019	77.44	77.44
Depreciation for the year	1,281.89	1,281.89
Accumulated depreciation on disposal	-	-
Exchange difference on translation of foreign operations	28.77	28.77
<b>Balance as at 31 March 2020</b>	<b>1,388.10</b>	<b>1,388.10</b>
Depreciation for the year	1,334.93	1,334.93
Accumulated depreciation on disposal	-	-
Exchange difference on translation of foreign operations	19.13	19.13
<b>Balance as at 31 March 2021</b>	<b>2,742.16</b>	<b>2,742.16</b>
<b>Net carrying amount</b>		
<b>As at 31 March 2021</b>	<b>10,579.59</b>	<b>10,579.59</b>
<b>As at 31 March 2020</b>	<b>9,894.41</b>	<b>9,894.41</b>

\*Refer note 35

### 5. Intangible assets

Particulars	Computer software	Technical know-how	Goodwill*	Total
<b>Gross carrying value as at 1 April 2019</b>	783.02	810.01	553.30	2,146.33
Additions	279.38	189.28	-	468.66
Exchange difference on translation of foreign operations	9.13	-	-	9.13
<b>Gross carrying value as at 31 March 2020</b>	<b>1,071.53</b>	<b>999.29</b>	<b>553.30</b>	<b>2,624.12</b>
Additions	47.36	373.74	-	421.10
Disposals	9.68	-	-	9.68
Exchange difference on translation of foreign operations	6.89	(2.06)	-	4.83
<b>Gross carrying value as at 31 March 2021</b>	<b>1,116.10</b>	<b>1,370.97</b>	<b>553.30</b>	<b>3,040.37</b>
<b>Accumulated amortization</b>				
Balance as at 1 April 2019	447.33	417.86	-	865.19
Amortization for the year	167.26	152.92	-	320.18
Exchange difference on translation of foreign operations	4.88	-	-	4.88
<b>Balance as at 31 March 2020</b>	<b>619.47</b>	<b>570.78</b>	<b>-</b>	<b>1,190.25</b>
Amortization for the year	178.99	171.34	-	350.33
Amortization on disposal	9.68	-	-	9.68
Exchange difference on translation of foreign operations	3.67	(0.17)	-	3.50
<b>Balance as at 31 March 2021</b>	<b>792.45</b>	<b>741.95</b>	<b>-</b>	<b>1,534.40</b>
<b>Net carrying amount</b>				
<b>As at 31 March 2021</b>	<b>323.65</b>	<b>629.02</b>	<b>553.30</b>	<b>1,505.97</b>
<b>As at 31 March 2020</b>	<b>452.06</b>	<b>428.51</b>	<b>553.30</b>	<b>1,433.87</b>

\* Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 5. Intangible assets (Contd..)

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.
- Discount rate ranging from 7% to 13% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

### 6. Equity accounted investees

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investment in equity shares (unquoted)</b>		
In joint ventures		
NIL (31 March 2020: 2 Lacs) equity shares of Rs. 10 each fully paid-up in Indo Toolings Private Limited	-	115.74
161.979 Lacs (31 March 2020: 136.486 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	950.82	785.15
6.89 Lacs (31 March 2020: 6.89 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Ecco Green Energy Private Limited*	140.92	152.18
68.65 Lacs (31 March 2020: 24.96 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	72.88	-
153.2 Lacs (31 March 2020: 83.2 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	496.73	116.72
161.73 Lacs (31 March 2020: 149.73 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daewha Automotive Systems Private Limited	1,213.79	1,227.47
0.107 Lacs (31 March 2020: 0.107 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daeshin Auto Systems Private Limited	0.50	0.62
83.241 Lacs (31 March 2020: 68.3069 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	788.88	669.93
100.84 Lacs (31 March 2020: 10.95 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	983.95	98.39
0.099 Lacs (31 March 2020: NIL) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Automotive Private Limited**	2.67	-
27.50 Lacs (31 March 2020: 19.998 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	204.12	195.88
4 Lacs (31 March 2020: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winnercom Sandhar Technologies Private Limited	380.44	388.32
0.09 Lacs (31 March 2020: Nil) equity shares of Rs.10/- each fully paid-up in Sandhar Daeshin Technologies Private Limited	0.87	-
<b>Total equity accounted investees</b>	<b>5,236.57</b>	<b>3,750.40</b>
<b>Less: Aggregate amount of impairment in the value of equity accounted investee</b>		
<b>Investment in Joint Ventures*</b>		
(i) In fully paid equity shares	(70.20)	(69.20)
<b>Total aggregate amount of impairment</b>	<b>(70.20)</b>	<b>(69.20)</b>
<b>Total equity accounted investees (net of impairment)</b>	<b>5,166.37</b>	<b>3,681.20</b>

\*During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ('Sandhar Ecco Green Energy Private Limited'). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 69.20 Lacs (31 March 2019 Rs. 74.08) Lacs was recognized in the consolidated financial statements. In absence of visibility of business in the joint venture, the financial statements of the JV have been prepared on non-going concern basis, where the assets and liabilities have been disclosed as a realizable basis. During the current year the Investment in joint venture has been shown at the realisable value

\*\*During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company is under the process of strike-off. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 7. Financial assets

#### Investments

##### A. Non - current Investments

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investments at fair value through profit and loss</b>		
<b>Investments in joint ventures</b>		
<b>(i) Investments in preference shares (Unquoted)</b>		
NIL (31 March 2020: 3.32 Lacs) preference shares of Rs. 100/- each fully paid-up in Indo Toolings Private Limited	-	313.06
65.03 Lacs (31 March 2020: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	202.31	202.31
23.43 Lacs (31 March 2020: 23.43 Lacs) preference shares of Rs. 10/- each fully paid-up preference shares in Sandhar Han Sung Technologies Private Limited	234.38	234.38
<b>(ii) Non Trade investment (Unquoted)</b>		
0.2 Lacs (31 March 2020: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	84.05	70.75
<b>(iii) Investment in unquoted mutual funds</b>		
Franklin India Low Duration Fund 98,483.057 units (31 March 2020: 262,531.693 units)	22.86	54.13
Franklin India Ultra Short Bond Fund 440,582.743 units (31 March 2020: 872,911.426 units)	130.96	240.10
<b>Total investments</b>	<b>674.56</b>	<b>1,114.73</b>
<b>Aggregate value of unquoted investments</b>	674.56	1,114.73
<b>Current</b>	153.82	294.23
<b>Non-Current</b>	520.74	820.50

##### B. Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits - Non current	1,208.78	1,119.02
Security deposits - Current	-	5.24
Loans recoverable from related parties - Current	638.18	518.18
Loans to employees - Current	40.40	32.08
Other advances - Current	1,479.19	1,109.18
Other advances - Non current	-	7.85
<b>Total loans</b>	<b>3,366.55</b>	<b>2,791.55</b>
Break up of total loans		
(a) Unsecured and considered good	3,366.55	2,791.55
	<b>3,366.55</b>	<b>2,791.55</b>
Current	2,157.77	1,664.68
Non-current	1,208.78	1,126.87

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 7. Financial assets (Contd..)

#### Investments (Contd..)

##### C. Trade receivables

(unsecured and considered good, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables*	35,745.84	19,187.77
<b>Total trade receivables</b>	<b>35,745.84</b>	<b>19,187.77</b>

\* For explanations on the Company's credit risk management processes, refer to Note 37.

##### D. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
– In current accounts	438.65	503.39
– Cheques on hand	-	-
Cash on hand	18.25	16.98
Deposits with original maturity for less than three months	140.00	150.00
<b>Total Cash and cash equivalents</b>	<b>596.90</b>	<b>670.37</b>

##### E. Other Bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
In current account for equity dividend	0.74	7.59
Deposits with original maturity for more than 3 months but less than 12 months*	513.88	71.67
<b>Total other bank balances</b>	<b>514.62</b>	<b>79.26</b>

\*These deposits are held as margin money deposits with government authorities.

##### F. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Derivative assets	-	14.42
Interest accrued but not due on fixed deposits	16.12	11.33
Unbilled revenue	3,546.49	253.33
Bank deposit with original maturity of more than 12 months	1.85	-
<b>Total other financial assets</b>	<b>3,564.46</b>	<b>279.08</b>
Current	3,562.61	279.08
Non-current	1.85	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 8. Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials (includes goods in transit of Rs. 756.43 Lacs (31 March 2020: Rs. 443.97 Lacs))	10,184.89	8,806.40
Work in progress	2,983.12	3,043.80
Finished goods (includes goods in transit of Rs. 628.84 Lacs (31 March 2020: Rs. 558.04 Lacs))	3,383.29	3,253.92
Stores and spares	4,665.07	4,542.70
	<b>21,216.37</b>	<b>19,646.82</b>
Provision for inventory obsolescence	(79.47)	(77.46)
<b>Total inventories at the lower of cost and net realisable value</b>	<b>21,136.90</b>	<b>19,569.36</b>

### 9. Other assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Other non - current assets</b>		
<b>A. Capital advances</b>		
(Unsecured and considered good, unless otherwise stated)		
Unsecured and considered good.	176.04	196.40
<b>Total capital advances</b>	<b>176.04</b>	<b>196.40</b>
<b>B. Income-tax asset</b>		
(Unsecured and considered good, unless otherwise stated)		
Advance income-tax (net of provision for taxation) (refer note 17)	505.84	235.89
<b>Total income-tax asset</b>	<b>505.84</b>	<b>235.89</b>
<b>Other current assets</b>		
<b>C. Other advances</b>		
Unsecured, considered good.	658.44	439.97
Doubtful	-	-
Total other advances	658.44	439.97
Less: Loss allowance	-	-
<b>Total net other advances</b>	<b>658.44</b>	<b>439.97</b>
<b>D. Prepaid expenses</b>		
Prepaid expenses	339.24	345.18
	<b>339.24</b>	<b>345.18</b>
<b>E. Balance with statutory / government authorities</b>		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good	1,354.05	990.51
<b>Total balance with statutory / government authorities</b>	<b>1,354.05</b>	<b>990.51</b>
<b>F. Plan Assets</b>		
Plan asset over defined benefit obligation	160.78	576.18
<b>Total Balance in Plan Assets</b>	<b>160.78</b>	<b>576.18</b>
<b>Total other current assets (C+D+E+F)</b>	<b>2,512.51</b>	<b>2,351.84</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 10. Share capital

#### A. Authorised share capital

Particulars	As at 31 March 2021	As at 31 March 2020
680 lacs equity shares of Rs.10 each (31 March 2020: 680 lacs equity shares of Rs.10 each)	6,800.00	6,800.00
2 lacs preference shares of Rs.100 each (31 March 2020: 2 lacs preference shares of Rs.100 each)	200.00	200.00
	<b>7,000.00</b>	<b>7,000.00</b>

#### B. Issued, subscribed and fully paid equity capital

Particulars	As at 31 March 2021	As at 31 March 2020
601.91 lacs equity shares of Rs. 10 each fully paid up (31 March 2020: 601.91 lacs equity shares of Rs. 10 each)	6,019.07	6,019.07
	<b>6,019.07</b>	<b>6,019.07</b>

#### C. Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity shares outstanding at the beginning of the year	601.91	6,019.07	601.91	6,019.07
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>601.91</b>	<b>6,019.07</b>	<b>601.91</b>	<b>6,019.07</b>

#### Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of Rs.10 per share (31 March 2020: Rs.10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

On 21 May 2021, the Board of Directors of the Company recommended a final dividend of Rs. 1 per equity share of face value Rs. 10 each in respect of the year ended 31 March 2021. The dividend payout is subject to approval of shareholders at the Annual General Meeting. The company has paid an interim dividend of Rs. 1.25 per equity share of face value Rs. 10 each, which was declared on 13 February 2021.

In the event of liquidation of the Company, the share 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 share holders.

