SANDHAR
Growth. Motivation. Better Life

Ref: STL/SE/2022-2023/AGM Notice & Annual Report/37

Dated: 24th August, 2022

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

To,
Listing Department,
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex,
Bandra, (E), Mumbai – 400 051

BSE Code: 541163; NSE: SANDHAR

Sub: Notice of the 30th Annual General Meeting along with the Annual Report for the Financial Year 2021-2022.

Dear Sir/Ma'am,

With reference to the captioned subject, we are submitting herewith the Notice of Annual General Meeting ("AGM") along with the Annual Report for the Financial Year 2021-2022, which is being sent to the shareholders by Electronic Mode.

The 30th Annual General Meeting of the Company will be held on Thursday, the 22nd September, 2022 at 11:30 A.M. (IST) through Video Conferencing/Other Audio Visual means.

The Schedule of events relating to the AGM is set out below:

Events	Day and Date	Time (IST)
Relevant Date/Record Date/Cut-off date to vote on AGM Resolution	Thursday, 15th September, 2022	NA
Book Closure Date for AGM and Final Dividend	Friday, 16th September, 2022 to Thursday, 22nd September, 2022 (both days inclusive)	NA
Remote e-voting Start date and time	Monday, 19th September, 2022	09:00 A.M.
Remote e-voting End date and time	Wednesday, 21st September, 2022	05:00 P.M.
AGM date and time	Thursday, 22nd September, 2022	11:30 A.M.

The Annual Report containing the notice is also uploaded on the Company's website viz. https://sandhargroup.com/investors/annual-reports.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For SANDHAR TECHNOLOGIES LIMITED

STL
SANDHAR TECHNOLOGIES LIMITED

Komal Malik
Company Secretary &
Compliance Officer

Encl.: As above

SANDHAR

Growth. Motivation. Better Life

Empowering growth.
Fostering sustainability.

SANDHAR TECHNOLOGIES LIMITED

ANNUAL REPORT **2021-22**

RISING WITH RESILIENCE.

As the world gets back to normal, post-pandemic, the need for a sustainable future has strengthened further. Efforts to create safer generations remain to be the key focus when it comes to growing together. We at Sandhar, have always been on the forefront when it comes to creating a sustainable future, while walking hand in hand with progress.

We've progressed through times, and have been doing it phenomenally year on year. Here's another snapshot of our sustainable growth that's sure to foster a brighter future ahead.

CONTENTS

CHANGING THE WAY **THE WORLD MOVES**

A leading automotive supplier, Sandhar Technologies Limited offers a diverse range of superior quality innovative products across the world.

With an expertise of over three decades now, we are a renowned global automotive manufacturer. Our diverse product portfolios encompasses various categories of products including safety and security systems such as lock assemblies, mirror assemblies, operator cabins for off-highway vehicles, aluminum spools, spindles, and hubs; apart from the automotive components that we excel in.

AUTOMOTIVE DIVISION

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

S Spirit of Accomplishment

A Appropriate Attitude

N Never Dying Passion for Excellence

D Dynamic

H Honest

A Accountable

R Reliable

PREMIUM QUALITY. POWERED BY TRUST.

Our diverse product range caters to the different needs of individual and business customers across the world. With an eye for detail, our products are engineered to produce optimum output, while staying true to quality. State-of-the-art technology, aesthetic design and innovation is what sets us apart in the automotive industry.

PRODUCT RANGE

AUTOMOTIVE DIVISION

Through our technological competencies, we manufacture and supply various high-quality and reliable auto component parts for our customers across globe.

COMPONENTS DIVISION

As a part of strategy of being self dependent, through this division we meet the internal requirement of key materials and processes required for products manufactured at our automotive division.

AUTOMACH DIVISION

One of the top companies in the two-wheeler steel wheels market of India, with our state-of-the-art manufacturing technologies and process for wheel forming, tri-nickel chrome plating, and assembly machines.

CABINS AND FABRICATION DIVISION

For off-highway vehicle segment, we offer a diverse range of products that are high quality and cost effective consisting of precision steel metal components used in wheel loaders, cranes, tractors, hoe loaders, and excavators.

OUR GLOBAL **FOOTPRINTS**

Through strategic collaborations in the overseas market, we operate at a macro level and supply premium quality automotive goods to businesses.

44
Manufacturing facilities across the globe

8700
Employees across the globe

15.92%
Revenue from overseas market

84.08%
Revenue from domestic market

Collaborations & JVs

Japan
South Korea
Taiwan

Manufacturing Facilities

Overseas

Romania
Poland
Mexico
Spain

India

Uttarakhand
Haryana
Maharashtra
Gujarat
Tamil Nadu
Himachal Pradesh
Rajasthan
Karnataka

Poland
South Korea
Romania
Japan
Taiwan
Mexico
Spain

Himachal Pradesh
Haryana
Uttarakhand
Rajasthan
Gujarat
Maharashtra
Karnataka
Tamil Nadu

OUR PATRONS

With customer satisfaction as its priority, Sandhar has the privilege to build a long lasting relationship with various OEMs in the automotive and non-automotive sector. We, at the company, believe in catering to the varied needs of customers through a customer centric business model. Our focus is always on providing customers with high quality products and timely services and in nourishing a relationship based on trust and commitment with them. Leveraging our core competencies, we are proud to serve our customers spread across in India, Europe and NAFTA regions.

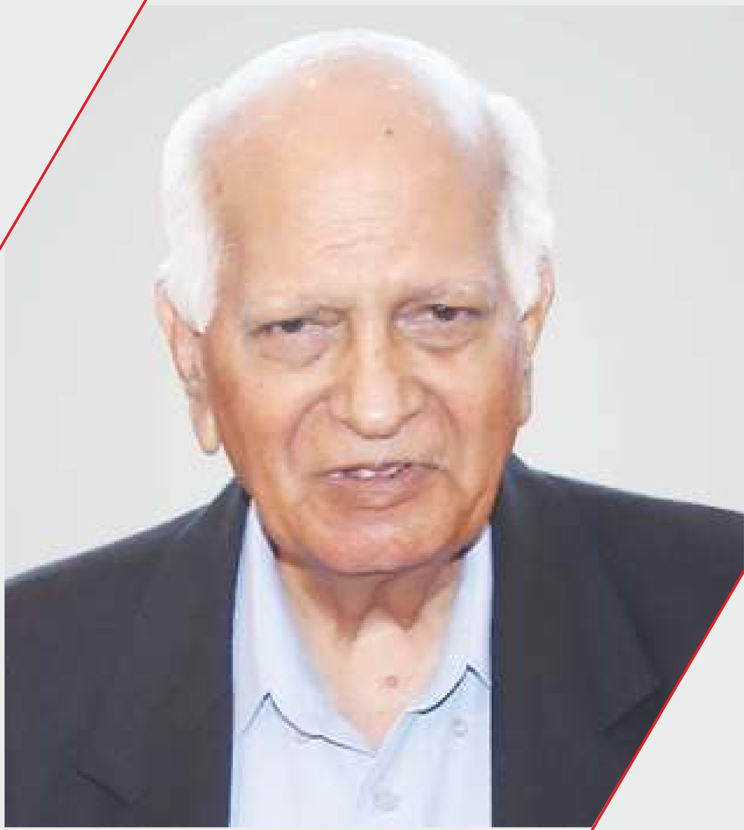
2/3 Wheeler

4-Wheeler

CV & OHV

2 Wheelers EVs

EVs Commercial Vehicles



DEAR STAKEHOLDERS,

With growing concerns of climate change and environmental degradation, sustainability has become a strategic priority for automotive organizations. Governments, consumers and investors are now pushing automotive organizations to change their ways of working, culture and products. This will have far reaching implications for the industry, that while making substantial progress still requires to step up its sustainability efforts. Even natural resources have become more and more scarce, thus sustainable value chains are becoming more and more important for the automotive industry.

CHAIRMAN'S MESSAGE

Since its inception, Sandhar has diligently focused on improving stakeholder value through sustainable solutions that add value to businesses. 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.

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.

Sd/-

D. N. Davar

Chairman

MANAGING **BUSINESS GROWTH**

At every step, Sandhar has adopted and implemented strategies to tap the right business opportunities arising from global mega trends. this has not only helped the company manoeuvre for growth but also become global leaders in the market.

Business Opportunities for Sandhar

MEETING THE DEMAND ARISING...

Demography
Increase in consumers and capital goods consumption

Globalization
Increasing resources and energy consumption

Digitization
Increase in consumers and capital goods consumption

Electric Vehicles
Increasing demand for electric consumption goods

...IN A RESPONSIBLE MANNER.

Climate Change
Reduced CO_2 emission, use of renewable energies

Finite Resources
Efficient resource utilization and energyconsumption

Regulatory Compliance
Compliant product and services meeting quality standards

Increasing connectivity
Intelligent products and holistic solutions

Strategies Adopted

Invest in emerging trends

Through our joint ventures and collaborations we invest in research and development activities to know the emerging market demands and new technologies to gain an edge over peers.

Build scale

On the basis of customer demand, we scale up our operations either by opening a new manufacturing facility or increasing the capacity of the existing one.

Product portfolio

Our primary focus has been on safety and security systems for automobiles across segments. Hence, we keep adding new and improved products in the category to cater the diverse needs of our customers.

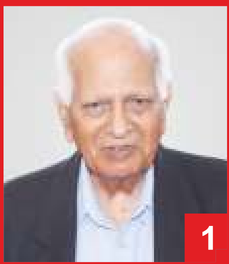
Consumers

Along with expanding our product pipeline, we strive to increase our customer base by adding new customers as well as strengthen our relationship with existing ones in order to increase our revenue.

Value created

We create value through proactive price management, innovation, and economies of scale. This enables us sustain our business and invest in future expansion projects.

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 RBI 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 Non-Governmental (social) Organizations.

2

Jayant Davar is the Co-Chairman & Managing Director and the Founder Director & Promoter of our Company. Mr. Davar holds a bachelor's degree in Mechanical Engineering from Thapar Institute of Engineering & Technology, Patiala and has been conferred with the distinguished Alumnus Award by his Engineering College, Thapar Institute of Engineering and Technology (TIET)-Patiala. Mr. Davar is also an alumni of Harvard Business School, Boston.

Mr. Davar has a rich experience of over four decades in the auto component sector and is actively involved with several professional bodies. He is on the Board of several leading Companies and Educational Institutions. Mr. Davar is presently Member of Advisory Committee of Fraunhofer Gesellschaft, Germany and Advisor to Automotive Component Manufacturers Association (ACMA) , He is Member-Executive Committee in National Council, Confederation of Indian Industry(CII).

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 23 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 in February, 1993. He holds a bachelors' degree in commerce from the University of Calcutta. Mr. Bhagat has over 45 years of experience in the areas of managing large companies as CEO / MD and financial and management consultancy. He has been a Nominee Director on the Board of many companies on behalf of All India and State Financial Institutions. He has also been an Independent Director on the Board of many other companies.

5

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 MD. He 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. He 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 is also on the Executive Body of CII. He is a graduate from St. Stephen's College, Delhi and Alumni of the Harvard Business School, USA.

6

Archana Capoor is an Independent Director of our Company. She was appointed as an Independent Director of our Company in 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 the Independent Director of 5 listed Companies, 1 Public Company and since 2014 also a Member Secretary and Project Director of an NGO i.e. Indian Trust for Rural Heritage and Development (ITRHD). She has over 36 years of work experience in Finance and International Business.

7

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

8

Bharat Anand is an Independent Director of our Company, is a Partner in the Corporate Department of Khaitan & Co. where he joined 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, he had a successful career at the London offices of Freshfields from 2001 until 2009.

Mr. Anand'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.