#### D. Details of shareholders holding more than 5% shares in the Company

Particulars	No. of shares in Lacs	% of shareholding
Jayant Davar*	314.15	52.19%

\*90,909 Equity Shares are held by Mr. Jayant Davar in his Capacity as proprietor of Sandhar Enterprises

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 11. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Capital reserve</b>		
At the beginning and end of the year	3,190.97	3,190.97
	<b>3,190.97</b>	<b>3,190.97</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	27,859.67	27,859.67
Less: Share issue expenses	-	-
<b>Balance at the end of the year</b>	<b>27,859.67</b>	<b>27,859.67</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	38,027.77	34,705.27
Adjustment relating to lease pertains to previous years	-	(534.72)
Add: Profit for the year	5,776.86	5,685.82
Less: Dividend on equity shares (Final)	(451.43)	(752.38)
Less: Dividend on equity shares (Interim)	(758.41)	(776.77)
Less: Tax on Dividend	-	(299.45)
<b>Balance at the end of the year</b>	<b>42,594.79</b>	<b>38,027.77</b>
<b>Other items of Other comprehensive income</b>		
<b>a. Exchange differences on translation of foreign operations</b>		
Balance at the beginning of the year	616.47	406.13
Exchange differences on translation	44.08	280.46
Income tax relating to Exchange differences on translation	(11.02)	(70.12)
<b>Balance at the end of the year</b>	<b>649.53</b>	<b>616.47</b>
<b>b. Remeasurements of defined benefit liability</b>		
Balance at the beginning of the year	531.06	(221.81)
Re-measurement of defined benefit liabilities	(544.67)	1,006.11
Income tax relating to re-measurement (gain)/ loss on defined benefit liabilities	137.08	(253.24)
<b>Balance at the end of the year</b>	<b>123.47</b>	<b>531.06</b>
<b>Total of other equity</b>	<b>74,418.43</b>	<b>70,225.94</b>

#### Nature and purpose of other equity

1. Capital Reserve:

This represents Capital reserve created during the year ended 31 March 2013, consequent to the approval by the Hon'ble High Court of Delhi of the scheme of amalgamation of MAG Engineering Private Limited with the Company.

2. Securities premium:

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

3. Re-measurements of defined benefit obligation:

Re-measurements of defined benefit obligation comprises actuarial gains and losses.

4. Retained Earnings:

This represents the cumulative profits for the Group.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 12. Non - controlling interest

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Sandhar Tooling Private Limited</b>		
<b>Balance at the beginning of the year</b>	362.56	350.51
Share of profit for the year	6.50	12.05
<b>Balance at the end of the year</b>	<b>369.06</b>	<b>362.56</b>
Revenue	1,181.93	1,311.97
Profit	39.76	41.22
Other comprehensive income	(7.39)	18.80
<b>Total comprehensive income</b>	<b>32.37</b>	<b>60.02</b>
Profit allocated to non-controlling interest	7.99	8.28
Other comprehensive income allocated to non-controlling interest	(1.49)	3.77
<b>Total comprehensive income allocated to non-controlling interest</b>	<b>6.50</b>	<b>12.05</b>
Cash flows from operating activities	60.01	12.38
Cash flows from/ (used in) investing activities	(56.14)	13.77
Cash flows used in financing activities	(18.34)	(26.57)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(14.47)</b>	<b>(0.42)</b>

### 13. Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current borrowings</b>		
<b>Term Loans</b>		
Indian rupee loan from others (secured) (refer note A)	5.31	23.85
EUR Loan from Santander (unsecured) (refer note B)	10.75	66.86
EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note F)	2,446.80	-
EUR Credit multiple bankers ICO COVID19 (Unsecured) (refer note F)	1,722.25	-
USD Loan from Banamex (Secured) (refer note G)	1,283.00	-
EUR Loan from ICF (Unsecured) (refer note D)	2,149.03	-
EUR Loan from ICICI Bank (Secured) (refer note H)	1,538.70	-
Lease financing loans from financial institutions (Secured) (refer note E)	772.56	830.68
<b>Total non-current borrowings</b>	<b>9,928.40</b>	<b>921.39</b>
Secured	3,599.57	854.53
Unsecured	6,328.83	66.86
<b>B. Current borrowings</b>		
<b>a) Current maturities of long term borrowings</b>		
Indian rupee loan from banks (secured) (refer note A)	18.54	35.58
EUR Loan from Santander (unsecured) (refer note B)	59.10	56.58
EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note F)	33.57	-
USD Loan from Banamex (Secured) (refer note G)	183.29	-
EUR Loan from B. Popular (Unsecured) (refer note C)	-	27.56
Lease financing loans from financial institutions (Secured) (refer note E)	453.96	456.46
<b>Total Current maturities of long term borrowings</b>	<b>748.46</b>	<b>576.18</b>
<b>b) Cash credit from banks (secured) (refer note I)</b>		
Cash credit/WCDL/Buyer's line of credit from banks (secured by CL, CGT or SBLC from STL or by invoices financed)	11,379.54	18,579.82
<b>Total current borrowings</b>	<b>12,128.00</b>	<b>19,156.00</b>
Less: Amount presented under "other financial liabilities" (refer note 15)	(748.46)	(576.18)
<b>Total current borrowings</b>	<b>11,379.54</b>	<b>18,579.82</b>
Aggregate secured loans	12,035.33	19,071.86
Aggregate unsecured loans	92.67	84.14



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 13. Borrowings (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Terms of borrowings:</b>		
(A) Vehicle loan are from banks are secured by hypothecation of the financed vehicle.	23.85	59.43
(B) EUR loan from Santander carries interest @ 1.95% p.a. repayable in 24 monthly instalments of EUR 6,250 (plus interest) from May 2020 to April 2022	69.85	123.45
(C) EUR loan from B. Popular (Corporate guarantee from Parent company), carries interest @ 3.7% p.a., repayable in monthly instalment of EUR 6,759 from Sep 17. It has been fully repaid in August 2020	-	27.56
(D) EUR loan from ICF carries interest @ 2.5% p.a. repayable in 48 monthly instalments of EUR 54,785 from September 2020 to August 2025	2,149.03	-
(E) Lease financing loans from financial institutions (Some of which with Comfort letter from Parent company), carries interest @ 1.75% to 4.28%, monthly instalment ranging from EUR 146 to EUR 7,474. (Secured)	1,226.52	1,287.14
(F) EUR loan multiple bankers ICO COVID19 carries interest @ 1.5% to 3.55% (average 2%), repayable from 3 to 5 years in monthly instalment ranging from EUR 3,222 to EUR 19,212	4,202.62	-
(G) USD Loan from Banamex in STM (SBLC guarantee from STL and has a charge on several assets of STM) carries interest of 1 month USD Libor+1.4% payable in 16 quarterly installments of USD 125,000 from July 2021 to January 2025.	1,466.29	-
(H) EUR loan from ICICI Bank (Corporate guarantee from Parent company), carries interest of 3.25% repayable in 17 quarterly installments of EUR 100,240 (plus interest) from March 2022 to March 2026 and a last installment of EUR 85,920 (plus interest) in June 2026	1,538.70	-
(I) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the company.	11,379.54	18,579.82

### 14. Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables of micro enterprises and small enterprises	3,832.45	1,135.94
Trade payables other than micro enterprises and small enterprises	31,946.07	22,874.63
Acceptances*	3,764.01	-
<b>Total trade payables</b>	<b>39,542.53</b>	<b>24,010.57</b>

#### Terms and conditions of the above financial liabilities:

For explanations on the Company's credit risk management processes, refer to Note 38.

\*Acceptances are arrangements where operational suppliers of goods and services are initially laid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions, which are normally effected within a period of 90 days.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 15. Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial liabilities at amortised cost</b>		
Payables for capital goods - current	1,049.05	2,176.87
Payables for capital goods - non current	195.96	375.78
Interest accrued but not due	0.14	0.36
Interest accrued and due on borrowings	2.13	8.35
Unpaid equity dividend	0.74	7.59
Current maturities of long term borrowings (refer note 13)	748.46	576.18
Security deposit payable - non current	-	94.95
Security deposit payable - current	81.87	-
Provision for Interest -MSMEDA	74.19	41.39
Lease liabilities - non current	7,841.39	6,965.50
Lease liabilities - current	1,136.49	1,267.41
Advance from customers	1,665.09	1,084.68
<b>Total financial liabilities at amortised cost</b>	<b>12,795.51</b>	<b>12,599.06</b>
Current	4,758.16	5,257.78
Non-current	8,037.35	7,341.28

### 16. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Other payables:</b>		
Statutory dues	1,786.82	898.90
Other Payable	560.33	507.02
<b>Total</b>	<b>2,347.15</b>	<b>1,405.92</b>

### 17. Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 31)	68.39	49.95
Provision for leave benefits	678.27	607.21
<b>Other provisions</b>		
Provision for income tax (net of tax paid) (refer note 9B)	400.36	-
Provision for warranties*	51.24	52.87
<b>Total</b>	<b>1,198.26</b>	<b>710.03</b>
<b>Current</b>	1,096.25	639.34
<b>Non-current</b>	102.01	70.69
<b>*Provision for warranties</b>		
At the beginning of the year	52.87	85.59
Accrued during the year	52.81	50.67
Utilized during the year	(54.44)	(83.39)
At the end of the year	51.24	52.87

Provision is recognized for expected warranty claims on products sold during the last two to five years, based on past experience of level of repairs and returns. It is expected that the most of this cost will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales level and current information available about returns based on the two to five year warranty period for all products sold.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 18. Deferred tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
- Post-employment benefits	192.46	161.71
- Provision for doubtful debt & advances	75.00	83.00
- Employee benefits	44.70	129.81
- Fair value measurement	154.37	165.23
<b>Total deferred tax assets</b>	<b>466.53</b>	<b>539.75</b>
<b>Items leading to creation of deferred tax liabilities</b>		
- Property, plant and equipment: Impact of difference between tax and depreciation/ amortization charged for the financial reporting	1,338.09	1,753.24
- Impact of IND-AS 116	716.46	530.36
- Fair value measurement	8.33	11.13
<b>Total deferred tax liabilities</b>	<b>2,062.88</b>	<b>2,294.73</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(1,596.35)</b>	<b>(1,754.98)</b>

### 19. Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of products</b>	1,82,024.79	1,89,577.78
<b>Sale of services</b>	2,120.50	2,340.26
<b>Other operating revenue</b>		
Scrap sale	2,211.22	2,121.86
Claims received from customer	-	299.80
<b>Revenue from operations</b>	<b>1,86,356.51</b>	<b>1,94,339.70</b>

### 20. Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other non-operating income</b>		
Dividend income on long-term investments	113.05	33.30
Profit on sale of short term investment	28.89	18.65
Profit on sale of property, plant and equipment	47.29	114.85
MTM gain on derivative liability	-	14.42
Foreign exchange fluctuation gain (net)	3.51	-
Government grant	1.13	-
Interest from bank	18.53	25.80
Interest from others	137.96	169.27
Interest income on securities measured at amortised cost	45.69	1.87
Gain on investments carried at fair value through profit or loss	45.06	62.87
Other miscellaneous income	636.52	563.94
	<b>1,077.63</b>	<b>1,004.97</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 21. Cost of raw material and components consumed

#### Raw material and components consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	8,806.39	9,869.38
Add: Purchases during the year	1,10,517.82	1,08,802.21
	<b>1,19,324.21</b>	<b>1,18,671.59</b>
Less: Inventory at the end of the year	10,184.89	8,806.40
Cost of raw material and components consumed	<b>1,09,139.32</b>	<b>1,09,865.19</b>
Adjustment on account of exchange difference	10.77	17.80
<b>Cost of raw material and components consumed</b>	<b>1,09,150.09</b>	<b>1,09,882.99</b>

### 22. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Closing inventories</b>		
Finished goods	3,383.29	3,253.92
Work in progress	2,983.12	3,043.80
Adjustment on account of exchange difference	44.22	(174.73)
<b>Total (A)</b>	<b>6,410.63</b>	<b>6,122.99</b>
<b>Opening inventories</b>		
Finished goods	3,253.92	2,963.08
Work in progress	3,043.80	4,589.50
Adjustment on account of exchange difference	174.77	49.23
<b>Total (B)</b>	<b>6,472.49</b>	<b>7,601.81</b>
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>61.86</b>	<b>1,478.82</b>