Mr. Anand 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. He 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.

Mr. Anand studied law at Jesus College, Cambridge and is an alumnus of St. Columba's School. He is a dual qualified lawyer (India and England Wales).

9

Vimal Mahendru is an Independent Director of our Company. He is the CEO of Valuon Strategic, an advisory firm providing strategic guidance on International Standardization and Emerging Technologies. Besides this, Mr. Mahendru is presently the International Electrotechnical Commission (IEC) Standardization Management Board (SMB) member representing India, and IEC Special Envoy for the UN Sustainable Development Goals (UN SDGs), representing IEC in various government and stakeholder fora on the impact of effective standardization to ensure sustainability. He is additionally Chairman of the IEC Systems Committee on Direct Current. Besides, he is also a member of the National Executive Council of the Indian Electrical and Electronics Manufacturers' Association (IEEMA). He has over 33 years of diverse experience in various functions in the manufacturing industry.

10

Neel Jay Davar is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director in August 2021. Mr. Neel Jay Davar graduated in Science with Major in Industrial Engineering & Operations Research from the University of California, Berkeley. He has worked with Monument Bank, UK, in the field of Software Development and Prototyping. He has previously worked at Morgan Stanley, New York as a Member of Wealth Management Team. Mr. Neel Jay Davar is son of Mr. Jayant Davar, Co-Chairman & Managing Director of the Company and Mrs. Monica Davar, Non-Executive Non Independent Director and grandson of Mr. D. N. Davar, Chairman of the Company.

11

Sandeep Dinodia is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director in February 2022. Mr. Dinodia graduated in Commerce from Shriram College of Commerce and did his L.L.B from Delhi University in 1986. He is the Fellow Member of the Institute of Chartered Accountants of India, since 1984. As a Senior Partner of S. R Dinodia & Co LLP, Chartered Accountants since 1984, he has rich experience of over thirty-five years in the fields of Assurance/Auditing, Financial Consulting and Taxation. Mr. Dinodia is on the Board of Directors of many renowned public listed Companies as an Independent Director, offering invaluable guidance to them on good Corporate Governance, helping them strengthen their compliance issues with the myriad of applicable laws and he also provides them valuable guidance to enable them to grow, diversify, and prosper.

CORPORATE SOCIAL RESPONSIBILITY

At Sandhar, we are committed to function in a responsible manner through sustainable business practices, constantly caring for the communities and markets where we live and operate our business.

Creating a better world

Sandhar Foundation, the CSR foundation by Sandhar was built over the pillars of Growth, Motivation and a Better Life, in 2010. It was set up to streamline the efforts done by the group, to uplift the society and help the underprivileged. The foundation works in the domains of healthcare, women empowerment, education, skill development and environment, to name a few. Their notable efforts have indeed helped create a better, safer and progressive world for the future generations to inherit.

Our focus areas

- **Promoting Gender Equality and Empowerment of Women**
- **Promoting Rural Sports**
- **Environment Protection**
- **Healthcare**
- **Education**

CORPORATE INFORMATION
FOR THE FINANCIAL YEAR 2021-22.

Board of Directors

Shri Dharmendar Nath Davar
Chairman, Non-Executive & Non Independent Director

Shri Jayant Davar
Co-Chairman & Managing Director

Smt. Monica Davar
Non-Executive & Non Independent Director

Smt. Archana Capoor
Non-Executive, Independent Director

Shri Arjun Sharma
Non-Executive, Independent Director

Shri Bharat Anand
Non-Executive, Independent Director

Shri Arvind Kapur
Non-Executive, Independent Director

Shri Mohan Lal Bhagat
Non-Executive,Independent Director

Shri Vimal Mahendru
Non-Executive,Independent Director

Shri Sandeep Dinodia
Non-Executive & Non-Independent Director

Shri Neel Jay Davar
Non-Executive & Non-Independent Director

Shri Ravinder Nagpal
Non Executive, Independent Director
(Upto 02nd May 2021)

Shri Krishan Lal Chugh
Non-Executive,Independent Director
(Upto 08th Sept 2021)

Chief Financial Officer

Shri Yashpal Jain

Audit Committee

Smt. Archana Capoor
Chairman

Shri Arvind Kapur
Member

Shri Jayant Davar
Member

Nomination & Remuneration Committee

Shri Vimal Mahendru
Chairman

Shri Arjun Sharma
Member

Shri Mohan Lal Bhagat
Member

Stakeholder Relationship Committee

Shri Arjun Sharma
Chairman

Shri Arvind Kapur
Member

Shri Jayant Davar
Member

Corporate Social Resposibility 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

Risk Management Committee

Shri Dharmendar Nath Davar
Chairman

Smt. Monica Davar
Member

Shri Mohan Lal Bhagat
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
L74999DL1987PLC029553

Bankers/Financial Institutions
Citi Bank N.A;
The Federal Bank Limited;
State Bank of India;
Yes Bank Limited;
HDFC Bank Limited;
Kotak Mahindra Bank Limited;
Bajaj Finance Limited;
ICICI Bank Limited;
DBS Bank India Limited.

Registered Office
B-6/20 L.S.C. Safdarjung Enclave, New Delhi-110029
E-mail :investors@sandhar.in

Corporate Office
Plot No 13, Sector 44 Gurgaon-122002
E-mail :investors@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 30th Annual Report on the business and operations of the Company together with financial statements for the financial year ended the 31st March, 2022.

OPERATIONS - FINANCIALS

The summarized standalone and consolidated Financial Results of the Company for the Financial Year ended the 31st March, 2022 as compared to the previous year are as under:

(Rs. 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	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue and other Income (Net of GST)	**1,94,616.64**	**1,59,470.13**	**2,33,068.34**	**1,87,434.14**
EBITDA as per financial statement	17,111.04	16,314.16	21,300.95	19,918.30
Less: Financial Expenses	(942.75)	(909.43)	(1,771.03)	(1,602.06)
Profit before Exceptional Items, Depreciation & Tax	16,168.28	15,404.73	19,529.92	18,316.24
Less: Depreciation	(7,426.26)	(6,857.01)	(10,003.23)	(9,394.78)
Profit Before Exceptional Items and Tax Provisions	8,742.03	8,547.72	9,526.69	8,921.46
Less: Share in loss of jointly controlled entity	-	-	(1,271.59)	(1,119.93)
Less: Exceptional items	(110.36)	-	(110.86)	-
Less: Tax Provisions	(2,488.99)	(2,024.52)	(2,551.31)	(2,018.17)
Net Profit After Tax Provisions	**6,142.68**	**6,523.20**	**5,592.93**	**5,783.36**
Add: Other Comprehensive Income/(Expense)	(220.43)	(400.2)	489.85	(374.53)
Less: Profit attributable to Non-controlling interest	-	-	(18.07)	(6.5)
Less: Appropriations:				
Dividend	(601.91)	(1,203.81)	(607.93)	(1,209.84)
Adjustment on account of conversion of Joint Venture into Subsidiary	-	-	(0.13)	-
Balance carried forward in Balance Sheet	**5,320.34**	**4,919.19**	**5,456.65**	**4,192.49**

INDUSTRY UPDATE

The year gone by was full of unforeseen challenges and new learning for the industry. Indian auto industry has worked hard against these challenges to keep the value chain running, to indigenize parts, control cost, invest in new technologies, and enhance exports. The Government also came out with targeted support like PLI schemes, FAME scheme extension, etc. Elaborating on the sales performance, Despite some recovery from a low base, sales of all four segments of the auto industry are below even 2018-19 level. While some segments like Commercial Vehicles and SUVs are seeing improvement in demand, the mass segments like two-wheelers and smaller cars are facing serious affordability issues. The immediate challenge in most segments is semiconductor availability. Talking about export performance, all four segments of the industry have increased their exports. Infact, two-wheelers achieved their highest ever exports. It is good to see that Indian products are becoming more acceptable worldwide for their quality, cost and performance."

The auto industry saw a decline of 6% in sales during FY22. The industry faced supply challenges during the early 2022 and the chip shortage affected many carmakers. Steep increase in commodity prices, precious metals and freight rates were putting additional pressure on supply chain and profitability of the industry. Indian Rating & Research (Ind-Ra) said the ongoing geopolitical tensions amid Russia-Ukraine situation could increase commodity prices, crude oil prices, and exacerbate supply chain issues.

IMPACT OF COVID - 19

In wake of the Covid -19 pandemic, the business activities across the globe have been affected. With the slowdown in the spread of pandemic mainly attributable to the large scale of vaccination carried out in the country, the government has eased down the COVID restrictions. This has resulted in increased activity and the Industry and business is slowly regaining its momentum to pre-COVID level. In the coming financial year the company expects that the slow down caused by the pandemic would be recovered to a larger extent.

STATE OF COMPANY'S AFFAIRS

Detailed 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 in its Meeting held on 18th May, 2022 recommended a Final Dividend of Rs. 2.25/- per equity share for the Financial Year ended on 31st March 2022, 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 (Ind AS)-110 on Consolidated Financial Statements, read with Ind AS-28 on Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statement for the Financial Year ended 31st March, 2022 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 subsidiaries viz Sandhar Engineering Private Limited and Sandhar Auto Electric Solutions Private Limited have been incorporated.

The Company has following Subsidiaries and Joint Ventures:

Subsidiaries:

i. Sandhar Technologies Barcelona S.L (overseas Subsidiaries)
ii. Sandhar Engineering Private Limited
iii. Sandhar Tooling Private Limited
iv. Sandhar Automotive Systems Private Limited[1]
v. Sandhar Auto Castings Private Limited[2]
vi. Sandhar Auto Electric Solutions Private Limited
vii. Sandhar Strategic Systems Private Limited[3]

Step down subsidiaries:

i. Sandhar Technologies de Mexico, S de RL de CV[4]
ii. Sandhar Technologies, Poland, Sp. Zoo[4]
iii. Sandhar Technologies Ro SRL (Romania)[4]
iv. Sandhar Autotech Private Limited[3]
v. Sandhar Auto Electric Technologies Private Limited[5]

Joint Ventures:

i. Sandhar Han Sung Technologies Private Limited
ii. Jinyoung Sandhar Mechatronics Private Limited
iii. Sandhar Amkin Industries Private Limited[6]
iv. Kwangsung Sandhar Technologies Private Limited[6]
v. Kwangsung Sandhar Automotive Systems Private Limited (Subsidiary of Kwangsung Sandhar Technologies Private Limited)
vi. Sandhar Whetron Electronics Private Limited
vii. Winnercom Sandhar Technologies Private Limited
viii. Sandhar Han Shin Auto Technologies Private Limited
ix. Sandhar ECCO Green Energy Private Limited[7]
x. Sandhar Han Shin Automotive Private Limited[3]
xi. Sandhar Daeshin Auto Systems Private Limited[3]

Notes:

1. Sandhar Automotive Systems Private Limited was formerly known as Sandhar Daewha Automotive Systems Private Limited. It became subsidiary of Sandhar Technologies Limited with effect from 28th December 2021.
2. The name of Sandhar Daeshin Technologies Limited changed to Sandhar Auto Castings Private Limited w.e.f the 22nd March 2022. It became subsidiary of Sandhar Technologies Limited w.e.f. the 01st October 2021.
3. Sandhar Strategic Systems Private Limited, Sandhar Han Shin Automotive Private Limited, Sandhar Daeshin Auto Systems Private Limited and Sandhar Autotech Private Limited are under the process of Strike off.
4. Sandhar Technologies, Poland, SP. Zoo, Sandhar Technologies de Mexico S de RL de CV and Sandhar Technologies Ro SRL(Romania) are the subsidiaries of Sandhar Technologies Barcelona S.L.
5. Sandhar Autotech Private Limited and Sandhar Auto Electric Technologies Private Limited (formerly known as Daewha India Private Limited) are the subsidiaries of Sandhar Automotive Systems Private Limited.
6. Sandhar Amkin Industries Private Limited is treated as Joint Venture Company for the purpose of preparation of financial statements as required under Ind-AS. However, the Shareholding of Sandhar Technologies Limited in this Company exceeds 50% therefore, as per the provisions of Companies Act, 2013, it is treated as Subsidiary.
7. Sandhar ECCO Green Energy Private Limited is under Liquidation.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing the salient features of financial statements of the Companies' Subsidiaries, Joint Ventures and Associates in Form AOC-1 is attached with the Financial Statements of the company at Note No. 44 of the consolidated financial statements.

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 .

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 year, Company spent Rs. 19,371 Lacs on Capex and Investments in Subsidiaries and 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, 2022 was Rs 410.39 Lacs vis-à-vis Rs. 596.90 Lacs 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

Particulars of Loans, Guarantees and Investments made during the year, under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are provided in Note 33 of the Financial Statements.

RELATED PARTY TRANSACTION

In line with the provisions of Section 188(1) of the Companies Act, 2013 and Listing Regulations, 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, 2022, 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 timelines.

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, Practicing 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 and Key Managerial Personnel is as follows

Non-Executive & Non Independent Directors	Shri Dharmendar Nath Davar (Chairman) Smt Monica Davar Shri Neel Jay Davar[i] Shri Sandeep Dinodia[ii]
Executive Director	Shri Jayant Davar (Co-Chairman & Managing Director)
Non-Executive Independent Directors	Shri Arjun Sharma Shri Arvind Kapur Shri Mohan Lal Bhagat Smt Archana Capoor Shri Vimal Mahendru Shri Bharat Anand Shri Ravinder Nagpal[iii] (Till 02nd May, 2021) Shri Krishan Lal Chugh[iv] (Till 08th September, 2021)
Key Managerial Personnel (KMP)	Shri Yashpal Jain, Chief Financial Officer Smt Komal Malik, Company Secretary and Compliance Officer

CHANGE IN DIRECTORS & KMP

i. Shri Neel Jay Davar (DIN: 09201336) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 06th August, 2021 and thereafter regularised as Director at Annual General Meeting held on the 23rd September, 2021.

ii. Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022

iii. The Company lost Shri Ravinder Nagpal (DIN:00102970) Non-Executive Independent Director due to his sudden demise on the 2nd May, 2021.

iv. Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021 due to his advanced age and related health issues. There was no other material reason(s) for his resignation except those disclosed in the resignation letter.

All the Non-Executive Independent Directors are qualified to be appointed as such under the relevant provisions of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and shall not be subject to determination for retirement of Directors by rotation. In terms of Section 149, 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.

In the opinion of the Board all Independent Directors possess strong sense of integrity and having requisite experience, qualification and expertise. For further details, please refer Corporate Governance Report.

RETIREMENT OF DIRECTORS BY ROTATION

In accordance with the provision of Section 152 of the Companies Act, 2013 and the Article of Association of the Company, Shri Neel Jay Davar (DIN: 09201336) Non-Executive & Non-Independent Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice of 30th Annual General Meeting.

MEETINGS OF THE BOARD

Regular meetings of the Board were held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee meetings proposed to be held in the upcoming quarter(s) was circulated to the Directors in advance to enable them plan their schedule for effective participation in the meetings. Due to business exigencies, the Board also passed some resolutions by circulation as required from time to time.

During the year under review, Four 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.	21st May, 2021	10	10
2.	6th August, 2021	11	11
3.	12th November, 2021	10	9
4.	2nd February, 2022	11	11

Additionally, several Committee meetings were held during the year including Audit Committee.

All recommendations of Audit Committee have been accepted by the Board during the financial year 2021-22.

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 provides for an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and to maintain the separate functions of governance and management. As on the 31st March, 2022, the Board consists of Eleven members - comprising, Managing Director and four Non-Executive Non Independent Directors including one Woman Director and Six Non Executive 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 was adopted by the Board. The remuneration paid to the Directors is as per the provisions of Companies Act, 2013 and the rules thereunder. Policy for Selection of Directors and determining Director's Independence is annexed as **Annexure-IA**, and Remuneration Policy for Director and Key Managerial Personnel's and other Employees is 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 Listing Regulations.

There has been no change in the circumstances affecting 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 2nd February, 2022 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 2021-22

The Board meetings of the Company were conducted as per the provisions of the Companies Act, 2013, the Listing Regulations and applicable Secretarial Standards. Information as mentioned in the Act, Schedule II to the Listing Regulations and all other material information, as decided by the management and placed for consideration of the Board. Details on the matters to be discussed along with relevant supporting documents, data and other information were 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.

The Board has followed the above policy for the evaluation of its 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(s) of the Board, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee & Corporate Social Responsibility Committee. The system brings insight & effectiveness in to the designated areas of Corporate Governance.

COMMITTEES OF THE BOARD

The Board has Seven Committees established in Compliance with the provisions of applicable laws/statutes, and to meet the business requirements. These are:

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

CODE OF CONDUCT 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 "Code of Conduct for Prohibition of Insider Trading", the Company has also adopted a "Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information".

The Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information 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 Code of Conduct for Prohibition of Insider Trading 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) the Directors state that:

1. In the preparation of annual accounts for the year ended the 31st March, 2022, 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, 2022 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.
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, and
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.	Code of Conduct for Prohibition of Insider Trading
8.	Corporate Social Responsibility 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
12.	Dividend Distribution Policy("DDP")
13.	Risk Management Policy
14.	Board Diversity Policy
15.	Business Responsibility Policy

The Polices are available on the Company's website on the link https://sandhargroup.com. The DDP is available on the link https://sandhargroup.com/uploads/Governance/policy-on-dividend-distribution.pdf

RISK MANAGEMENT

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 the Company constituted a Risk Management Committee, with an objective to assist the Board in:

- Implementing Risk Management Policy frameworks;
- 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.

FAMILIARISATION PROGRAMMES

With a view to familiarize the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the Company held familiarization programmes for the Independent Directors on an ongoing and continuous basis. The details of the familiarization programmes is placed on company website. https://sandhargroup.com

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 Financial Year 2021-2022, 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

The Company has Zero tolerance towards sexual harassment at the workplace and to this end, has adopted a policy in line with the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. All employees (permanent, contractual, temporary, trainees, etc.) are covered under the said Policy. An Internal Committee (IC) has also been set up to redress complaint received on sexual harassment.

During the financial year under review, the IC received no complaint of sexual harassment.

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITOR

M/s. BSR & Co. LLP, Chartered Accountants (Firm's Registration No. 101248W/W-100022), were appointed as the Statutory Auditors for the period of five years commencing from the conclusion of the 25th Annual General Meeting until the conclusion of the 30th Annual General Meeting. Accordingly M/s BSR & Co. LLP is completing their first term of five years at the conclusion of this Annual General Meeting.

The Audit Committee and the Board of Directors has recommended the re-appointment of M/s. BSR & Co. LLP, Chartered Accountants as statutory Auditor of the Company for further term of five year commencing from the conclusion of the 30th Annual General Meeting until the conclusion of 35th Annual General Meeting.

The Auditors' Reports for the financial year 2021-22, including the one on Internal Financial Controls are self explanatory and does not carry any observation/qualification/ adverse remarks etc. 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, Practicing Company Secretaries shall be re-appointed as the Secretarial Auditors of the Company to conduct Secretarial Audits for the Financial Year 2022-2023 .

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2022 is set out in **Annexure-II** to this report. The Secretarial Audit Reports is self explanatory and 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 LLP, Chartered Accountants, Internal Auditors, for conducting the Internal Audit of the Company for the Financial Year 2022-2023.

COST AUDITORS

The Board re-appointed M/s. Satija & Co, Chartered Accountants as the Cost auditors of the Company to conduct the cost audit of the Company for the Financial Year 2022-23. The Company has maintained accounts and records as specified under sub-section (1) of 148 of the Act.

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 and monitors the implementation of audit recommendations, including those relating to strengthening and adequacy of the Company's Risk Management policies and systems.

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 as **Annexure- III** of this Annual Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules forms part of this Report. However, in terms of first provision of section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. A copy thereof, will be sent to the members of the company on the 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 pertaining to the CSR Committee and an Annual Report on CSR activities forms part of this Report as **Annexure IV.**

The CSR Policy as approved by the Board is available on the website of the Company i.e. www.sandhargroup.com

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 annexed as **Annexure V.**

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:

S. No.	Name of Facilities	Credit Rating
1.	Working Capital Facilities	Long Term Ratings: IND AA-/stable
2.	Commercial Paper Facilities	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

The Directors state that applicable Secretarial Standards have been followed during the financial year 2021-2022.

ANNUAL RETURN

Pursuant to the applicable provisions of the Act read with the rules made thereunder, the copy of the Annual Return is available on the website of the Company. The weblink of such annual return is https://sandhargroup.com

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, 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 of
Sandhar Technologies Limited

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

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

Place : Gurgaon
Date: 18th May 2022

Annexure IA to Directors' Report, 2022

Policy for Selection of Directors and determining Director's Independence

BACKGROUND

Sandhar Technologies Limited {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.

a) To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation by the Board.

b) 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.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

d) To devise a Policy on Board Diversity.

e) To develop a succession plan for the Board and to regularly review the plan.

f) 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, it's committees and individual director's Section 178 of the Companies act, 2013 (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 of the Companies act 2013 read with – 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 Listing Regulations 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/COMMITTEEE 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.

Annexure IB to Directors' Report, 2022

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

BACKGROUND

Sandhar Technologies Limited {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, 2022 there are total 11(Eleven) directors as members of the Board of Directors of the Company {Board} out of which there are 6(Six) Non-Executive Independent Directors. The Board includes 4 (Four) Non –Executive & Non-Independent Directors, and 1 (One) Executive Director, who are not independent. The Key Managerial Personnel (KMP) comprises of Managing Director, 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 Key Managerial Personnel: -

- 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.

Annexure II to Directors' Report, 2022

Secretarial Audit Report

For the financial year ended on 31st March, 2022

[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, 2022, 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, 2022 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
FCS No. 7153, CP No. 4721
UDIN: F007153D000337703

Place: New Delhi
Date: 18th May 2022

Annexure III to Directors' Report, 2022

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 2021-2022:

(Rs. in Lacs)

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2021-2022	% Change in Remuneration in the Financial Year 2021-2022	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Shri Jayant Davar (Co-Chairman & Managing Director)	457.43*	-0.40%	119
2.	Shri Yashpal Jain (Chief Financial Officer)	105.83	1915.81%	32
3.	Smt. Komal Malik (Company Secretary and Compliance Officer)	23.79	156.63%	6

*Inclusive of Commission provided and payable for an amount of Rs. 314.71 Lacs

The median remuneration of the employees of the Company during the financial year 2021-2022 was Rs. 3.84 Lacs

Percentage increase in the median remuneration of employees in the last financial year 2021-22 was 9.70% as compared to the previous year.

No. of permanent employees as on the 31st March, 2022 are 1609.

Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2021-2022 was 10.63%; whereas the decrease in the managerial remuneration in the financial year 2021-22 was 14.65%.

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 of
Sandhar Technologies Limited

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

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

Date: 18 May 2022
Place: Gurgaon

Annexure IV to Directors' Report, 2022

Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2021-22

1. A brief outline of the Company's CSR policy.

The Corporate Social Responsibility (CSR) commitment of Sandhar Technologies Limited("STL") stems from the founder's vision to improve the quality of life of the communities. STL's CSR policy leverages the best of organizational capabilities to create contextual and partnered solutions to address the needs of the marginalized sections of the community.