### 23. Employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	24,189.20	25,074.71
Contribution to provident and other funds	2,167.59	2,266.71
Staff welfare expenses	1,277.96	1,567.97
Gratuity expense (refer note 31)	139.44	176.42
	<b>27,774.19</b>	<b>29,085.81</b>

### 24. Depreciation and amortization expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	7,713.97	8,248.86
Depreciation on right-of-use assets	1,334.93	1,281.89
Amortisation on intangible assets	350.33	320.18
	<b>9,399.23</b>	<b>9,850.93</b>
Less: Depreciation on plant and machinery capitalized during the year	4.45	9.46
	<b>9,394.78</b>	<b>9,841.47</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 25. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	6,883.21	8,688.01
Packing material	2,321.37	2,284.42
Job work charges	5,219.63	5,610.76
Rent	223.23	126.42
Rates and taxes	192.04	171.83
Insurance	377.02	288.70
Freight and forwarding charges	2,296.00	2,279.65
Power and fuel	6,596.87	7,071.55
Repairs and maintenance		
- Buildings	225.64	169.65
- Plant and machinery	1,126.87	1,464.93
- Others	1,167.52	1,091.47
Legal and professional charges	930.81	1,207.25
Travelling and conveyance	131.95	377.75
Payment to auditor*	76.68	87.16
CSR expenditure**	216.66	198.04
Service contractor charges	35.38	41.05
Business and Sales promotion	1.82	17.05
Printing and Stationery	1.76	1.11
Provision for doubtful debts and advances	34.82	244.31
Reversal of provision for doubtful debts	(42.35)	(90.86)
Bad debts and advances written off	42.35	90.86
Provision for warranties (net of reversal)	52.81	50.67
Royalty	102.29	151.62
Commission to directors	371.13	394.70
Directors sitting fee	40.60	27.40
Security Service Charges	544.41	543.71
Testing and development expenses	65.12	99.51
Festival and celebration expenses	48.47	46.49
Foreign exchange fluctuation loss (net)	-	168.18
Miscellaneous expenses	1,245.59	1,351.91
<b>Total other expenses</b>	<b>30,529.70</b>	<b>34,255.30</b>

\*Payment to auditors :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As auditor:</b>		
- Audit fees	61.95	67.18
- Limited Review	13.00	13.00
<b>In other capacity</b>		
- Other services (certification fees)	0.70	1.00
- Reimbursement of expenses	1.03	5.98
<b>Total</b>	<b>76.68</b>	<b>87.16</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 25. Other expenses (Contd..)

**\*\*Disclosure relating to CSR expenditure:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross Amount required to be spent by the Company as per Section 135 of the "Companies Act 2013"	213.72	192.31
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- In cash	216.66	198.04
- Yet to be paid in cash	-	-
	<b>216.66</b>	<b>198.04</b>

### 26. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest to banks on</b>		
- Term loan	195.23	52.94
- Cash credit	375.15	478.82
- Others	446.64	785.05
Interest to others	66.77	93.86
Finance charges	81.56	138.61
Bank charges	100.68	159.76
Interest on lease liabilities (refer note 35)	336.03	336.59
<b>Total finance costs</b>	<b>1,602.06</b>	<b>2,045.63</b>

### 27. Exceptional Items

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Total Exceptional Items</b>	<b>-</b>	<b>-</b>

### 28. Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the year ended 31 March 2021:**

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	(544.67)	(544.67)
Tax impact on re-measurement loss on defined benefit plans	137.08	137.08
Exchange differences in translating the financial statements of foreign operations	44.08	44.08
Tax impact on translating the financial statements of foreign operations	(11.02)	(11.02)
	<b>(374.53)</b>	<b>(374.53)</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 28. Components of other comprehensive income (Contd..)

During the year ended 31 March 2020:

Particulars	Retained earnings	Total
<b>Re-measurement losses on defined benefit plans</b>	1,006.11	1,006.11
Tax impact on re-measurement loss on defined benefit plans	(253.24)	(253.24)
Exchange differences in translating the financial statements of foreign operations	280.46	280.46
Tax impact on translating the financial statements of foreign operations	(70.12)	(70.12)
	<b>963.21</b>	<b>963.21</b>

### 29. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity holders of the Company	5,783.36	5,697.88
Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted) (Number of shares in Lacs)	601.91	601.91
Earning Per Share (Basic and Diluted) (Rs)	9.61	9.47
Face value per share (Rs)	10	10

Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
<b>Equity shares of face value of Rs. 10 per share:</b>		
<b>Balance as at 1 April 2019</b>	601.91	601.91
Issued during the year 2019-20 (Number of shares in lacs)	-	-
<b>Balance as at 31 March 2020</b>	<b>601.91</b>	<b>601.91</b>
Issued during the year 2020-21 (Number of shares in lacs)	-	-
<b>Balance as at 31 March 2021</b>	<b>601.91</b>	<b>601.91</b>

At present, the Group does not have any dilutive potential equity shares

# Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

## 30. Income Tax

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:		
<b>Income tax recognized in statement of profit or loss</b>		
<b>Current income tax:</b>		
Current tax	2,145.67	2,386.43
Current tax relating to earlier years	(107.42)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(20.08)	(279.38)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>2,018.17</b>	<b>2,107.05</b>
<b>Income tax recognized in other comprehensive income</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	137.08	(253.24)
Exchange differences in translating the financial statements of foreign operations	(11.02)	(70.12)
<b>Income tax charged to other comprehensive income</b>	<b>126.06</b>	<b>(323.36)</b>
<b>(b) Reconciliation of effective tax rate</b>		
Reconciliation between average effective tax rate and applicable tax rate for the years ended 31 March 2021 and 31 March 2020:		
Profit for the year	7,801.53	7,804.93
Add: Share in loss of joint ventures accounted for using equity method	1,119.93	949.72
Profit for the year for computation of income tax	8,921.46	8,754.65
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,245.35	2,203.37
<b>Tax impact of deductible/ non-deductible expenses</b>		
- Effect of CSR expenses	54.53	49.84
- Effect of Interest paid to MSMED	7.77	2.24
- Income tax of earlier years	(107.42)	-
- Others	(182.06)	(148.40)
<b>Income tax expense after adjustment of tax impact of non deductible items</b>	<b>2,018.17</b>	<b>2,107.05</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 31. Gratuity and other post-employment benefit plans

#### A. Defined Contribution Plans - General Description

The Group has a defined benefit gratuity plan for its employees, governed by the Payment of Gratuity Act, 1972 except for Sandhar Technologies Barcelona. Every employee who has rendered at least five years of continuous service gets a gratuity on departure at the rate of fifteen days of last drawn salary for each completed year of service or part thereof in excess of 6 months. The scheme is funded with insurance companies in the form of qualifying insurance policies. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### I. Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Liability for gratuity	2,033.29	1,631.63
Plan asset for gratuity	2,125.68	2,157.86
<b>Net plan asset (Current):</b>	<b>92.39</b>	<b>526.23</b>

#### II. Reconciliation of present value of defined benefit obligation:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	1,631.63	2,252.70
Current service cost	175.23	144.38
Interest cost	110.95	174.58
Benefits paid	(233.24)	(131.40)
Past service cost including curtailment (gains)/losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	348.72	(808.63)
<b>Balance at the end of the year</b>	<b>2,033.29</b>	<b>1,631.63</b>

#### III. Reconciliation of fair value of plan assets:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	2,157.86	1,839.19
Actual return on plan asset	146.74	142.54
Contribution paid into the plan	-	250.00
Benefits paid	(220.83)	(124.65)
Actuarial gain / (loss) on plan asset recognised in other comprehensive income	41.91	50.78
<b>Closing fair value of plan asset</b>	<b>2,125.68</b>	<b>2,157.86</b>

#### IV. Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	175.23	144.38
Past service cost	-	-
Interest cost	(35.79)	32.04
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>139.44</b>	<b>176.42</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 31. Gratuity and other post-employment benefit plans (Contd..)

#### A. Defined Contribution Plans - General Description (Contd..)

##### V. Remeasurement recognised in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial gain / (loss) on Defined Benefit Obligation	(348.73)	758.39
Return on Plan Assets excluding interest income	41.91	50.78
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(306.82)</b>	<b>809.17</b>

##### VI. Bifurcation of Actuarial gain/(loss) on Defined benefit obligation:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial gain/(loss) on demographic assumption change	(3.04)	0.76
Actuarial gain/(loss) due to financial assumption change	(352.39)	835.54
Actuarial gain/(loss) due to experience adjustment	26.46	(77.91)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(328.97)</b>	<b>758.39</b>

The principal assumptions used in determining gratuity and compensated absences are as follows:

##### (a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

Particulars	As at 31 March 2021	As at 31 March 2021
Discount rate	6.80% p.a.	6.80% p.a.
Inflation rate	4.50% p.a. – 6.00% p.a.	2.00% p.a.
Expected rate of return on assets	7.00% p.a.	7.00% p.a.

##### (b) Demographic assumptions

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.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Particulars	As at 31 March 2021	As at 31 March 2021
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement Age	58 years	58 years
Attrition Rate		
Up to 30 years	10% p.a.	10%-12% p.a.
From 31 to 44 years	3% p.a.	3%-12% p.a.
Above 44 years	1% p.a.	1% p.a.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 31. Gratuity and other post-employment benefit plans (Contd..)

#### A. Defined Contribution Plans - General Description (Contd..)

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(86.86)	93.44	(63.63)	68.30
Expected rate of future salary increase (0.5% movement)	91.17	(85.84)	68.31	(63.98)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Gratuity expense expected to be incurred in the next year is Rs. 187.82 Lacs (previous year Rs. 113.07 Lacs).

#### Expected maturity analysis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	138.14	146.30
1-2 years	90.32	93.32
2-5 years	430.49	366.87
More than 5 years	1,374.34	1,050.43

#### Other long-term employee benefits:

During the year ended 31 March 2021, the Company has incurred an expense on compensated absences amounting to Rs. 140.85 lacs (previous year Rs. 157.25 lacs). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

### 32. Contingent liabilities and commitments (to the extent not provided for)

#### A. Capital commitments

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,778.11	758.65

The Company has purchased a land at Pune wherein the Company shall commence the construction on the land and commence production within three years from the date of sub lease deed.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

#### B. Contingent liabilities

Claims against the Group not acknowledged as debts\*:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a. Claims against the Company not acknowledged as debts*</b>		
- Service tax matters (refer note A below)	311.03	311.03
- Income tax matters (refer note B below)	169.08	160.59
- Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
- Other matters	61.55	55.32
<b>b. Guarantees given by the Company (refer note D below)</b>	1,720.13	75.02

\* It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

- Show cause notice received in respect of credit taken on freight outward for the period 2005-2006, 2016-17 and 2017-18. The reply has been submitted and personal hearing is awaited with Assistant Commissioner, Central Excise. The amount involved is Rs. 12.21 (31 March, 2020: Rs. 12.21).
- Show cause notice received in respect of credit taken on manpower supply for the period 2005-2006 to 2014-15 (up to Feb-15). The matter is pending for personal hearing with the Additional Commissioner, Commissioner, and Joint Commissioner, Central Excise. The amount involved is Rs. 261.07 (31 March 2020: Rs. 261.07).
- Show cause notice received in respect of credit taken on the Services on Commercial and Industrial construction work for the period 2009-2010. The matter is pending with Additional Commissioner, Central Excise and CESTAT, Chandigarh. The amount involved is Rs. 2.11 (31 March 2020: Rs.2.11).
- Show cause notices received in respect of credit taken on outdoor catering & courier services for the period 2010-2011. The matter is pending with the Superintendent and Deputy Commissioner, Central excise. The amount involved is Rs. 0.50 (31 March 2020: Rs. 0.50).
- Show cause notices received in respect of credit taken on various services such clearing and forwarding agency services, Construction and industrial Construction, repair & maintenance, travel agent, pandal, authorized service station & outward freight, for the period 2004-05 to 2016-17 (up to Mar-2017). The personal hearing attended & final order awaited from Assistant Commissioner, LTU New Delhi. The amount involved is Rs. 35.14 (31 March 2020: Rs. 35.14).