The Policy will be operative within the overall ambit of the CSR provisions contained in the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII and amendments thereof, applicable from time to time (hereinafter collectively referred to as "CSR Provisions").

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
- training to promote rural sports, nationally recognized sports
- Others

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

2. Composition of the CSR Committee as on 31st March, 2022

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 & Non-Independent 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

CSR Policy-https://sandhargroup.com

CSR Projects-https://sandhargroup.com

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.

(Rs. in Lacs)

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	2,94,481	NIL

6. Average net profit of the company as per section 135(5): **10276.32**

7. a) Two percent of average net profit of the company as per section 135(5): **205.53**

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): **205.53**

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)		
209.33	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	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 implementa-
				State	District					Name	CSR Registration Number
NIL											

(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)	Loction of the Project		Amount spent for the project (Rs. in Lacs)	Mode of implemention Direct (Yes/No)	Mode of implementation- Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Shikshaantra Plus	Education	Yes	Haryana, Tamil Nadu	Faridabad, Chennai	77.67	No	Kinship for Humanitarian Social & Holistic Intervention	CSR00001135
2	Covid Care Centre	Healthcare	Yes	Haryana	Gurgaon	26.59	No	Sandhar Foundation	CSR00002262
3	Adopt a Gran	Facility for Senior Citizen	Yes	New Delhi	New Delhi	4.00	No	Springdales Foundation	CSR00011584
4	Sandhar ki Beti	Education	Yes	New Delhi	New Delhi	6.00	No	Springdales Foundation	CSR00011584
5	Peenya Community Park	Environment	Yes	Karnataka	Bengaluru	3.84	No	Sandhar Foundation	CSR00002262
6	The RASOI	Eradicating Hunger and Malnutrition	Yes	Delhi	New Delhi	0.26	No	Rasoi on wheels foundation Trust	CSR00004587
7	Sandhar Healthcare Centre	Healthcare	Yes	Haryana	Gurgaon	7.97	No	Sandhar Foundation	CSR00002262
8	Mannat Kitchen	Eradicating Hunger and Malnutrition	Yes	Delhi	New Delhi	3.00	No	Mannat Charitable Trust	CSR00009678
9	Education Project	Education	Yes	Delhi	New Delhi	80.00	No	JSR Charitable Trust	CSR00012616
					TOTAL	209.33			

(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): **209.33**

(g) Excess amount for set off, if any: **3.80**

S.No.	Particulars	Amount (in Rs)
i)	Two percent of average net profit of the company as per section 135(5)	205.53
ii)	Total amount spent for the Financial Year	209.33
iii)	Excess amount spent for the financial year [(ii)-(i)]	3.80
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)]	3.80

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	2021-22	NIL	NIL	NIL	NIL	NIL	NIL
2	2020-21	NIL	NIL	NIL	NIL	NIL	NIL
3	2019-20	NIL	NIL	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).: **NA**

(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**

For Sandhar Technologies Limited

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

Sd/-
Jayant Davar
CO-Chairman &
Managing Director/
Chairman of CSR Committee
DIN: 00100801

Date: 18 May 2022
Place: Gurgaon

Annexure V to Directors' Report, 2022

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 2021-2022)

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 Sandhar Technologies Limited units ("STL Units")

b) Various energy saving projects:

i) VFD's Installation on Air Compressor Motors in 12 STL Units and saved energy cost of INR 81.72 lacs as per present production trend.

ii) VFD's Installation on Process Motors in various STL Units and saved energy cost of INR 10.44 lacs as per present production trend.

iii) Servo system installation in Hydraulic Power packs of Injection Molding machines in SAG Unit & saved Energy cost of INR 5.73 lacs as per present production trend.

iv) Electronically controlled ASU system installed in place of conventional ASU system in SCM & saved Energy cost of INR 1.56 lacs as per present production trend.

v) Net-metering done in Solar Plants in SCD and SAB Unit.

IMPACT: 12,72,765 Kwh overall

(ii) Steps Taken for utilizing alternate sources of Energy

a. Solar Plants total installed capacity of 2832 KWp up to 2021-22.

b. Solar Plants added this year of capacity 340 Kwp (SAB: 340 Kwp).

IMPACT: 22,18,038 Kwh - (21-22) generated by Solar plants

(iii) Capital investment on Energy conservation equipment

Total Investment: 59,78,03 Lacs (Approx.)

(iii) Green Initiatives

a) Natural gas pipeline line installed which is a clean fuel in our upcoming unit in Halol.

b) LPG used as a clean fuel in our new unit in Nalagarh.

c) Water footprint reduction in SCM unit by 100% recycling STP treated water for gardening.

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%.

RESEARCH & DEVELOPMENT ACTIVITIES CARRIED OUT BY THE COMPANY/ NEW PRODUCTS DEVELOPED IN FINANCIAL YEAR 2021-2022

a Sandhar Centre for Innovation & Development (SCID) is the centralized in-house R&D centre of Sandhar group is engaged in enriching the existing product portfolio; and also in designing and developing 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) Sandhar has joined the PLI Scheme (Production Linked Incentive) launched by Govt. of India and are committed to meet all the requirements to avail advantage of the PLI Scheme.

iii) Engaged in research in EV field; designing & development of EV related components listed in the PLI Scheme like Hub Motor, Motor Controller, BMS, DC-DC Converter.

iv) Do research in Battery Pack Development

v) Upgradation of existing products to cope up with customers' expectation time to time.

vi) To support the engineering team at various Sandhar units in product design & development.

vii) IPR (Intellectual Property Rights) related activities i.e. patent filing, Design Registration, to keep a vigil on possible infringement and litigation.

viii) PLM activities i.e. Centralised Engineering Document & Data Control ensuring data safety, prevention of data duplicity & digitalization of data storage across the group.

ix) 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 conducting R&D with tested & validated innovative products to our valued customers.

d. We are continuously working on new product development in the area of Ignition Lock cum Switches, Rear View Mirrors, various components of Electric Vehicle (EV) and Electronics control systems.

NEW PRODUCTS DEVELOPED IN FY (2021-22)

a) Solenoid operated Keyless Smart Fuel Filler Cap (FFC)

b) "Go Home" Feature for Vehicle.

c) ESCL (Electronic Steering Column Lock Assembly) for EV Scooter

d) Solenoid Actuated Lock Assembly for EV.

e) Motorised Seat Actuators for 2 wheelers.

f) "Start-Stop Push Button Switch" with LF Coil for Two Wheeler EV

g) Zero Leakage Fuel Filler Cap for CV (Commercial Vehicle).

h) Glove Box Lock for CV

i) Bar end Mirror for Two Wheeler

j) 360° Rotational Adjustable Mirror

k) Mobile Charger with Box Assembly

l) BLE (Bluetooth) Based Security System for Vehicle

m) USB Charger for Scooter.

PATENT GRANTED IN FY (2021 – 22)

a) Anti-theft Bike Stand Lock

b) Replaceable ROV fitted with FFC of Motorcycle

c) Electrically Triggered Inside Rear View Mirror

d) Magnetically Operated Handle Lock Cum Ignition Switch for 2W & 3W

e) Cable operated Fuel Tank Cap with Compact Locking Mechanism for Motorcycle

f) Fuel Tank Cap Assembly

g) 2W Front Turn Indicator on Mirror Housing/Frame

h) Simultaneous Braking (Front/ Rear) System for Brake operated 2W.

i) Key Case for Foldable Key

j) Manually Swivel/ Adjustable Side Rear View Mirror for 2Ws

C. Foreign Exchange Earning and Outflow

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

Particulars	(Rs. in Lacs)
Infow:	
Sales (FOB)	1,114.11
Total	**1,114.11**
Outflow:	
On Capital Equipment	2,120.94
On Know-how	4.84
Others	27.78
Raw Materials	6,228.64
Consumables & Spares	1,261.12
Tour and Travel	0.00
Royalty	174.79
Total	**9,818.11**

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

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

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

Date: 18 May 2022
Place: Gurgaon

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, 2022:

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
Co-Chairman &
Managing Director

Sd/-
Yashpal Jain
Chief Finance Officer

Place: Gurgaon
Date: 18th May 2022

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,

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, 2022 as stipulated under Regulations 17 to 27, clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ("SEBI Listing Regulations").

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

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,
Company Secretaries

Sd/-
K. K. Sachdeva
(Proprietor)
FCS No. 7153, CP No. 4721
UDIN: F007153D000337714

Date: 18 May 2022
Place: New Delhi

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, 2022. The said report is in compliance with the 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 duly complied.

I. PHILOSOPHY:

The 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 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 ('Act') and rules made thereunder, Regulation 17 of 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 31st March, 2022, the Board of Directors comprises of 11 (Eleven) Directors, with an Executive Non- Independent Co-Chairman & Managing Director, 6 (Six) Independent Directors, 4 (four) Non-Executive Non-Independent Director. 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, 2022:

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.

4. None of the Directors of the Company was a Director in more than seven listed entities.

For the purpose of sub-paragraphs (2) and (3) above, Chairmanship/ Membership of only the Audit Committee and/or the Stakeholders' Relationship Committee have been considered.

Composition of Board of Directors as on the 31st March, 2022

Name of Director	Designation	Category
Shri. Dharmendar Nath Davar (DIN : 00002008)	Chairman, Non-Executive & Non-Independent Director	Promoter
Shri. Jayant Davar (DIN: 00100801)	Co-Chairman & Managing Director	Promoter
Smt. Monica Davar (DIN : 00100875)	Non-Executive & Non-Independent Director	Promoter
Shri Neel Jay Davar[i] (DIN: 09201336)	Non-Executive & Non-Independent Director	Promoter
Shri Sandeep Dinodia[ii] (DIN: 00005395)	Non-Executive & Non-Independent Director	Non-Promoter
Shri. Arjun Sharma (DIN: 00003306)	Non-Executive Independent Director	Non-Promoter
Shri. Arvind Kapur (DIN: 00096308)	Non-Executive Independent Director	Non-Promoter
Shri. Mohan Lal Bhagat (DIN: 00699750)	Non-Executive Independent Director	Non-Promoter
Smt. Archana Capoor (DIN: 01204170)	Non-Executive Independent Director	Non-Promoter
Shri.Vimal Mahendru (DIN: 00006016)	Non-Executive Independent Director	Non-Promoter
Shri. Bharat Anand (DIN: 02806475)	Non-Executive Independent Director	Non-Promoter

Notes:

i. Shri Neel Jay Davar (DIN: 09201336) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 06th August, 2021 and thereafter regularised as Director at Annual General Meeting held on the 23rd September, 2021.

ii. Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022

iii. The Company lost Shri Ravinder Nagpal (DIN: 00102970), Non-Executive Independent Director due to his sudden demise on the 2nd May, 2021.

iv. Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021due to his advanced age and related health issues and there was no other material reason(s) behind his resignation.

v. Shri. Dharmendar Nath Davar, Chairman is the father of Shri Jayant Davar, Co-Chairman and Managing Director of the Company.

vi. Smt. Monica Davar, Non-Executive and Non Independent Director is the spouse of Shri Jayant Davar, Co-Chairman and Managing Director of the Company.

vii. Shri Neel Jay Davar is the son of Shri Jayant Davar, Co-Chairman and Managing Director and Smt. Monica Davar, Non-Executive and Non Independent Director of the Company.

viii. None of the other Directors is related to any other Director on the Board.

Independent Directors

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of Independent Director(s) 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 Listing Regulations read with Section 149(6) of the Act and are independent of the management.

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

As on the 31st March, 2022, the Company had 6 Independent Directors on Board. In relation to such Independent Directors, it is hereby confirmed that:

i) Independent Directors of the Company, hold office for a term up to 5 consecutive years.

ii) The Company has issued a formal letter of appointment to all Independent Directors in a manner provided under the Act.

iii) The Nomination and Remuneration 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 the 02nd February, 2022, 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 4 (Four) times during t he Financial Year 2021-22 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 / Date of Meeting / Director Name	Designation	I 21.05.2021 (Through VC)	II 06.08.2021 (Through VC)	III 12.11.2021 (Through VC)	IV 02.02.2022 (Through VC)	No. of Total Meetings Attended	Attendance at Last Annual General Meeting
1.	Shri. Dharmendar Nath Davar	Chairman, Non-Executive & Non-Independent Director	√	√	√	√	4	√
2.	Shri Jayant Davar	Co-Chairman & Managing Director	√	√	√	√	4	√
3.	Smt Monica Davar	Non-Executive & Non-Independent Director	√	√	√	√	4	√
4.	Shri Neel Jay Davar [i]	Non-Executive & Non-Independent Director	N.A.	√	√	√	3	√
5.	Shri Sandeep Dinodia [ii]	Non-Executive & Non-Independent Director	N.A.	N.A.	N.A.	√	1	N.A.
6.	Shri Arjun Sharma	Non-Executive Independent Director	√	√	√	√	4	√
7.	Shri Arvind Kapur	Non-Executive Independent Director	√	√	√	√	4	√
8.	Shri Mohan Lal Bhagat	Non-Executive Independent Director	√	√	LOA	√	3	LOA
9.	Smt. Archana Capoor	Non-Executive Independent Director	√	√	√	√	4	√
10.	Shri Vimal Mahendru	Non-Executive Independent Director	√	√	√	√	4	√
11.	Shri Bharat Anand	Non-Executive Independent Director	√	√	√	√	4	√
12.	Shri Krishan Lal Chug [iii]	Non-Executive Independent Director	√	√	N.A.	N.A.	2	N.A.
	Total Board Strength		**10**	**11**	**10**	11		
	Total Present		**10**	**11**	**9**	**11**		
	Absent		**0**	**0**	**1**	**0**		

Notes:

i. Shri Neel Jay Davar (DIN: 09201336) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 06th August, 2021 and thereafter regularised as Director at Annual General Meeting held on the 23rd September, 2021.

ii. Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022.

iii. Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021due to his advanced age and related health issues and there was no other material reason(s) behind his resignation.

iv. The Company lost Shri Ravinder Nagpal (DIN: 00102979), Non-Executive Independent Director due to his sudden demise on the 2nd May, 2021

Shri Dharmendar Nath Davar, Chairman, Non-Executive Non Independent Director, Shri Jayant Davar, Co-Chairman & Managing Director and Smt. Monica Davar, Non- Executive Non Independent Director and Shri Neel Jay Davar, Non- Executive Non Independent Directors 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 the 31st March, 2022

S. No	Name of the Director	Name of listed entity	Category of Directorship
1.	Shri Dharmendar Nath Davar	Landmark Property Development Company Limited	Director
2.	Shri Jayant Davar	i. Jagran Prakashan Limited ii. HEG Limited	Independent Director
3	Shri Arvind Kapur	i. Rico Auto Industries Limited ii. Subros Limited	Managing Director Independent Director
4	Shri Sandeep Dinodia	i. Ester Industries Limited ii The Hi-Tech Gears Limited	Independent Director Independent Director
5	Smt. Archana Capoor	i. RSWM Limited ii. Maral Overseas Limited iii. S Chand and Company Limited iv. Birla Cable Limited	Independent Director

Note: Other Directorships do not include Directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

(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 the 31st March, 2022

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. Dharmendar Nath Davar	Chairman, Non- Executive & Non-Independent Director	2	-	-
2	Shri Jayant Davar	Co-Chairman & Managing Director	3	2	-
3	Smt Monica Davar	Non-Executive & Non- Independent Director	1	-	-
4	Shri Neel Jay Davar [i]	Non-Executive & Non- Independent Director	1	-	-
5	Shri Sandeep Dinodia [ii]	Non-Executive & Non-Independent Director	3	3	2
6	Shri Arjun Sharma	Non-Executive Independent Director	1	1	1
7	Shri Arvind Kapur	Non-Executive Independent Director	3	3	-
8	Shri Mohan Lal Bhagat	Non-Executive Independent Director	1	-	-
9	Smt Archana Capoor	Non-Executive Independent Director	5	5	2
10	Shri Vimal Mahendru	Non-Executive Independent Director	1	-	-
11	Shri Bharat Anand	Non-Executive Independent Director	1	-	-

Notes:

i. Shri Neel Jay Davar (DIN: 09201336) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 06th August, 2021 and thereafter regularised as Director at Annual General Meeting held on the 23rd September, 2021.

ii. Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022.

iii. Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021due to his advanced age and related health issues and there was no other material reason(s) behind his resignation.

iv. The Company lost Shri Ravinder Nagpal (DIN: 00102979), Non-Executive Independent Director due to his sudden demise on the 2nd May, 2021.

v. 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 the Listing Regulations.

(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	Adminis-tration and Manage-ment	Gover-nance	Sales and Marketing	Finance and Law	Opera-tions
1	Shri Dharmendar Nath Davar	Chairman, Non- Executive & Non-Independent Director	√	√	√	-	√	-
2	Shri Jayant Davar	Co-Chairman & Managing Director	√	√	√	√	√	√
3	Smt Monica Davar	Non-Executive & Non-Independent Director	-	√	√	√	-	-
4	Shri Neel Jay Davar	Non-Executive & Non-Independent Director	√	√	-	-	-	√
5	Shri Sandeep Dinodia	Non-Executive & Non-Independent Director	√	√	√	√	√	-
6	Shri Arjun Sharma	Non-Executive Independent Director	√	√	√	√	-	√
7	Shri Arvind Kapur	Non-Executive Independent Director	√	√	√	√	√	√
8	Shri Mohan Lal Bhagat	Non-Executive Independent Director	√	√	√	-	√	-
9	Smt Archana Capoor	Non-Executive Independent Director	√	√	√	-	√	-
10	Shri Vimal Mahendru	Non-Executive Independent Director	√	√	√	√	√	√
11	Shri Bharat Anand	Non-Executive Independent Director	√	√	√	-	√	-

During Financial Year 2021-2022, information mentioned in Part A of Schedule II of the Listing Regulations, and compliance report of all applicable laws was duly placed before the Board for its consideration. Further, the Directors were provided the Video-conferencing facility to participate in the meetings.

Details of Equity Shares of the Company held by the Directors as on the 31st March, 2022:

S. No	Name	Designation	Number of equity shares
1	Shri Dharmendar Nath Davar	Chairman, Non- Executive & Non-Independent Director	839,582
2	Shri Jayant Davar	Co-Chairman & Managing Director	3,14,31,396
3	Smt. Monica Davar	Non-Executive & Non – Independent Director	26,22,930
4	Shri Neel Jay Davar [i]	Non-Executive & Non-Independent Director	15,55,995
5	Shri Sandeep Dinodia [ii]	Non-Executive & Non Independent Director	3200
6	Shri Arjun Sharma	Non-Executive Independent Director	Nil
7	Shri Arvind Kapur	Non-Executive Independent Director	Nil
8	Shri Mohan Lal Bhagat	Non-Executive Independent Director	Nil
9	Smt. Archana Capoor	Non-Executive Independent Director	Nil
10	Shri.Vimal Mahendru	Non-Executive Independent Director	Nil
11	Shri Bharat Anand	Non-Executive Independent Director	Nil

Notes:

i. Shri Neel Jay Davar (DIN: 09201336) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 06th August, 2021 and thereafter regularised as Director at Annual General Meeting held on the 23rd September, 2021.

ii. Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 02nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022.

iii. Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021due to his advanced age and related health issues

iv. The Company lost Shri Ravinder Nagpal (DIN: 00102979), Non-Executive Independent Director due to his sudden demise on the 02nd May, 2021.

CONVERTIBLE INSTRUMENT

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

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. During the financial year 2021-22, the Board has accepted all the recommendations of the Committees.

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 Act, 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 Seven Board Committees as on the 31st March, 2022, 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.

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.

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 04th May, 2021. The Committee adopted new terms of reference in the Board Meeting held on the 06th August, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations and inter-alia, includes 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 Act;
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.
38. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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, 2022, the Audit Committee comprised of 3 members majority of them being Independent Directors in compliance with the provisions of Section 149 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015. During the year under review, 4 (Four) 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 2021-2022 are given as under:

S. No	Quarter			I	II	III	IV	No. of total meetings attended
	Date of Meeting			21.05.2021	06.08.2021	12.11.2021	02.02.2022	
	Member Name	Designation on Committee	Designation on Board					
1	Smt. Archana Capoor	Chairperson	Non-Executive Independent Director	√	√	√	√	4
2	Shri Arvind Kapur	Member	Non-Executive Independent Director	√	√	√	√	4
3	Shri Jayant Davar	Member	Co-Chairman and Managing Director	√	√	√	√	4
	Total no. of Members			**3**	**3**	**3**	**3**	
	Total Present			**3**	**3**	**3**	**3**	
	Absent			**0**	**0**	**0**	**0**	

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 the 02nd May 2021.
- Smt Archana Capoor was appointed as Chairman of Audit Committee & Shri Jayant Davar was appointed as member by the Board of Directors of the Company through circular resolution dated the 04th May, 2021.

In addition to the members of the Audit Committee, these meetings were attended by Chairman of the Board, 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 Act 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, the 04th May, 2021 and the 16th September, 2021. Initially, the terms of reference were changed on the 23rd May, 2014 and the Committee adopted new terms of reference in the Board Meeting held on the 13th August, 2019, inter-alia, includes the following:

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.
8. Such other terms of references as prescribed / defined under Companies Act, 2013 and Listing Regulations from time to time.

b) Composition, Meetings & Attendance during the year

The details of its composition and of the meetings held during the Financial Year 2021-2022 are as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2021-2022		No. of total meetings attended
				06.08.2021	02.02.2022	
1	Shri K.L. Chugh (upto 08.09.2021)	Chairman	Non-Executive Independent Director	√	NA	1
2	Shri Vimal Mahendru (w.e.f 16.09.2021)	Chairman	Non-Executive Independent Director	√	√	2
3	Shri Arjun Sharma	Member	Non-Executive Independent Director	√	√	2
4	Shri Mohan Lal Bhagat	Member	Non-Executive Independent Director	NA	√	1
	Total no. of Members			**3**	3	
	Total Present			**3**	3	
	Absent			**0**	0	

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 the 02nd May 2021.
- Shri Vimal Mahendru was appointed as Member of Nomination and Remuneration Committee through circular resolution dated 04th May, 2021 and subsequently appointed as Chairman of the Committee through circular resolution dated the 16th September, 2021.
- Shri Krishan Lal Chugh (DIN: 00140124), Non-Executive Independent Director has resigned from the Board w.e.f the 08th September, 2021 due to his advanced age and related health issues and consequently ceased to be a member of the Committee.
- Shri Mohan Lal Bhagat was appointed as Member of Nomination and Remuneration Committee through circular resolution dated the 16th September, 2021.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Listing Regulations and as per Company's policy on performance evaluation, the Company Secretary circulated the questionnaire to all the Directors for performance evaluation of the Board, its committees and Individual Directors for the F.Y.2021-2022.