#### Note B:

- In respect of Assessment Year 2012-13 demand was raised due to disallowance of certain expenses and also certain penalty proceedings on the above issue. The matter was pending with income tax authority. The demand of Rs. 0.32 was adjusted against the refund. The amount involved is Rs. NIL (31 March 2020: Rs. 0.32).
- In respect of assessment year 2013-14, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 64.54 (31 March 2020: Rs. 64.54)
- In respect of assessment year 2014-15, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 3.12 (31 March 2020: Rs. 3.12)
- In respect of assessment year 2015-16 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 11.80 (31 March 2020: Rs. 3.96).
- In respect of assessment year 2016-17 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 2.50 (31 March 2020: Rs. 1.38).



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 32. Contingent liabilities and commitments (to the extent not provided for) (Contd..)

#### B. Contingent liabilities (Contd..)

- vi) In respect of assessment year 2014-15 demand was issued for penalty proceeding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2020: Rs. 3.12).
- vii) In respect of assessment year 2017-18 demand was issued for depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt. The appeal has been filed with CIT (Appeal-22). The amount involved is Rs. 19.40 (31 March 2020: Rs. 19.54).
- viii) In respect of assessment year 2016-17 demand was issued for disallowance of MAT credit. The appeal has been filed with ITAT. The amount involved is Rs. 63.14 (31 March 2020: Rs. 63.14).
- ix) In respect of assessment year 2018-19 demand was issued for disallowance of provident fund and ESI expenses. The correction has been filed and amount involved is Rs. 1.46 (31 March 2020: Rs. 1.47).

#### Note C:

- i) In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated 23 October 2015 whereby demand of Rs. 761.04 has been raised for allowing a time extension for making additional investment in the project on land allotted to the Company (31 March 2020: Rs. 761.04). The Company has filed a request letter to waive off the same.
- ii) In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated 3 March 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2020: Rs. 76.48). The Company is in process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases and as advised by Company's tax/legal advisors, wherever applicable, the management believes that the Company has strong chance of success and hence no provision against matters disclosed in "Claims against the Company not acknowledged as debts" are considered necessary.

#### Note D:

#### In relation to 32(2) above guarantee given by the Company:

To facilitate grant of financing facilities to the Company's Joint Ventures Subsidiaries and others, Company has given Corporate Guarantees to banks. As at the year-end, the outstanding Corporate Guarantee/Stand by-Letter of Credits/ bank guarantees so given amounts to Rs. 1,720.13 (31 March 2020: Rs. 75.02).

### 33. Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

#### A. Name of Related Party and Relationship

##### Enterprises under common control

Sanjeevani Impex Private Limited
Sandhar Intelli-Glass Solutions Limited
Sandhar Info Systems Limited
Sandhar Estate Private Limited
YSG Estates Private Limited
Sandhar Enterprises
KDB Investment Private Limited
Jubin Finance and Investment Limited
Raasaa Retail Private Limited
Haridwar Estates Private Limited
Supanavi Trading Private Limited

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

#### A. Name of Related Party and Relationship (Contd..)

<b>Joint Ventures</b>	Indo Toolings Private Limited (up-to 9 October 2020)
	Sandhar Han Sung Technologies Private Limited
	Sandhar Ecco Green Energy Private Limited
	Jinyoung Sandhar Mechatronics Private Limited
	Sandhar Amkin Industries Private Limited
	Sandhar Daewha Automotive Systems Private Limited
	Sandhar Daeshin Auto Systems Private Limited
	Sandhar Whetron Electronics Private Limited
	Kwangsung Sandhar Technologies Private Limited
	Winnercom Sandhar Technologies Private Limited
	Sandhar Han Shin Automotive Private Limited (under process of Striking off)
	Kwangsung Sandhar Automotive Systems Private Limited
	Sandhar Han Shin Auto Technologies Private Limited
	Sandhar Daeshin Technologies Private Limited (w.e.f. 29 July 2020)
	Sandhar Autotech Private Limited (w.e.f. 27 January 2021)
	Daewha India Private Limited (w.e.f. 29 January 2021)
<b>Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company</b>	Mr. Jayant Davar
<b>Key Managerial Personnel</b>	Mr. Jayant Davar (Co-Chairman-and-Managing Director)
	Mr. Arvind Joshi (Whole time Director, C.F.O. & Company Secretary) (resigned w.e.f. 10 May 2020)
	Mr. Narender Kumar Dogra (Chief Financial Officer) (w.e.f. 11 May 2020 to 31 July 2020)
	Mr. Puru Aggarwal (Chief Financial Officer appointed w.e.f. 1 August 2020) (Whole Time Director w.e.f. 6 November 2020) (Resigned w.e.f. 26 February 2021)
	Mr. Yashpal Jain (Chief Financial Officer) (appointed w.e.f. 16 March 2021)
	Ms. Subhi Gupta (Company Secretary) (appointed w.e.f. 11 May 2020 to 6 November 2020)
	Mrs. Komal Malik (Company Secretary) (appointed w.e.f. 6 November 2020)
<b>Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company</b>	Mr. D. N. Davar (Chairman)
	Mrs. Monica Davar
	Mr. Neel Jay Davar
	Mrs. Santosh Davar
	Mrs. Poonam Juneja
	Mrs. Urmila Joshi
	Mrs. Minakshi Aggarwal
<b>Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence</b>	Swaran Enterprises (Mrs. Santosh Davar is a Partner)
	Shorah Realty LLP

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	2,676.12	2,815.79
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	332.06	180.35
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	230.56	180.22
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	13.89	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	34.64	-
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	27.05	27.93
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	10.65	13.58
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	138.27	216.09
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	1.61	2.27
Sale of Property Plant and Equipment	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	3.46	-
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	0.94
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	0.04
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	205.74
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.83	0.97
Purchase of Property Plant and Equipment	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	56.26
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	3.09	-
	Sandhar Intelli Glass Solutions Limited	Enterprises under Common control	-	113.99
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	0.17	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Reimbursement of expenses from	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	100.27	103.98
	Sandhar Infosystems Limited	Enterprises under Common control with the Reporting Enterprises	0.01	0.01
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	19.82	10.17
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	15.98
	Sandhar Daewha Automotives Systems Pvt Ltd	Joint Venture of Reporting Enterprises	7.80	51.77
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	23.94	34.52
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	0.13	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	49.37	85.88
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	7.50	2.42
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	16.65	77.19
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	2.78	0.38
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	39.81	20.89
Lease rentals (including GST/ Service Tax) paid to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	32.70	32.70
	Jubin Finance and Investment Limited	Enterprises under Common control with the Reporting Enterprises	290.72	268.36
	Urmila Joshi	Key Managerial Personnel & their relatives	0.51	9.14
	Minakshi Aggarwal	Key Managerial Personnel & their relatives	49.64	-
	Jayant Davar	Key Managerial Personnel & their relatives	7.89	6.00
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	0.71	0.59

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

**B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)**

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease rentals (including GST/ Service Tax) received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	26.36	15.05
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	23.04	23.30
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.28	0.28
	Jingyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	-	2.40
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	12.60	-
Dividend Received from	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	113.05	33.30
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	2.37
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	14.06
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	6.41
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	17.02	-
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	0.69	-
Service Received	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	3.53	-
	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	14.78	3.77
Interest Received	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	28.50	32.94
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	0.08
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.58	-
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1.07	-
	Sandhar Han Sung Technologies Pvt. Ltd.	Joint Venture of Reporting Enterprises	-	1.66

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Managerial remuneration	Jayant Davar	Key Managerial Personnel & their relatives	459.27	476.27
	Arvind Joshi	Key Managerial Personnel & their relatives	7.20	172.73
	Narender Kumar Dogra	Key Managerial Personnel & their relatives	7.86	47.41
	Puru Aggarwal	Key Managerial Personnel & their relatives	69.50	-
	Yashpal Jain	Key Managerial Personnel & their relatives	5.25	-
	Komal Malik	Key Managerial Personnel & their relatives	9.27	-
	Subhi Gupta	Key Managerial Personnel & their relatives	2.44	-
Dividend paid	Jayant Davar	Key Managerial Personnel & their relatives	627.80	781.56
	Others	Enterprises under Common control with the Reporting Enterprises	102.42	128.88
	Others	Key Managerial Personnel & their relatives	117.33	146.67
Investment in JV's	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	254.93	679.39
	Sandhar Daewha Automotives System Pvt Ltd	Joint Venture of Reporting Enterprises	120.00	15.00
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	700.00	287.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	898.85	108.52
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	149.34	633.49
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	1.00
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	75.00	199.99
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	400.00
	Sandhar Daeshin Technologies Private Limited	Joint Venture of Reporting Enterprises	1.00	-
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	436.80	-



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

**B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)**

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Loan & Advances Given to	Sandhar Daewha Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	105.44	88.18
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	505.00	400.00
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	16.00
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	95.00	-
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	165.00	-
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	100.78

### Balances Outstanding

Nature of Balances outstanding	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Outstanding Receivable	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	11.13	-
	Haridwar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	130.77	130.77
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	0.10	0.06
	Sandhar Daewha Automotives System Pvt Ltd	Joint Venture of Reporting Enterprises	214.54	145.66
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	509.74	486.15
	Sandhar Whetron Electronics Pvt Ltd	Joint Venture of Reporting Enterprises	1.09	0.92
	Kwangsung Sandhar Technologies Pvt Ltd	Joint Venture of Reporting Enterprises	-	0.01
	Sandhar Infosystems Limited	Enterprises under common control	-	0.001
	Sandhar Han Shin Automotive Pvt Ltd	Joint Venture of Reporting Enterprises	-	5.98
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.24	0.15
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.12	14.08
	Winnercom Sandhar Technologies Pvt Ltd	Joint Venture of Reporting Enterprises	-	5.88

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)

#### Balances Outstanding (Contd..)

Nature of Balances outstanding	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	373.29	291.92
	Sandhar Han Sung Technologies Pvt Ltd	Joint Venture of Reporting Enterprises	-	30.98
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	-	0.12
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	12.30
	Urmila Joshi	Key Managerial Personnel & their relatives	-	0.76
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.05	-
	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	36.00	36.00
Security deposit given to	Jubin Finance and Investment Limited	Enterprises under Common control with the Reporting Enterprises	98.88	98.88
Security deposit received	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	5.97	-
Managerial Remuneration Payable	Jayant Davar	Key Managerial Personnel & their relatives	361.82	333.56
	Yashpal Jain	Key Managerial Personnel & their relatives	5.25	-
	Narender Kumar Dogra	Key Managerial Personnel & their relatives	-	2.89
	Arvind Joshi	Key Managerial Personnel & their relatives	-	46.66
Corporate Guarantee/ standby letter of credit given to	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	919.69	-
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	700.00	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 33. Related Party Transactions (Contd..)

**B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. (Contd..)**

#### Balances Outstanding (Contd..)

Nature of Balances outstanding	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment outstanding in JV's	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	352.50
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,854.18	1,599.25
	Sandhar Ecco Green Energy Private Limited*	Joint Venture of Reporting Enterprises	222.48	222.48
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1,336.87	900.07
	Sandhar Daewha Automotives System Pvt Ltd	Joint Venture of Reporting Enterprises	1,617.31	1,497.31
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	1,532.00	832.00
	Sandhar Daeshin Auto Systems Private Limited	Joint Venture of Reporting Enterprises	1.07	1.07
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	832.41	683.07
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.37	109.52
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	400.00	400.00
	Sandhar Han Shin Automotive Private Limited**	Joint Venture of Reporting Enterprises	-	1.00
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	275.00	199.99
	Sandhar Daeshin Technologies Private Limited	Joint Venture of Reporting Enterprises	1.00	-

\*During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ('Sandhar Ecco Green Energy Private Limited'). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 69.20 Lacs (31 March 2019 Rs. 74.08) Lacs was recognized in the consolidated financial statements. In absence of visibility of business in the joint venture, the financial statements of the JV have been prepared on non-going concern basis, where the assets and liabilities have been disclosed as a realizable basis. During the current year the Investment in joint venture has been shown at the realisable value.

\*\*During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company went under liquidation. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

### C. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances at the year-end are unsecured and interest free and are to be settled in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 34. Disclosure required under Section 186(4) of the Companies Act, 2013

#### a. Particulars of loan given

Name of the Loanee	Loan given in earlier years	Loan given during the year	Loan written off	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2021	Purpose
Sandhar Daewha Automotives System Pvt Ltd	88.18	45.00	-	-	-	133.18	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Pvt Ltd	430.00	505.00	-	150.00	280.00	505.00	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Pvt Ltd	-	95.00	-	95.00	-	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Technologies Private Limited	-	165.00	-	165.00	-	-	Loan given to joint venture company in pursuant to business support.

#### (ii) Particulars of Corporate guarantee/ standby letter of credit given to:

Name of the entity	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
Sandhar Han Sung Technologies Private Limited	919.69	-	919.69	To secure working capital loan
Sandhar Amkin Industries Private Limited	700.00	-	700.00	To secure working capital loan

#### (iii) Particulars of investments made:

Refer note 6 and 7A for investments made by the Group.

### 35. Leases

- The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Group has applied the below practical expedients:
  - The Group has applied discount rates to a portfolio of leases with reasonably similar characteristics.
  - The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases.
  - The Group has not applied the requirements of Ind AS 116 for leases of low value assets.
  - The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.
- The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which are in the range of 2.18% - 8.8% for measuring the lease liabilities.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 35. Leases (Contd..)

#### iii. Impact of adoption of Ind AS 116 on the retained earnings

Particulars	As at 1 April 2019
Right-of-use assets	8,484.77
Lease liabilities	(9,019.49)
<b>Impact on the retained earnings</b>	<b>534.72</b>

#### iv. Impact of adoption of Ind AS 116 on the statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	336.03	336.08
Depreciation on Right-of-use assets (refer note 24)	1,334.93	1,256.03
<b>Impact on the statement of profit and loss for the year</b>	<b>1,670.96</b>	<b>1,592.11</b>

#### v. Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities including interest expenses	1,738.02	1,179.17
<b>Impact on the statement of cash flows for the year</b>	<b>1,738.02</b>	<b>1,179.17</b>

- vi. The Group does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

### 36. Financial Instruments- Fair Values

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:

Particulars	Carrying value		Fair value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>				
<b>A. FVTPL:</b>				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	84.05	70.75	84.05	70.75
Investment in Unquoted Mutual Funds	153.82	294.23	153.82	294.23
<b>B. Amortised Cost:</b>				
Security deposit	1,208.78	1,124.26	1,208.78	1,124.26
Loans recoverable from related parties	638.18	518.18	638.18	518.18
Loans to employees	40.40	32.08	40.40	32.08
Other advances	1,479.19	1,117.03	1,479.19	1,117.03
<b>Total</b>	<b>3,366.55</b>	<b>2,791.55</b>	<b>3,366.55</b>	<b>2,791.55</b>
<b>Financial liabilities</b>				
<b>A. Amortised Cost:</b>				
Borrowings				
Loans	22,056.40	20,077.39	22,056.40	20,077.39
Lease liabilities	8,977.88	8,232.91	8,977.88	8,232.91
<b>Total</b>	<b>31,034.28</b>	<b>28,310.30</b>	<b>31,034.28</b>	<b>28,310.30</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 36. Financial Instruments- Fair Values (Contd..)

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate Receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, is calculated by arriving at intrinsic value of the investee. The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

#### Discount rates used in determining fair value:

The interest rates used to discount estimated future cash flows, where applicable, are based on the discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

### 37. Fair Values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements 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.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorized with in 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 prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Finance Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 37. Fair Values hierarchy (Contd..)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### A. Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	84.05	-	-	84.05
Investment in Unquoted Mutual Funds	153.82	-	-	153.82
Assets measured at amortised cost for which fair values are disclosed (refer note 36):				
Security deposit	1,208.78	-	-	1,208.78
Loans recoverable from related parties	638.18	-	-	638.18
Loans to employees	40.40	-	-	40.40
Other advances	1,479.19	-	-	1,479.19
Liabilities measured at amortised cost for which fair values are disclosed (refer note 36):				
Loans	22,056.40	-	-	22,056.40
Lease liabilities	8,977.88	-	-	8,977.88

There have been no transfers between Level 1 and Level 2 during the period.

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

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	70.75	-	-	70.75
Investment in Unquoted Mutual Funds	294.23	-	-	294.23
Assets measured at amortised cost for which fair values are disclosed (refer note 36):				
Security deposit	1,124.26	-	-	1,124.26
Loans recoverable from related parties	518.18	-	-	518.18
Loans to employees	32.08	-	-	32.08
Other advances	1,117.03	-	-	1,117.03
Liabilities measured at amortised cost for which fair values are disclosed (refer note 36):				
Loans	20,077.39	-	-	20,077.39
Lease liabilities	8,232.91	-	-	8,232.91

There have been no transfers between Level 1 and Level 2 during the period.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies

The Company is primarily engaged in the manufacturing and assembling of automotive components such as lock-set, mirrors and various sheet metal components including cabins for two wheelers, four wheelers and off road vehicle industry. The Company's principal financial liabilities, comprises loans and borrowings, trade and other payables and finance lease obligation. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, employee advances, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions viz. CCIRS and Principal Swaps.

The Company has exposure to the following risks arising from financial instruments

- Market risk (see (b));
- Credit risk (see (c)); and
- Liquidity risk (see (d)).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

#### a) Risk Management Framework

The Company's activities make it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Particulars	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, Sensitivity analysis	Availability of borrowing facilities.
Market risk - foreign currency risk	Future commercial transactions, Recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, Sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### b) 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 following types of risk: interest rate risk, currency risk, price risk, and commodity risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

#### Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

Particulars	31 March 2021	31 March 2020
<b>Financial Liabilities</b>		
<b>Fixed rate instruments</b>		
- Vehicle Loan	23.85	59.43
<b>Variable rate instruments</b>		
- Term Loans	10,653.01	1,438.14
- Cash credit from bank	11,379.54	18,579.82
<b>Financial Assets</b>		
<b>Fixed rate instruments</b>		
- Fixed Deposits	655.73	221.67
- Loans	3,366.55	2,791.55

The Company does not account for fixed rate financial assets or financial liabilities at fair value through profit or loss, and the company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Interest Rate sensitivity

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### c) Interest rate risk (Contd..)

##### Exposure to interest rate risk (Contd..)

Particulars	Increase / decrease in basic points	Profit or loss	Profit or loss (net of tax)
<b>31 March 2021</b>			
Secured term loan from banks	100	42.56	31.84
Cash credit from bank	100	113.80	85.16
Other borrowings	100	64.21	48.05
Secured term loan	(100)	(42.56)	(31.84)
Cash credit from bank	(100)	(113.80)	(85.16)
Other borrowings	(100)	(64.21)	(48.05)
<b>31 March 2020</b>			
Secured term loan from banks	100	13.46	9.09
Cash credit from bank	100	185.80	125.41
Other borrowings	100	1.51	1.02
Secured term loan	(100)	(13.46)	(9.09)
Cash credit from bank	(100)	(185.80)	(125.41)
Other borrowings	(100)	(1.51)	(1.02)

#### 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 exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency (ECB borrowings).

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

#### Details of unhedged foreign currency exposures:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amount In Foreign Currency	Amount in Rs	Amount In Foreign Currency	Amount in Rs
Trade Payables (USD)	18.08	1,321.80	9.42	709.14
Trade Payables (JPY)	845.09	558.77	1,604.55	1,129.30
Trade Payables (GBP)	0.02	1.61	0.02	1.85
Trade Payables (EUR)	0.82	70.00	3.41	280.85
Trade Payables (MXN)	-	-	10.72	33.72
Trade Receivables (USD)	2.18	159.64	2.65	200.10
Trade Receivables (MXN)	54.87	196.06	0.64	2.00
Trade Receivables (EUR)	0.10	8.57	-	-

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2021	As at 31 March 2020
INR/ JPY	0.6612	0.7038
INR/ USD	73.1173	75.2419
INR/ GBP	100.7800	93.5490
INR/ EUR	85.7800	82.4290
INR/ MXN	3.5734	3.1456

# Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

## 38. Financial risk management objectives and policies (Contd..)

### c) Interest rate risk (Contd..)

#### Details of unhedged foreign currency exposures: (Contd..)

##### Sensitivity Analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Company's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the USD would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure JPY	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/JPY Increases by 1 %		0.6612	0.0066	845.09	(5.59)	(4.18)
	INR/JPY Decreases by 1 %		0.6612	(0.0066)	845.09	5.59	4.18
<b>As at 31 March 2020</b>	INR/JPY Increases by 1 %	Import Trade payables	0.7038	0.0070	1,604.55	(11.29)	(8.45)
	INR/JPY Decreases by 1 %		0.7038	(0.0070)	1,604.55	11.29	8.45

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/USD Increases by 1 %		73.1173	0.7312	18.08	(13.22)	(9.89)
	INR/USD Decreases by 1 %		73.1173	(0.7312)	18.08	13.22	9.89
<b>As at 31 March 2020</b>	INR/USD Increases by 1 %	Import Trade payables	75.2419	0.7524	9.42	(7.09)	(5.31)
	INR/USD Decreases by 1 %		75.2419	(0.7524)	9.42	7.09	5.31

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure GBP	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/GBP Increases by 1 %		100.7800	1.0078	0.02	(0.02)	(0.01)
	INR/GBP Decreases by 1 %		100.7800	(1.0078)	0.02	0.02	0.01
<b>As at 31 March 2020</b>	INR/GBP Increases by 1 %	Import Trade payables	93.5490	0.9355	0.02	(0.02)	(0.01)
	INR/GBP Decreases by 1 %		93.5490	(0.9355)	0.02	0.02	0.01

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### c) Interest rate risk (Contd..)

##### Details of unhedged foreign currency exposures: (Contd..)

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure EUR	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/EUR		85.7800	0.8578	0.82	(0.70)	(0.52)
	Increases by 1 %						
	INR/EUR		85.7800	(0.8578)	0.82	0.70	0.52
	Decreases by 1 %	Import Trade					
<b>As at 31 March 2020</b>	INR/EUR	payables	82.4290	0.8243	3.41	(2.81)	(2.10)
	Increases by 1 %						
	INR/EUR		82.4290	(0.8243)	3.41	2.81	2.10
	Decreases by 1 %						

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure MXN	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/MXN		-	-	-	-	-
	Increases by 1 %						
	INR/MXN		-	-	-	-	-
	Decreases by 1 %	Import Trade					
<b>As at 31 March 2020</b>	INR/MXN	payables	3.1456	0.0315	10.72	(0.34)	(0.25)
	Increases by 1 %						
	INR/MXN		3.1456	(0.0315)	10.72	0.34	0.25
	Decreases by 1 %						

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/USD		73.1173	0.7312	2.18	1.60	1.19
	Increases by 1 %						
	INR/USD		73.1173	(0.7312)	2.18	(1.60)	(1.19)
	Decreases by 1 %	Export Trade					
<b>As at 31 March 2020</b>	INR/USD	Receivables	75.2419	0.7524	2.65	1.99	1.49
	Increases by 1 %						
	INR/USD		75.2419	(0.7524)	2.65	(1.99)	(1.49)
	Decreases by 1 %						

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### c) Interest rate risk (Contd..)