On the basis of feedback received, the Chairman briefed the Board about the performance evaluation of Board, its committees and Individual Directors for the F.Y.2021-2022.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board constituted a Stakeholders' Relationship Committee pursuant to Section 178(5) of the Act and Regulation 20 of the Listing Regulations, 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 the 03rd September, 2015. The Committee was reconstituted by the Board at its meeting held on 29th March, 2018,. The terms of reference of the Stakeholders' Relationship Committee, inter-alia, includes the following:

1. 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.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. 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.
5. 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
6. Oversee the performance of the registrars and share transfer agents of the Company. Recommend measures for overall improvement in the quality of investor services and 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 assigned by the board of directors. To carry out any other function as prescribed under the Listing Regulations or 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 2021-2022 are as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2021-22 02.02.2022	No. of total meetings attended
1.	Shri Arjun Sharma	Chairman	Non-Executive Independent Director	√	1
2.	Shri Jayant Davar	Member	Co Chairman and Managing Director	√	1
3.	Shri Arvind Kapur	Member	Non-Executive Independent Director	√	1
	Total no. of Members			**3**	
	Total Present			**3**	
	Absent			**0**	

Notes:

- The necessary quorum was present for the meeting.

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 2021-2022: NIL

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

Number of Pending Complaints as on the 31st March, 2022: NIL

D. RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted by the Board of Directors at its meeting held on the 6th August, 2021, pursuant to Regulation 21 of the Listing Regulations. The terms of reference of the Risk Management Committee, inter-alia, includes the following:

1. To formulate a detailed risk management policy which shall include the:

- Framework for Identification of internal and external risks specifically faced by the listed entity, in particular including the financial, operational, technological, sectoral, sustainability, information technology, cyber security risks or any other risk as may be determined by the Committee.
- Measures for Risk Mitigation including Systems and processes for internal control of identified Risk.
- Business Continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risk associated with the business of the Company.
3. To monitor and oversee implementation of Risk Management Policy including evaluating the adequacy of risk management systems.
4. To periodically review the Risk Management Policy at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
6. Such other aspects as the Board may consider appropriate and required from the Committee from time to time;
7. The Risk Management Committee shall co-ordinate its activities with other Committee, as per the framework laid down by the Board of Directors.

a) Composition

As on the 31st March, 2022, the Committee comprised following directors as members:

S No.	Member Name	Designation on Committee	Designation on Board
1	Shri Dharmendar Nath Davar	Chairman	Chairman, Non-Executive & Non-Independent Director
2	Shri Mohan Lal Bhagat	Member	Non-Executive Independent Director
3	Smt. Monica Davar	Member	Non-Executive & Non-Independent Director

b) Meetings and attendance

The details of the Risk Management Committee meetings held during the Financial Year 2021-2022 are given as under:

S. No	Member Name	Designation on Committee	Designation on Board	Date of Meeting		No. of total meetings attended
				12.11.2021	01.02.2022	
1	Shri Dharmendar Nath Davar	Chairman	Chairman, Non-Executive & Non-Independent Director	√	√	2
2	Smt Monica Davar	Member	Non- Executive & Non-Independent Director	√	√	2
3	Shri Mohan Lal Bhagat	Member	Non-Executive Independent Director	LOA	√	1
	Total no. of Members			**3**	**3**	
	Total Present			**2**	**3**	
	Absent			**1**	**0**	

Notes:

- The necessary quorum was present for the meeting.

E. OTHER COMMITTEES

(A) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In accordance with the requirements of Section 135 of the Act, 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 the Board on 14th March, 2013, the composition was altered by a circular resolution on 21st February, 2018 and again reconstituted on 11th December, 2018. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act. The terms and reference of the Corporate Social Responsibility Committee, inter-alia, includes the following:

1. 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 Act.
2. Formulate and recommend to the company's Board, an annual action plan in pursuance of its CSR policy, which shall include the following:

i. The list of CSR projects or programmes that are approved to be undertaken;

ii. The manner of execution of such projects or programmes;

iii. The modalities of utilization of funds and implementation schedules for the projects or programmes;

iv. Monitoring and reporting mechanism for the projects or programmes; and

v. Details of need and impact assessment, if any, for the projects undertaken by the company

3. Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company.

4. Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and

5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as directed by the Board of Directors from time to time.

b) Composition

As on the 31st March, 2022, the Committee comprised of the 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 Monica Davar	Member	Non- Executive & Non-Independent Director
3	Shri Arvind Kapur	Member	Non-Executive Independent Director

c) Meetings

The details of the Corporate Social Responsibility Committee meetings held during 2021-2022 are given as under:

S. No	Member Name	Designation	Designation on Board	Date of Meeting		No. of total meetings attended
				21.05.2021	01.02.2022	
1	Shri Jayant Davar	Chairman	Co-Chairman & Managing Director	√	√	2
2	Smt Monica Davar	Member	Non- Executive & Non-Independent Director	√	√	2
3	Shri Arvind Kapur	Member	Non-Executive Independent Director	√	√	2
	Total no. of Members			**3**	**3**	
	Total Present			**3**	**3**	
	Absent			**0**	**0**	

(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 04th May, 2021. The terms of reference of the Finance Committee changed on the 10th February, 2020 and its terms of business include the following:

1. Review, no less than annually, the Company's strategic plans and financial strategies and make recommendations to the Board in respect thereof;

2. Review & undertake decisions 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 & undertake 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 borrow money for the purpose of the Company's business not exceeding the overall limit upto which the Board of Directors of the Company are authorized / to be authorized under Section 180 of the Act.

10. To review and accept the sanction of various funding facilities sanctioned by Banks/Lenders and 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.

11. 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.

12. 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.
13. 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.
14. 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.
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 Act, 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 Act provided that the aggregate of all such investments outstanding at any time shall not exceed the total limit laid down in the aforesaid Section.
17. 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/ governmental 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).

a) Composition

As on the 31st March, 2022, the Committee comprised following directors as members:

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

Note:

- The company lost Shri Ravinder Nagpal, Non-Executive Independent Director and member of the Committee due to his sudden demise on the 2nd May, 2021.
- Shri. Vimal Mahendru was appointed as Member of Finance Committee through circular resolution dated the 04th May, 2021.

b) Meetings and attendance

The details of the Finance Committee meetings held during 2021-2022 are given as under:

S. No	Member Name	Designation Committee	Designation on Board	Meeting held in the Financial Year 2021-22						No. of total meetings attended
				21.05.2021	26.07.2021	06.08.2021	11.10.2021	12.11.2021	06.01.2022	
1	Shri Dharmendar Nath Davar	Chairman	Chairman, Non-Executive & Non-Independent Director	√	√	√	√	√	√	6
2	Shri Jayant Davar	Member	Co-Chairman & Managing Director	√	√	√	√	√	√	6
3	Shri Vimal Mahendru	Member	Non-Executive, Independent Director	√	LOA	√	LOA	LOA	LOA	2
	Total no. of members			**3**	**3**	**3**	**3**	**3**	**3**	
	Total Present			**3**	**2**	**3**	**2**	**2**	**2**	
	Absent			**0**	**1**	**0**	**1**	**1**	**1**	

Notes:

- The necessary quorum was present for the meeting.

(C) SHARE TRANSFER & ALLOTMENT COMMITTEE:

As on the 31st March, 2022, 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 2021-2022.

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 is recommended by the Nomination and Remuneration Committee (the "NRC") to the Board for approval after considering the following factors, inter-alia:

a) Function, role and responsibilities assigned;

b) Benchmarking the same with the peers in the identical/ similar industry;

c) Industry benchmarking;

d) Performance in the past and contribution to the long term strategies.

The Board considers the recommendations of NRC 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 Act otherwise, to require the approval of the Central Government. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc as applicable to employee of the Company.

B. Remuneration of Non-Executive Directors

(i) Sitting Fees & Reimbursement of expenses

The sitting fees is paid to Non-Executive Directors of the Company 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 Act, Listing Regulations and other regulatory/statutory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the NRC and approved by the Board of Directors of the Company. The NRC considers the following factors while recommending the change in the sitting fees to the Board:

1. Contribution expected from Directors considering size and complexity of organization,

2. Comparison with the peers in the identical/similar industry/benchmarking,

3. Regulatory guidelines as applicable, etc. The Non-Executive Directors 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 NRC.

(ii) Payment of Profit-based Commission to Non-Executive Directors

The Non- Executive Directors of the Company are paid profit based yearly commissions in accordance with the provisions of the Act subject to a maximum of 1% of the Net profits, over and above any fees and reimbursements payable to the Non-Executive Directors, pursuant to the shareholders' resolution. The NRC recommends 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.

(iii) Pecuniary transactions with Non-Executive Directors

During the year under review, there were no pecuniary transactions with any of the Non-Executive Directors of the Company except for payment of sitting fees/ commission. 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.

(iv) 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 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 during 2021-2022.

(v) Service Contracts, Notice Period and Severance Fees

As on 31st March 2022, the Board comprise eleven members, including one Executive Director and ten Non-Executive Directors, of which six are Independent Directors. Shri Jayant Davar Co-Chairman and Managing Director is the employee of the Company, Hence the provision for payment of severance fees to them shall be as per the Company's policy. However, other Directors are not subject to any notice period and severance fees.

(vi) Remuneration to Directors

The details of remuneration, sitting fees, performance bonus, and/or commission paid to each of the Directors during the year ended on the 31st March 2022 are given below:-

in Rs.

Sr. No.	Name of the Director	Designation	Salary and Perquisites			Others		
			Fixed Pay & Bonus	Perquisite	Retirement Benefits	Sitting Fees	Commission	No. of Share held
1	Shri Dharmendar Nath Davar	Chairman, Non-Executive & Non-Independent Director	-	-	-	2,00,000	2,00,000	8,39,582
2	Shri Jayant Davar	CO-Chairman & Managing Director	1,42,71,600	-	-	-	3,14,71,100	3,14,31,396
3	Smt. Monica Davar	Non-Executive and Non-Independent Director	-	-	-	2,00,000	2,00,000	26,22,930
4	Shri Neel Jay Davar	Non-Executive and Non-Independent Director	-	-	-	1,50,000	1,50,000	15,55,995
5	Shri Sandeep Dinodia	Non-Executive and Non-Independent Director	-	-	-	50,000	50,000	3,200
6	Shri Arjun Sharma	Non-Executive Independent Director	-	-	-	3,40,000	2,00,000	
7	Shri Arvind Kapur	Non-Executive Independent Director	-	-	-	4,10,000	2,00,000	
8	Shri Mohan Lal Bhagat	Non-Executive Independent Director	-	-	-	2,70,000	2,00,000	
9	Smt Archana Capoor	Non-Executive Independent Director	-	-	-	3,90,000	2,00,000	
10	Shri Vimal Mahendru	Non-Executive Independent Director	-	-	-	3,20,000	2,00,000	
11	Shri Bharat Anand	Non-Executive Independent Director	-	-	-	2,50,000	2,00,000	
12	Shri K. L. Chugh	Non-Executive Independent Director	-	-	-	1,35,000	1,00,000	

Notes:

i. Perquisite valued as per Income Tax Act, 1961.

ii. No options under the Company's ESOP plan were granted to Executive/Non-Executive Directors during the financial year ended 31st March 2022.

V. FAMILIARIASATION PROGRAMME FOR BOARD MEMBERS

The Board of Directors has adopted a familiarization programme for its Independent Directors in accordance with Regulation 25 of the Listing Regulations. The aim of such Familiarisation Programme is 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 https://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 timely Informed 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 Act, Listing Regulations and other applicable statutes. The Board and other Committees also approve various business proposals and regulatory approvals through circulations as and when required.

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 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 https://www.sandhargroup.com

In terms of the Listing regulations amendment dated the 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) Disclosures on Related Party Transactions:

In compliance with the requirements of the Listing Regulations and following the provisions of Section 188(1) of the Act, all Related Party contracts / arrangements / transactions entered by the Company during the financial year in the ordinary course of business and on arm's length basis, with Audit Committee having a domain role. The Board of Directors was brought into picture, wherever necessary and/or obligatory. Therefore, the provision of Section 188 of the Act 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.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions, as approved by the Board, may be accessed at: https://www.sandhargroup.com

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

(b) 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.