##### Details of unhedged foreign currency exposures: (Contd..)

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure MXN	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/MXN		3.5734	0.0357	54.87	1.96	1.47
	Increases by 1 %						
	INR/MXN		3.5734	(0.0357)	54.87	(1.96)	(1.47)
	Decreases by 1 %	Export Trade					
<b>As at 31 March 2020</b>	INR/MXN	Receivables	3.1456	0.0315	0.64	0.02	0.01
	Increases by 1 %						
	INR/MXN		3.1456	(0.0315)	0.64	(0.02)	(0.01)
	Decreases by 1 %						

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure EUR	Effect on profit before tax (INR)	Effect on profit after tax (INR)
<b>As at 31 March 2021</b>	INR/EUR		85.7800	0.8578	0.10	0.09	0.06
	Increases by 1 %						
	INR/EUR		85.7800	(0.8578)	0.10	(0.09)	(0.06)
	Decreases by 1 %	Export Trade					
<b>As at 31 March 2020</b>	INR/EUR	Receivables	82.4290	0.8243	-	-	-
	Increases by 1 %						
	INR/EUR		82.4290	(0.8243)	-	-	-
	Decreases by 1 %						

#### Equity price risk

The Company's listed & non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

#### 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 its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments.

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables of INR 35,745.84 Lacs as at 31 March 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### c) Interest rate risk (Contd..)

##### Trade receivables (Contd..)

due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

Company's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of 31 March 2021 and 31 March 2020, however there was no default on account of those customers in the past.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

##### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

#### (a) Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans	2,157.77	1,664.68
Other financial assets	3,562.61	279.08
<b>Total</b>	<b>5,720.38</b>	<b>1,943.76</b>

#### (b) The ageing analysis of trade receivables for which loss allowance is measured using Life time Expected Credit Losses as of the reporting date is as follows:

Particulars	As at 31 March 2021	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	36,045.38	35,663.03	44.72	337.63
Expected credit loss (Loss allowance provision)	299.54	-	-	299.54
Carrying amount of trade receivables	35,745.84	35,663.03	44.72	38.09

Particulars	As at 31 March 2020	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	19,519.16	19,131.43	38.39	349.34
Expected credit loss (Loss allowance provision)	331.39	-	-	331.39
Carrying amount of trade receivables	19,187.77	19,131.43	38.39	17.95

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 38. Financial risk management objectives and policies (Contd..)

#### c) Interest rate risk (Contd..)

##### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is represented by the carrying amount of each financial asset.

#### d) Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2021	0- 1 year	1- 5 year	More than 5 year
Trade Payable	39,542.53	39,542.53	-	-
Borrowings	22,056.40	12,128.00	9,928.40	-
Lease liabilities	8,977.88	1,136.19	7,711.80	129.59
Other financial liabilities	3,069.18	3,069.18	-	-
<b>Total</b>	<b>73,645.99</b>	<b>55,875.90</b>	<b>17,640.20</b>	<b>129.59</b>

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2020	0- 1 year	1- 5 year	More than 5 year
Trade Payable	24,010.57	24,010.57	-	-
Borrowings	20,077.39	19,155.99	921.40	-
Lease liabilities	8,232.91	7,016.99	1,029.05	186.87
Other financial liabilities	3,789.97	3,789.97	-	-
<b>Total</b>	<b>56,112.64</b>	<b>53,975.32</b>	<b>1,950.45</b>	<b>186.87</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 39. Capital management

#### The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt equity ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	31 March 2021	31 March 2020
Net Debt (A)*	20,791.05	19,033.53
Equity (B)	80,806.56	76,607.57
<b>Debt Equity Ratio (A/B)</b>	<b>0.26</b>	<b>0.25</b>

\* Net debt includes Non-Current borrowing, Current borrowing, Current maturities of non-current borrowing net off Current investment and cash, cash equivalent and other bank balance.

### 40. Segment Reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automotive components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

#### Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

#### Revenue from Operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from external customers</b>		
India	159,651.65	165,265.67
Europe	26,704.86	29,074.03
<b>Total</b>	<b>186,356.51</b>	<b>194,339.70</b>

#### Non-current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
India	69,115.40	69,325.07
Europe	24,097.93	23,167.68
<b>Total</b>	<b>93,213.33</b>	<b>92,492.75</b>

#### Major customer

Revenue from transactions of the Company with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture

The Group has a 50% interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Eco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Indo Toolings Private Limited, Sandhar Daewha Automotive Systems Private Limited, Sandhar Daeshin Auto Systems Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Automotive Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited, joint venture entities are involved in manufacturing of the group's main automotive products in India.

The Group's interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Ecco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Indo Toolings Private Limited, Sandhar Daewha Automotive Systems Private Limited, Sandhar Daeshin Auto Systems Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Automotive Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of investment in consolidated financial statements are set out below :

#### Sandhar Ecco Green Energy Private Limited.

##### Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	149.29	165.30
Non-Current assets	2.05	7.92
Current Liabilities	1.99	1.32
Equity	149.35	171.90
Proportion of the group's ownership	74.67	85.95

##### Summarised Statement of profit & loss of Sandhar Ecco Green Energy Private Limited:

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Other incomes	5.28	29.54
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Cost	0.01	-
Depreciation and Amortization Expense	1.47	2.28
Other Expenses	24.36	17.00
(Loss)/ Profit Before Tax	(20.56)	10.26
Income tax expense	1.98	2.91
(Loss)/ Profit for the year (continuing operations)	(22.54)	7.35
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	(22.54)	7.35
Group's share of profit/ (loss) for the year	(11.27)	3.68

#### Sandhar Han Sung Technologies Private Limited

##### Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	1,781.94	1,125.25
Non-Current assets	3,785.15	2,807.25
Current Liabilities	2,057.11	1,010.82
Non-current liabilities	1,140.38	882.87
Equity	2,369.60	2,038.79
Proportion of the group's ownership	1,184.80	1,019.40

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	3,265.47	2,380.93
Other incomes	21.96	28.53
Cost of Raw Material & Component Consumed	1,983.01	1,417.53
Employee Benefits Expense	661.01	622.08
Finance Costs	112.07	155.49
Depreciation and Amortization Expense	235.44	200.60
Other Expenses	542.64	444.58
Loss Before Tax	(246.74)	(430.81)
Income tax expense	(64.86)	(432.90)
(Loss)/ Profit for the year (continuing operations)	(181.89)	2.09
Other comprehensive income for the year, net of tax	3.35	16.96
Total Comprehensive income for the year (continuing operations)	(178.53)	19.05
Group's share of profit/ (loss) for the year	(89.27)	9.52

#### Indo Toolings Private Limited

#### Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	2,546.14	3,107.93
Non-Current assets	238.63	206.75
Current Liabilities	2,627.15	2,982.27
Non-current liabilities	97.59	100.64
Equity	60.03	231.78
Proportion of the group's ownership	30.01	115.89

#### Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	985.91	3,621.48
Other incomes	0.05	18.30
Cost of Raw Material & Component Consumed	668.03	1,487.82
Employee Benefits Expense	296.64	689.59
Finance Costs	26.00	78.24
Depreciation and Amortization Expense	10.58	23.78
Other Expenses	196.48	1,094.75
Profit/ (Loss) Before Tax	(211.76)	265.59
Income tax expense	(39.08)	73.51
Profit/ (Loss) for the year (continuing operations)	(172.68)	192.09
Other comprehensive income for the year, net of tax	0.93	(4.64)
Total Comprehensive income for the year (continuing operations)	(171.75)	187.45
Group's share of profit/ (loss) for the year	(85.88)	93.73

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Sandhar Amkin Industries Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	1,674.02	1,584.48
Non-Current assets	2,167.90	1,679.05
Current Liabilities	1,790.83	1,304.31
Non-current liabilities	1,787.81	1,749.87
Equity	263.28	209.35
Proportion of the group's ownership	131.64	104.67

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	1,379.94	1,024.90
Other incomes	11.73	5.18
Cost of Raw Material & Component Consumed	1,063.17	716.02
Employee Benefits Expense	421.34	444.03
Finance Costs	270.12	216.57
Depreciation and Amortization Expense	227.98	209.26
Other Expenses	587.48	571.46
Loss Before Tax	(1,178.42)	(1,127.26)
Income tax expense	(539.43)	12.66
Loss for the year (continuing operations)	(638.99)	(1,139.92)
Other comprehensive income for the year, net of tax	(1.01)	4.30
Total Comprehensive income for the year (continuing operations)	(640.00)	(1,135.62)
Group's share of loss for the year	(320.00)	(567.81)

#### Jinyoung Sandhar Mechatronics Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	2,899.96	2,140.30
Non-Current assets	4,616.48	4,548.73
Current Liabilities	2,704.86	3,242.16
Non-current liabilities	4,262.09	3,042.25
Equity	549.49	404.62
Proportion of the group's ownership	274.75	202.31

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	2,998.64	2,919.99
Other incomes	290.10	25.77
Cost of Raw Material & Component Consumed	2,458.81	2,288.93
Employee Benefits Expense	547.75	506.99
Finance Costs	73.64	278.30
Depreciation and Amortization Expense	312.19	268.72
Other Expenses	888.09	891.00
Loss Before Tax	(991.74)	(1,288.18)
Income tax expense	(268.75)	(526.27)
Loss for the year (continuing operations)	(723.00)	(761.91)
Other comprehensive income for the year, net of tax	(4.85)	17.29
Total Comprehensive income for the year (continuing operations)	(727.84)	(744.62)
Group's share of loss for the year	(363.92)	(372.31)

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Sandhar Daewha Automotive Systems Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	523.77	445.15
Non-Current assets	2,200.55	2,289.49
Current Liabilities	420.57	287.00
Non-current liabilities	13.28	9.80
Equity	2,290.47	2,437.84
Proportion of the group's ownership	1,145.23	1,218.92

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	303.90	182.42
Other incomes	1.22	1.61
Cost of Raw Material & Component Consumed	250.87	146.13
Employee Benefits Expense	126.64	127.39
Finance Costs	14.81	3.77
Depreciation and Amortization Expense	193.53	188.87
Other Expenses	81.28	118.30
Loss Before Tax	(362.01)	(400.43)
Income tax expense	(92.85)	(212.16)
Loss for the year (continuing operations)	(269.16)	(188.27)
Other comprehensive income for the year, net of tax	1.79	2.31
Total Comprehensive income for the year (continuing operations)	(267.37)	(185.96)
Group's share of loss for the year	(133.69)	(92.98)

#### Sandhar Daeshin Auto Systems Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	1.18	1.43
Non-Current assets	-	-
Current Liabilities	0.17	0.19
Non-current liabilities	-	-
Equity	1.01	1.24
Proportion of the group's ownership	0.50	0.62

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Other incomes	-	-
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	0.41	0.28
Loss Before Tax	(0.41)	(0.28)
Income tax expense	(0.18)	(0.31)
Profit/ (Loss) for the year (continuing operations)	(0.23)	0.03
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	(0.23)	0.03
Group's share of profit/ (loss) for the year	(0.11)	0.01



## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Sandhar Whetron Electronics Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	546.16	680.36
Non-Current assets	1,455.42	996.35
Current Liabilities	40.98	101.72
Non-current liabilities	248.97	249.10
Equity	1,711.63	1,325.89
Proportion of the group's ownership	855.81	662.95

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	131.12	-
Other incomes	14.97	42.00
Cost of Raw Material & Component Consumed	97.68	-
Employee Benefits Expense	54.00	3.97
Finance Costs	7.09	-
Depreciation and Amortization Expense	57.92	7.61
Other Expenses	13.61	9.29
Profit/ (Loss) Before Tax	(84.20)	21.13
Income tax expense	(21.57)	10.57
Profit/ (Loss) for the year (continuing operations)	(62.64)	10.57
Other comprehensive income for the year, net of tax	1.86	0.48
Total Comprehensive income for the year (continuing operations)	(60.78)	11.04
Group's share of profit/ (loss) for the year	(30.39)	5.52

#### Kwangsung Sandhar Technologies Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	2,013.54	47.31
Non-Current assets	3,163.49	1,275.29
Current Liabilities	2,891.52	655.38
Non-current liabilities	363.26	478.91
Equity	1,922.25	188.31
Proportion of the group's ownership	961.13	94.15

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Other incomes	8.47	2.20
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	1.07	-
Depreciation and Amortization Expense	-	-
Other Expenses	20.74	22.12
Loss Before Tax	(13.34)	(19.92)
Income tax expense	18.57	0.35
Loss for the year (continuing operations)	(31.91)	(20.27)
Other comprehensive income for the year, net of tax	5.32	-
Total Comprehensive income for the year (continuing operations)	(26.59)	(20.27)
Group's share of loss for the year	(13.29)	(10.13)

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Winnercom Sandhar Technologies Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	872.92	711.47
Non-Current assets	391.27	404.34
Current Liabilities	491.43	333.45
Non-current liabilities	11.89	5.72
Equity	760.87	776.64
Proportion of the group's ownership	380.44	388.32

#### Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	1,966.30	165.73
Other incomes	26.18	5.56
Cost of Raw Material & Component Consumed	1,733.03	125.75
Employee Benefits Expense	111.68	28.26
Finance Costs	-	-
Depreciation and Amortization Expense	46.62	9.38
Other Expenses	118.57	31.28
Profit/ (Loss) Before Tax	(17.42)	(23.36)
Income tax expense	(3.04)	-
Profit/ (Loss) for the year (continuing operations)	(14.38)	(23.36)
Other comprehensive income for the year, net of tax	(1.39)	-
Total Comprehensive income for the year (continuing operations)	(15.77)	(23.36)
Group's share of profit/ (loss) for the year	(7.88)	(11.68)

#### Sandhar Han Shin Automotive Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	-	0.90
Non-Current assets	-	-
Current Liabilities	-	6.23
Non-current liabilities	-	-
Equity	-	(5.33)
Proportion of the group's ownership	-	(2.67)

#### Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Other incomes	5.98	-
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	0.65	6.33
Profit/ (Loss) Before Tax	5.33	(6.33)
Income tax expense	-	-
Loss for the year (continuing operations)	5.33	(6.33)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	5.33	(6.33)
Group's share of profit/ (loss) for the year	2.67	(3.17)

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

#### Sandhar Han Shin Auto Technologies Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	607.81	372.56
Non-Current assets	384.11	290.39
Current Liabilities	569.14	214.70
Non-current liabilities	14.55	56.47
Equity	408.23	391.78
Proportion of the group's ownership	204.11	195.89

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	740.81	109.20
Other incomes	18.20	1.31
Cost of Raw Material & Component Consumed	711.75	98.57
Employee Benefits Expense	111.77	4.63
Finance Costs	3.81	-
Depreciation and Amortization Expense	58.62	3.84
Other Expenses	46.56	13.85
Loss Before Tax	(173.50)	(10.38)
Income tax expense	(45.26)	(2.16)
Loss for the year (continuing operations)	(128.24)	(8.22)
Other comprehensive income for the year, net of tax	(5.31)	-
Total Comprehensive income for the year (continuing operations)	(133.55)	(8.22)
Group's share of loss for the year	(66.77)	(4.11)

#### Sandhar Daeshin Technologies Private Limited

Summarised balance sheet as at 31 March 2021 and 31 March 2020:

Particulars	31 March 2021	31 March 2020
Current assets	0.99	-
Non-Current assets	-	-
Current Liabilities	(0.25)	-
Non-current liabilities	-	-
Equity	0.74	-
Proportion of the group's ownership	0.37	-

Summarised Statement of profit & loss

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Other incomes	-	-
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	0.26	-
Loss Before Tax	(0.26)	-
Income tax expense	-	-
Loss for the year (continuing operations)	(0.26)	-
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	(0.26)	-
Group's share of loss for the year	(0.13)	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

### 41. Interest in Joint venture (Contd..)

The Group had no contingent liabilities or capital commitment relating to its interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Ecco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Indo Toolings Private Limited, Sandhar Daewha Automotive Systems Private Limited, Sandhar Daeshin Auto Systems Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Automotive Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited as at 31 March 2021 and 31 March 2020.

All the Joint Ventures companies cannot distribute its profits until obtains the consent from the two venture partners.

### 42. Research & Development (R & D) Expenses

The Company has incurred following expenditure on its Research and Development center at Gurgaon approved and recognised by the Ministry of Science & Technology, Government of India.

#### a. Capital Expenditure

Particulars	31 March 2021	31 March 2020
Capital expenditure	12.06	47.77

#### b. Revenue Expenditure\*

Particulars	31 March 2021	31 March 2020
Material/Consumables/Spares	9.15	8.37
Employee benefits expenses	323.93	482.49
Power & Fuel	1.48	4.38
Repair & maintenance	4.45	21.23
Travelling & conveyance	0.25	5.68
Legal & professional charges	1.93	8.06
Miscellaneous expenses	16.85	5.59
<b>Total</b>	<b>358.04</b>	<b>535.80</b>

\*This includes amount of Rs 39.41 which is not allowed as deduction under section 35(2AB) of Income Tax Act 1961 as R&D Expenditure.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2021  
(Rupees in lacs, except share data, per share data and unless otherwise stated)

## 43. Disclosure of additional information as required by the Schedule III

Name of the entity	2020-21							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)
<b>Parent</b>								
Sandhar Technologies Ltd.	94.54%	76,049.28	112.65%	6,505.71	(107.37%)	(400.55)	113.01%	6,105.17
<b>Indian Subsidiaries of Sandhar Technologies Ltd.</b>								
Sandhar Tooling Pvt Ltd	1.69%	1,362.69	0.68%	38.99	(1.98%)	(7.39)	0.58%	31.60
Sandhar Strategic Systems Private Limited	0.00%	(0.06)	(0.01%)	(0.29)	0.00%	-	(0.01%)	(0.29)
Minority interest in Sandhar Tooling Pvt Ltd.	(0.46%)	(369.06)	(0.14%)	(7.99)	(0.40%)	1.49	(0.12%)	(6.50)
<b>Foreign subsidiaries of Sandhar Technologies Ltd.</b>								
Sandhar Technologies Barcelona, SL	5.61%	4,514.58	6.22%	359.23	(8.86%)	33.06	7.26%	392.29
<b>Joint ventures</b>								
Indo Toolings Private Limited	0.04%	30.01	(1.49%)	(86.34)	(0.12%)	0.46	(1.59%)	(85.88)
Jinyoung Sandhar Mechatronics Pvt Ltd	0.34%	274.75	(6.26%)	(361.50)	0.65%	(2.42)	(6.74%)	(363.92)
Sandhar Amkin Industries Private Limited	0.16%	131.64	(5.53%)	(319.49)	0.14%	(0.51)	(5.92%)	(320.00)
Sandhar Daewha Automotive Systems Private Limited	1.42%	1,145.23	(2.33%)	(134.58)	(0.24%)	0.90	(2.47%)	(133.69)
Sandhar Ecco Green Energy Private Limited	0.09%	74.67	(0.20%)	(11.27)	0.00%	-	(0.21%)	(11.27)
Sandhar Han Sung Technologies Pvt Limited	1.47%	1,184.80	(1.57%)	(90.94)	(0.45%)	1.68	(1.65%)	(89.27)
Sandhar Daeshin Auto Systems Private Limited	0.00%	0.50	0.00%	(0.11)	0.00%	-	0.00%	(0.11)
Sandhar Whetron Electronics Pvt Limited	1.06%	855.81	(0.54%)	(31.32)	(0.25%)	0.93	(0.56%)	(30.39)
Kwangsung Sandhar Technologies Pvt Limited	1.19%	961.13	(0.28%)	(15.95)	(0.71%)	2.66	(0.25%)	(13.29)
Winnercom Sandhar Technologies Pvt Limited	0.47%	380.44	(0.12%)	(7.19)	0.19%	(0.69)	(0.15%)	(7.88)
Sandhar Han Shin Automotive Pvt Limited	0.00%	-	(0.05%)	2.67	0.00%	-	(0.05%)	2.67
Sandhar Han Shin Auto Technologies Pvt Limited	0.25%	204.11	(1.11%)	(64.12)	0.71%	(2.66)	(1.24%)	(66.77)
Sandhar Daeshin Technologies Pvt Limited	0.00%	0.37	(0.00%)	(0.13)	0.00%	-	(0.00%)	(0.13)
Less: Cost of investment in joint ventures	(7.91%)	(6,363.39)						
<b>Consolidated Net Assets/ Profit after tax</b>	<b>100.00%</b>	<b>80,437.50</b>	<b>100.00%</b>	<b>5,775.37</b>	<b>100.00%</b>	<b>(373.04)</b>	<b>100.00%</b>	<b>5,402.33</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

(Rupees in lacs, except share data, per share data and unless otherwise stated)

**44.** The Group has assessed the impact that may result from COVID 19 on its liquidity position, carrying amounts of tangible assets, investments, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has considered internal and external information available till the date of approval these consolidated financial statements and has assessed its situation.

In that context and based on the current estimates, the Group believes that COVID 19 is not likely to have any material impact on its consolidated 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 consolidated financial statements. The Group would closely monitor such developments in future economic conditions and consider their impact on the consolidated financial statements of the relevant periods.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

**Sandhar Technologies Limited**

**Shashank Agarwal**

Partner

Membership No. 095109

**D.N. Davar**

Chairman

DIN:00002008

**Jayant Davar**

Co-Chairman and  
Managing Director

DIN:00100801

**Yashpal Jain**

Chief Financial Officer

**Vimal Mahendru**

Director

DIN:00006016

**Arvind Kapur**

Director

DIN:00096308

**Archana Capoor**

Director

DIN:01204170

**Komal Malik**

Company Secretary

ICSI M. No : 6430

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

# SANDHAR

Growth. Motivation. Better Life

## Notice

Notice is hereby given that the 29th Annual General Meeting ("AGM") of the Members of Sandhar Technologies Limited will be held on Thursday, 23rd September, 2021 at 10:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

- 1) **To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the Financial year ended the 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.**
- 2) **To declare a final dividend of Rs. 1/- per equity share of Rs. 10/- each fully paid up and to confirm the interim dividend of Rs. 1.25 per equity share of Rs. 10/- each fully paid up, already paid, for the Financial year ended the 31st March, 2021.**
- 3) **To re-appoint the Directors, liable to retire by rotation:**
  - (a) To appoint a Director in place of Shri Dharmendar Nath Davar (DIN- 00002008), who retires by rotation and being eligible, offers himself for re-appointment.
  - (b) To appoint a Director in place of Smt. Monica Davar (DIN- 00100875), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

- 4) **Appointment of Shri Neel Jay Davar (DIN: 09201336) as Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Neel Jay Davar (DIN: 09201336), who was appointed as an Additional Director of the Company with effect from 06th August, 2021 and holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.

- 5) **Ratification of remuneration payable to Cost Auditor viz. M/s Satija & Co for audit of cost records for the financial year 2020-2021**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and

Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year ending the 31st March, 2021 to M/s Satija & Co, Cost Accountants, New Delhi, having Firm Registration No. 004907, appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company, amounting to Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) and reimbursement of out of pocket expenses incurred during the course of audit be and is hereby ratified and confirmed."

- 6) **Ratification of remuneration payable to Cost Auditor viz. Satija & Co for audit of cost records for the financial year 2021-2022**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year ending the 31st March, 2022 to M/s Satija & Co, Cost Accountants, New Delhi, having Firm Registration No. 004907, appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company, amounting to Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) and reimbursement of out of pocket expenses incurred during the course of audit be and is hereby ratified and confirmed."