(c) 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, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for noncompliance of any matter related to capital markets.

(d) Code of Conduct for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct for Prohibition of Insider Trading with Code of Practice and Procedure for fair Disclosure of Unpublished Price Sensitive Information was approved and adopted by the Company. The Code of Conduct is displayed on the website of the Company www.sandhargroup.com

(e) Managing Director & Chief Financial Officer certification:

The Managing Director and the Chief Financial Officer 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.

(f) Code of Conduct:

The Board formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management at its meeting dated 29th August 2014. The code of conduct as updated from time to time has been hosted on the website of the Company www.sandhargroup.com All Board members and Senior Management Personnel affirmed compliance with the Code of Conduct. A Declaration regarding the compliance is annexed with this Report.

(g) 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 ("POSH").

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 2021-2022, there was no complained filed under POSH as well as no outstanding cases were pending for disposal at the beginning of such financial year.

(h) 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 https://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 Listing Regulations.

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

- Reporting of Internal Auditors: The Internal Auditor 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 annexed with this Report.

XI. SHAREHOLDERS

(a) Means of communication:

Website : The Company's website 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 Bombay Stock Exchnage Limited ("BSE") and National Stock Exchange of India Limited ("NSE") 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, Director'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), NSE Digital Exchange Portal & 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
27th	10th September, 2019	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
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
29th	23rd September, 2021	i. Appointment of Shri Neel Jay Davar (DIN: 09201336) as Director of the Company. ii. Ratification of remuneration payable to Cost Auditor, M/s Satija & Co for the financial year 2020-2021. iii. Ratification of remuneration payable to Cost Auditor, M/s Satija & Co for the financial year 2021-2022.	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

During the financial year 2021-22, no resolution was passed through postal ballot.

Further, as on the date of this report no special resolution is proposed to be conducted through postal ballot.

(c) 30th Annual General Meeting (AGM)

Day and Date	Thursday, 22 September 2022
Time	11:30 AM
Venue	Video conferencing (VC) /Other Audio Visual Means(OAVM)

(d) Financial Year: 1st April 2021 to 31st March 2022

(e) Dividend

The Dividend if declared shall be paid by the Company with 30 days from the date of declaration of dividend.

(f) Listing on Stock Exchanges

The equity Shares are at present listed on the following Stock Exchanges and the Listing fees for 2021-22 and 2022-23 have been duly paid to the Exchanges:

S.No	Name	Address	Stock Code
1	Bombay Stock Exchange 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

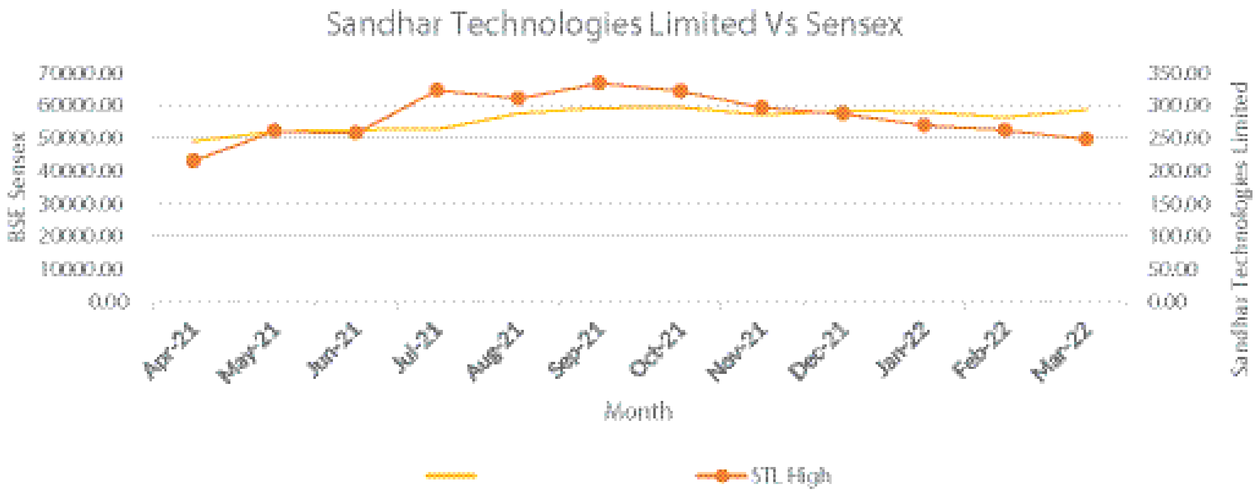
e) Market Price Data

Monthly highs and lows of Company's shares during 2021-2022 (` vis-à-vis CNX Nifty & BSE Sensex):

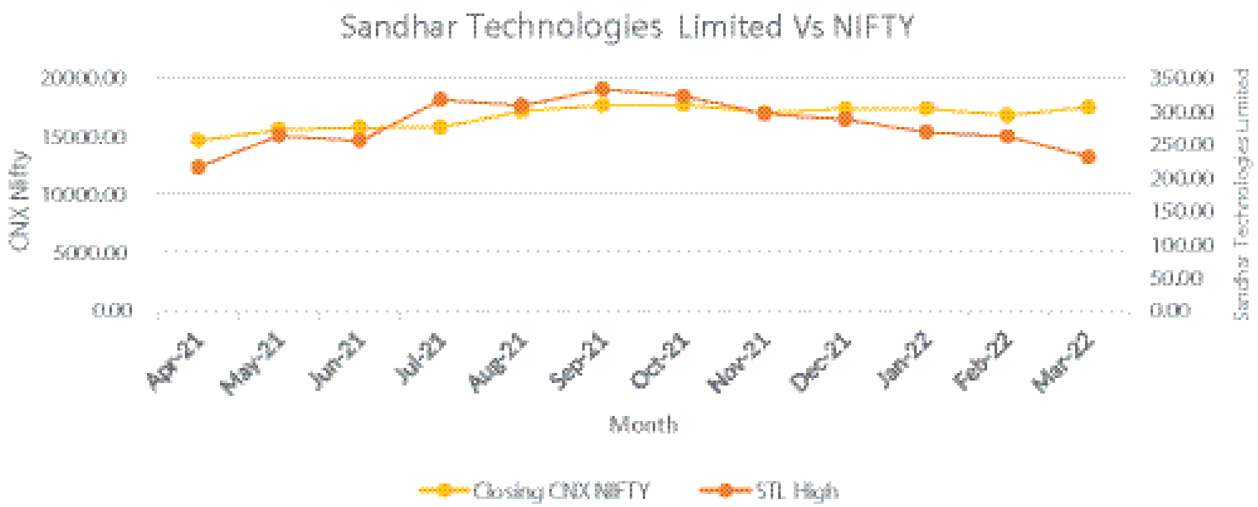
Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-21	214.00	175.00	214.95	174.50	14631.10	48782.36
May-21	260.00	182.75	263.35	185.00	15582.80	51937.44
Jun-21	257.00	229.40	255.00	231.25	15721.50	52482.71
Jul-21	323.05	241.15	317.05	244.50	15763.05	52586.84
Aug-21	309.60	247.10	308.00	246.50	17132.20	57552.39
Sep-21	333.00	267.40	333.00	267.00	17618.15	59126.36
Oct-21	321.55	269.80	322.00	267.35	17671.65	59306.93
Nov-21	296.00	239.10	295.90	237.25	16983.20	57064.87
Dec-21	286.90	202.00	287.65	242.00	17354.05	58253.82
Jan-22	269.05	237.00	268.80	238.00	17339.85	58014.17
Feb-22	260.95	210.60	261.75	210.05	16793.90	56247.28
Mar-22	247.00	200.00	229.80	201.00	17464.75	58568.51

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 2021- 22 (based on month end closing). and CNX Nifty for the financial year 2021- 22 (based on month end closing).

Sandhar Technologies Limited Vs BSE Sensex, on the 31st March, 2022



Sandhar Technologies Limited Vs Nifty, on the 31st March, 2022



(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 100% equity share capital were held in Dematerialised form, as on the 31st March, 2022.

(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 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

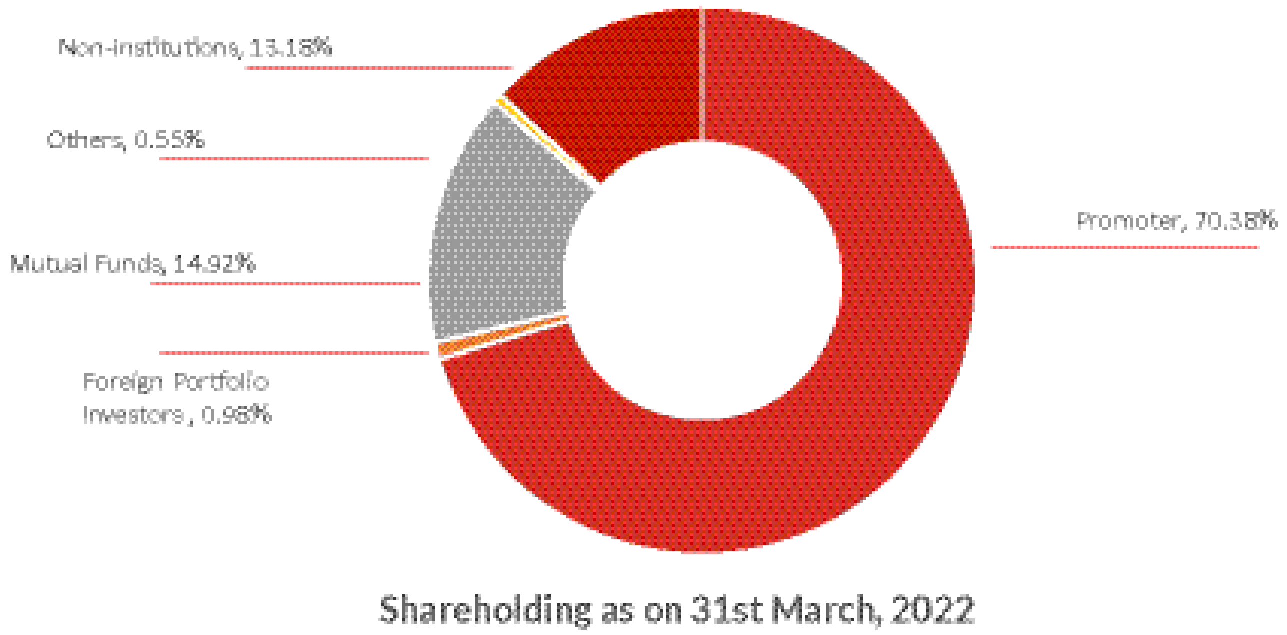
(h) Distribution of Shareholding

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on the 31st March, 2022

Category Distribution:

Categories	31st March 2022	
	No. of Shares	Percentage
Promoter	42362245	70.38%
Foreign Portfolio Investors	587776	0.98%
Mutual Funds	8977504	14.92%
Others	331290	0.55%
Non-Institutions	7931893	13.18%

Distribution of Shareholding as on the 31st March, 2022



Distribution Of Shareholding								
S. No	Shareholding of Shares			Shareholder	Percentage of Total	Total Share	Percentage of Total
1	1	To	500	32812	96.333	2189522	3.6376
2	501	To	1000	684	2.0082	547841	0.9102
3	1001	To	2000	309	0.9072	466961	0.7758
4	2001	To	3000	92	0.2701	234201	0.3891
5	3001	To	4000	28	0.0822	100878	0.1676
6	4001	To	5000	29	0.0851	136390	0.2266
7	5001	To	10000	48	0.1409	374371	0.622
8	10001	To	ABOVE	59	0.1732	56140544	93.2711
			Total	**34061**	**100**	**60190708**	**100**

(i) Share Transfer System:

As on the 31st March, 2022, 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
Operational manufacturing facilities				
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
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
24.	Jinyoung Sandhar	Oragadam, Chennai	Joint Venture	Assembly of AVN panels, and switches

S. No	Facility	Location	Division	Products manufactured
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 Automotive Systems	Gurugram	After Market	Locks, mirrors, clutch assembly, starter motors, coil plate assembly, filters
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.
37.	Sandhar Technologies Limited- Nalagarh Unit	Nalagarh	Components	Sheet Metal components
38.	Sandhar Engineering- Attibele Unit	Attibele	Sandhar Engineering Private Limited	Sheet Metal
39.	Sandhar Engineering- Mysore Unit	Mysore	Sandhar Engineering Private Limited	Sheet Metal
40.	Sandhar Engineering- Halol Unit	Halol	Sandhar Engineering Private Limited	Sheet Metal

B. Facilities outside India:

S.No	Facility	Location	Division	Product Manufactured
1.	ST Barcelona	Spain	ST Barcelona	Aluminium spools and spindles
2.	Sandhar Poland	Poland	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	Company
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	**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 of listing Regulations.