By Order of the Board of Directors  
For **Sandhar Technologies Limited**

Sd/  
**KOMAL MALIK**  
Company Secretary &  
Compliance Officer  
Membership Number: 6430

Place: Gurugram  
Dated: 06th August, 2021

### Registered Office:

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029  
CIN: L74999DL1987PLC029553  
Phone: 0124-4518900  
Fax: 0124-4518912  
Email: info@sandhar.in  
Website: www.sandhargroup.com



## NOTES:

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular dated May 12, 2020 and January 15, 2021 ("SEBI Circulars") permitted the holding of the Annual General Meeting ("the AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
- 2) An Explanatory Statement setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standard, relating to Special Business to be transacted at the AGM, is annexed to the Notice.
- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) Institutional / Corporate Members are required to send a scanned copy (PDF/JPG format) of its Board or Governing Body resolution /Authorization Letter etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting at least 48 hours before the AGM. The said resolution / authorization shall be sent to through e-mail on [investors@sandhar.in](mailto:investors@sandhar.in)
- 5) Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 17, 2021 to Thursday, September 23, 2021 (both days inclusive).
- 6) Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking appointment / re-appointment at the AGM is attached as Annexure forming part of this Notice.
- 7) In compliance with the MCA Circulars and SEBI Circulars the notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the depository participant(s). Members who have not registered their e-mail address are requested to register the same with their respective depository participant(s). In case of any assistance, the members are requested to write an email to [investors@sandhar.in](mailto:investors@sandhar.in).
- 8) Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website [www.sandhargroup.com](http://www.sandhargroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Registrar <https://instavote.linkintime.co.in>.
- 9) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 16, 2021, the September 16, 2021, i.e., the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the resolutions set forth in this Notice.
- 10) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request to Registrar. However, if he/she is already registered with Registrar for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- 11) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- 12) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 13) The remote e-voting period will commence at 09:00 A.M., on Monday, September 20, 2021 and will end at 05:00 P.M. on Wednesday, September 22, 2021.
- 14) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 15) Members who are present in the meeting through VC/OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
- 16) The Members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- 17) The Company has appointed Mr. K K Sachdeva, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

- 18) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 19) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to [investors@sandhar.in](mailto:investors@sandhar.in).
- 20) The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Registrar by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant (DP).
- 21) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the AGM through e-mail on [investors@sandhar.in](mailto:investors@sandhar.in). The same shall be replied by the Company suitably.
- 22) As per Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National/Regional/Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS/RTGS/NEFT/NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of Dividends or other cash benefits to the investors. In addition to this, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.
- 23) Therefore, Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.
- 24) Shareholders who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
- 25) Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Companies Act, 2013, are requested to send their request to [investors@sandhar.in](mailto:investors@sandhar.in) in the prescribed form.
- 26) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
- 27) Members may note that the Income Tax Act, 1961 ("Income Tax Act"), as amended by the Finance Act, 2020, mandates that Dividends paid or distributed by a Company after the 01st April, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable Company to determine the appropriate TDS rate as applicable, Members are requested to verify the correctness of the records (including residential status and PAN) and update the same with your depositories (where shares are held in dematerialized mode) and with the Company's RTA (where shares are held in physical mode). Also submit the documents/declarations as prescribed in accordance with the provisions of the Income Tax Act.
- For Resident Members**, taxes shall be deducted at source under Section 194 of the Income Tax Act, as follows:
- |  |   |
|--|---|
| Shareholders having valid PAN              | 10% or as notified by the Government of India |
| Shareholders not having PAN or invalid PAN | 20%   |
- However, no tax shall be deducted on the dividend payable to a resident individual Member if the total dividend to be received by them during FY 2020-21 from the Company does not exceed Rs. 5,000, and also in cases where Members providing Form No 15G/Form 15H (applicable to an individual age of 60 years or more) subject to conditions specified in the Act and other applicable sections of the Income Tax Act by email to [investors@sandhar.in](mailto:investors@sandhar.in).
- Resident Members may also submit valid document as prescribed under the Income Tax Act to claim a lower/ Nil withholding tax. PAN is mandatory for Members while providing Form No.15G/15H or any other document as mentioned above. Resident Non-Individual Members (who are exempt from TDS under Section 194 of the Income Tax Act or covered under Section 196 of the Income Tax Act) are required to submit self-attested copy of the valid documentary evidence and declaration to avail such exemption under the Income Tax Act.
- For Non-Resident Members**, taxes are required to be withheld in accordance with Section 195 and other applicable sections of the Income Tax Act. For FPI/FII, TDS shall be at the rate of 20% (plus applicable surcharge and cess)

as per Section 196D of the Income Tax Act. For other non-resident Members, the TDS shall be at the rate of 20% (plus applicable surcharge and cess) or as per Section 90 of the Income Tax Act, an option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, other non-resident Members will have to provide the following:

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
  - ii. Self-attested copy of Tax Residency Certificate (TRC) for FY 2020-2021 obtained from the revenue authorities of the country of tax residence of Members.
  - iii. Self-declaration Form 10F.
  - iv. Self-declaration by the Member of having no taxable presence or a fixed base/Permanent Establishment in India.
  - v. Self-declaration of Beneficial ownership by the Member, and eligibility to claim treaty benefit, which is not impaired in any manner.
  - vi. Any other documents as prescribed under the Income Tax Act for lower withholding of taxes, if applicable duly attested by the shareholder.
- 28) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 29) The results declared along with the scrutinizer's report shall be placed on the website of the Company [www.sandhargroup.com](http://www.sandhargroup.com) under the head "Investor Relations" immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
- 30) Instructions for e-voting and joining the Annual General Meeting are as follows:

**Instructions for Shareholders/Members to attend the Annual General Meeting InstaMeet (through VC/OAVM):**

Shareholders/ Members will be provided with InstaMeet facility for attending the AGM through VC/OAVM wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
  - i. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

- ii. **PAN:** Enter your 10-digit Permanent Account Number (PAN)
- iii. **Mobile No.:** Enter your mobile number.
- iv. **Email ID:** Enter your email id, as recorded with your DP/Company.

**2. Click "Go to Meeting"**

**Note:**

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: 022-49186175.

**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at e-mail: [investors@sandhar.in](mailto:investors@sandhar.in) in from Monday, September 20, 2021 at 10.00 A.M. to Wednesday, September 22, 2021 at 5.00 P.M.

The Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at e-mail : [investors@sandhar.in](mailto:investors@sandhar.in). The same will be replied by the Company suitably.

**Note:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members are allowed to use camera and are advised to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- b) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
- c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- d) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
- e) Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and

have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: 022-49186175.

**REMOTE E-VOTING**

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Link Intime India Private Limited ("LIPL"), Registrar and Share Transfer agent of the Company to facilitate remote e-voting

The remote e-voting period will commence from 09:00 A.M. (IST), on Monday, September 20, 2021 and will end at 05:00 P.M. (IST) on Wednesday, September 22, 2021. During this period, shareholders of the Company, holding shares in dematerialized form as on the Cut-off Date i.e. Thursday, September 16, 2021 may cast their votes electronically. The remote e-voting module shall be disabled by LIPL for voting after 05:00 P.M. (IST) on the Wednesday, September 22, 2021

The process and instructions for remote e-voting are as under:

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 09, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> </li> <li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above <ul style="list-style-type: none"> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> </ul> </li> </ul> </li> <li>Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

#### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.



During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

#### Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

#### General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

#### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on 022 –4918 6000.

By Order of the Board of Directors  
For **Sandhar Technologies Limited**

Sd/  
**KOMAL MALIK**  
Company Secretary &  
Compliance Officer  
Membership Number: 6430

Place: Gurugram  
Dated: 06th August, 2021

#### Registered Office:

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029  
CIN: L74999DL1987PLC029553  
Phone: 0124-4518900  
Fax: 0124-4518912  
Email: [info@sandhar.in](mailto:info@sandhar.in)  
Website: [www.sandhargroup.com](http://www.sandhargroup.com)



**EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

**Item No 4:****Appointment of Shri Neel Jay Davar (DIN: 09201336) as Director of the Company**

Shri Neel Jay Davar was appointed as an Additional Director of the Company w. e. f. 6th August, 2021 in terms of Section 161 of the Companies Act, 2013 ("Act") subject to the Articles of the Association of the Company and holds such office upto the date of this Annual General Meeting.

The Company has received notice in writing from the Member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company.

Shri Neel Jay Davar has given his consent and declaration of non-disqualification to act as Director of the Company.

Shri Neel Jay Davar is son of Shri Jayant Davar, Co-Chairman and Managing Director of the Company, Smt. Monica Davar, Non-Executive Non Independent Director and Grandson of Shri D. N. Davar, Chairman of the Company. Therefore, Shri D. N. Davar, Shri Jayant Davar and Smt. Monica Davar, Promoters and Directors of the Company are concerned or interested in this resolution.

Save and except the above, none of the other Directors, Key Managerial Personal(s) and their relatives are in any way, concerned or interested, whether financially or otherwise in this resolution.

This statement may also be regarded as an appropriate disclosure to take decision thereon. The Board recommends the above Ordinary Resolution set forth in item no.4 for the approval of the members of the Company.

**Item No 5:****Ratification of remuneration payable to Cost Auditor viz. M/s Satija & Co for audit of cost records for the financial year 2020-2021**

M/s. A.N. Satija & Co was appointed as the Cost auditors of the Company at the meeting of Board of Directors held on 13th August, 2020 for the Financial Year 2020-2021.

However, due to sudden demise of Mr. A.N. Satija, proprietor of M/s. A.N. Satija & Co after fighting the deadly virus Covid -19, the position of Cost Auditor was vacated.

The Board on the recommendation of Audit Committee approved the appointment and remuneration of M/s Satija & Co., the Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year ended the 31st March, 2021 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) and reimbursement of out of pocket expenses incurred during the course of audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014,

the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing Ordinary Resolution as set out at Item No. 5 for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended 31st March, 2021.

None of the other Promoters, Directors, Key Managerial Personal(s) and their relatives are in any way, concerned or interested, whether financially or otherwise in this resolution.

**Item No 6:****Ratification of remuneration payable to Cost Auditor viz. Satija & Co for audit of cost records for the financial year 2021-2022**

The Board on the recommendation of Audit Committee approved the appointment and remuneration of M/s Satija & Co., the Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year ended the 31st March, 2022 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty-Five Thousand Only) and reimbursement of out of pocket expenses incurred during the course of audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing Ordinary Resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended 31st March, 2022.

None of the other Promoters, Directors, Key Managerial Personal(s) and their relatives are in any way, concerned or interested, whether financially or otherwise in this resolution.

By Order of the Board of Directors  
For **Sandhar Technologies Limited**

Sd/  
**KOMAL MALIK**  
Company Secretary &  
Compliance Officer  
Membership Number: 6430

Place: Gurugram  
Dated: 06th August, 2021

**Registered Office:**

B-6/20 L.S.C. Safdarjung Enclave,  
New Delhi-110029  
CIN: L74999DL1987PLC029553  
Phone: 0124-4518900  
Fax: 0124-4518912  
Email: info@sandhar.in  
Website: www.sandhargroup.com

## ANNEXURE-I

**Brief resume of director seeking Appointment/Re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Name of the Director	Shri Dharmendar Nath Davar	Smt Monica Davar	Shri Neel Jay Davar
Date of Birth	08/08/1934	07/09/1965	16/08/1997
Age	87	55	24
Date of Appointment/Reappointment	02/07/1994	24/10/1987	06/08/2021
Relationship with Directors and Key Managerial Personnel	Father of Shri Jayant Davar, Co-Chairman and Managing Director  Father-in-law of Smt. Monica Davar, Non-Executive Director	Daughter-in-law of Shri D N Davar, Chairman and Non-Executive Director  Wife of Shri Jayant Davar Co-Chairman and Managing Director	Grandson of Shri D N Davar, Chairman and Non-Executive Director  Son of Shri Jayant Davar, Co-Chairman & Managing Director and Smt. Monica Davar, Non-Executive Director
Qualification(s)	B.Com (Hons.), M.A. (Economics), Certified Associate of the Indian Institute of Bankers, and Fellow of the Economic Development Institute of the World Bank.	Pre-Universities studies in Commerce Stream	B S Industrial Engineering and Operations from the University of California, Berkeley.
Expertise in specific Functional Area	Finance, Banking and Corporate Management and Laws	24 years of experience in the auto components sector	Software Development and prototyping
Board Membership of listed Companies	1. Sandhar Technologies Limited  2. Landmark Property Development Company Limited	1. Sandhar Technologies Limited	Nil
Committees of the Board (Sandhar Technologies Limited)	1. Finance Committee  2. Risk Management Committee	1. Corporate Social Responsibility Committee  2. Risk Management Committee	Nil
Number of Shares held in the Company as on June 30, 2021	8,39,582	26,22,725	15,55,995