S. No	Particulars	Regulation Number	Compliance status (as on March 31, 2022) (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)	Yes
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)	Yes
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
30	Terms and conditions of Appointment of Independent Directors	46(2)(b)	Yes
31	Composition of various Committees of Board of Directors	46(2)(c)	Yes
32	Code of Conduct of Board of Directors and Senior Management Personnel	46(2)(d)	Yes
33	Details of Establishment of Vigil Mechanism/ Whistle Blower Policy;	46(2)(e)	Yes
34	Criteria of Making Payments to Non-Executive Directors	46(2)(f)	Yes
35	Policy on Dealing with Related Party Transactions	46(2)(g)	Yes
36	Policy for Determining 'Material' Subsidiaries	46(2)(h)	Yes
37	Details of Familiarization Programmes Imparted to Independent Directors	46(2)(i)	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 Seven 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 - Village & Post Khandsa Behrampur Road Gurgaon Gurgaon HR 122001 IN	9th September, 2016	Domestic company	Otherwise
3	Sandhar Engineering Private Limited Registered office at Plot No. 13, Sector-44 Gurugram- 122002	14th October, 2021	Domestic company	Otherwise
4	Sandhar Auto Electric Solutions Private Limited Registered office at Plot No. 13, Sector-44 Gurugram Gurgaon HR 122002 IN	6th January, 2022	Domestic company	Otherwise
5	Sandhar Automotive Systems Private Limited Registered office at C/o Sandhar Components Behrampur, Khasra No.1747/1218,11,Behrampur road Village Khandsa, Gurugram Gurgaon HR 122001 IN	20th June, 2017	Domestic company	Otherwise
6	Sandhar Technologies Barcelona S.L., Registered office at Av. Cal Rubio, no 46, Santa Margarida I els Monjos, Barcelona, Spain	18th May, 2007	Foreign company (RBI UIN no. NDWAZ20090757)	Otherwise
7	Sandhar Auto Castings Private Limited Registered office at Khasra No. 1747/1218, 11, Behrampur Road Village Khandsa Gurgaon Gurgaon HR 122001 IN	29th July 2020	Domestic company	Otherwise

Note:

- The Joint Venture named as Sandhar Daewha Automotive Systems Private Limited has become the subsidiary of the Company on 27th December, 2021 and its name has been changed to Sandhar Automotive Systems Private Limited w.e.f the 6th January, 2022
- The name of Sandhar Daeshin Technologies Private Limited has been changed to Sandhar Auto Castings Private Limited w.e.f the 22nd March 2022.
- 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 Ul Legionow 59, 42-200, Czestochowa, 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, Guanuato, Mexico	27th February, 2014	Foreign company	Otherwise
3	Sandhar Technologies Ro SRL Registered Office 6-9 Corneliu Coposu Boulevard 8th floor, Office No. M09,	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 NSE 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:

S.No.	Name of Facilities	Credit Rating
1.	Working Capital Facilities	Long Term Ratings: IND AA-/stable
2.	Commercial Paper Facilities	Short Term Ratings: IND A1+

(h) DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

(Rs. in Lacs)

Type of Service	March, 2022	March, 2021
As Auditor		
Audit Fees	71.82	62.95
Limited Review	12.00	12.00
In Other Capacity		
Other Services (Certification Fees)	6.75	0.70
Reimbursement of Expenses	1.76	1.03
TOTAL	**92.33**	**76.68**

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

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

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

Place: Gurgaon
Date: 18th May 2022

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

Place: Gurgaon
Date: 18th May, 2022

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, 2022, 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
UDIN: F007153D000337725

Place: New Delhi
Date: 18th May, 2022

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

1. Corporate Identity Number (CIN) of the Company: L74999DL1987PLC029553
2. Name of the Company: Sandhar Technologies Limited
3. Registered address: B-6/20, L.S.C. Safdarjung Enclave New Delhi - 110029
4. Website : www.sandhargroup.com
5. E-mail id : investors@sandhar.in
6. Financial Year reported: 01st April, 2021 to 31st March, 2022
7. 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

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

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

9. Total number of locations where business activity is undertaken by the Company: 44
   (a) Number of International Locations: 4
   (b) Number of National Locations: 40
10. 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

1. Paid up Capital (INR): 60.19 Crores
2. Total Turnover (INR): 1946.17 Crores
3. Total profit after taxes (INR): 61.43 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 3.41%
5. 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

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. 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.
3. 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

a) 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	investors@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	P1	P2	P3	P4	P5	P6	P7	P8	P9
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. www.sandhargroup.com. Policies which are internal to the Company are available on the intranet of the Company. Link of the policies hosted on the website are given above.								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
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

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 2021-22.

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, 2022:

   Response: 1609

2. Please indicate the total number of employees hired on temporary/contractual/casual basis as on the March 31, 2022:

   Response: 5724

3. Please indicate the Number of permanent women employees as on March 31, 2022:

   Response: 115

4. Please indicate the Number of permanent employees with disabilities as on March 31, 2022:

   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: 13.15%

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): 2.60%

   Percentage of Training Hours (Staff) : 3.09%

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, Stakeholders' views and suggestions are incorporated into business strategies.

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, 2022, 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: We Support Inclusive growth and equitable development through our focus on women empowerment and Education programs for underprivileged girl students. With better pedagogy support, books, uniforms, communication skills, career counselling, sanitation, hygiene, and mental health support, and support for higher education, we augment their employability that facilitates equitable development and equal opportunities for women.

   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. Our Healthcare initiative (Sandhar Healthcare Centre) as well as emergency response COVID Care centre in FY 21-22 was self-implemented through in-house team and rest all initiatives are through external implementing agencies (NGOs)

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

   Response: Yes, for one of our projects in support education through KHUSHII NGO, we have got an impact assessment done. This is not mandated as program value is under 1 crore, but was taken as a self-initiative to measure the outcomes.

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 2021-22. We have a specific Health Initiative for the community at Begumpur Khatola, Gurugram District, Haryana which is under direct Implementation by Sandhar Foundation called the Sandhar Healthcare Centre. For amount and Project Details, Please refer to 'Annexure IV' 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: Yes, with the assistance and approval of the local Area Counselor, the project has been allotted community space in Begumpur Khatola where-in we have over a 500 OPD walk-ins a month for doctor consultations. With the support of local administration, PHC at Fazilpur, we organize free health camps screenings for health check ups – eye, cardiology, dental , skin, gynae etc.

   For the assistance of local community, we have installed a water ATM which has got cumulative registrations of 1060 users from underserved communities in the adjoining areas with average water dispensation of more than 2 lac litres per annum. Access to clean drinking water has contributed in a big way to avoiding diseases like diarrhea, cholera, dysentery, typhoid and polio.

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 Discussion & Analysis –Financial Performance FY 2022

Industry Snapshot:

The year gone by was full of unforeseen challenges and new learning for the industry. Indian auto industry has worked hard against these challenges to keep the value chain running, to indigenize parts, control cost, invest in new technologies, and enhance exports. The Government also came out with targeted support like PLI schemes, FAME scheme extension, etc. Elaborating on the sales performance, "Despite some recovery from a low base, sales of all four segments of the auto industry are below even 2018-19 level. While some segments like Commercial Vehicles and SUVs are seeing improvement in demand, the mass segments like two-wheelers and smaller cars are facing serious affordability issues. The immediate challenge in most segments is semiconductor availability." Talking about export performance, all four segments of the industry have increased their exports. Infact, two-wheelers achieved their highest ever exports. It is good to see that Indian products are becoming more acceptable worldwide for their quality, cost and performance."

The auto industry saw a decline of 6% in sales during FY22, still hurt by supply challenges the industry faced during early 2022, and the chip shortage affecting many carmakers. Steep increase in commodity prices, precious metals and freight rates were putting additional pressure on supply chain and profitability of the industry. Ind-Ra said the ongoing geopolitical tensions amid Russia-Ukraine situation could increase commodity prices, crude oil prices, and exacerbate supply chain issues.

The economy and the global health situation are slowly starting to take a step in the right direction, and the development for light vehicle sales is following suit. With several hurdles overcome during the last year, the outlook for FY 2023 looks positive by comparison. Today, light vehicle inventories are at a record low, but with production of semiconductors now ramping up, we assume the situation will stabilize during the second half of 2022.

Production

The industry produced a total 2,29,33,230 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in April-March 2022 as against 2,26,55,609 in April- March 2021 with an increase of 1.23%.

Domestic Sales

The Passenger Vehicles sales has been 30,69,499 units in April-March 2022, compared to 27,11,457 units in April-March 2021, increased by 13.20%.

The overall Commercial Vehicles sales has been 7,16,566 units in April-March 2022 compared to 5,68,559 units in April- March 2021, increased by 26.03%.

Three-wheeler sales have been 2,60,995 units in April-March 2022 compared to 2,19,446 units in April-March 2021, increased by 18.93%.

Two-wheeler sales have been 1,34,66,412 units in April-March 2022, compared to 1,51,20,783 units in April-March 2021, decline by (-) 10.94%.

Exports

The overall exports have been 56,17,246 units in April-March 2022 compared to 41,34,047 units in April-March 2021, increased by 36%.

Passenger Vehicles and Two Wheelers exports increased by 43 percent and 35 percent respectively. Similarly, Commercial Vehicles and Three Wheelers increased by 83 percent, and 27 percent respectively in April-March 2022 over the same period last year.

The table below, gives the segment wise sales volumes of the industry:

Segment	FY'22 Volume (Nos.)	FY'21 Volume (Nos.)	Gr %
Passenger Vehicles	18,42,042	18,06,773	2%
Utility Vehicles	16,90,214	11,98,592	41%
Vans	1,15,118	1,10,489	4%
Total : PVs + UVs	36,47,374	31,15,854	17%
M & HCVs	2,72,758	1,78,236	53%
LCVs	5,36,105	4,40,657	22%
Total: CVs	**8,08,863**	**618,893**	31%
Motorcycles	1,30,66,628	1,30,63,684	0.02%
Scooters	43,59,406	47,14,325	-8%
Mopeds	4,83,396	625,560	-23%
Total: 2 Wheelers	**1,79,09,430**	**1,84,03,569**	-3%
Three Wheelers	7,60,725	6,12,447	24%
Total	**2,31,26,392**	**2,27,50,763**	2%

The table below, gives the year to date sales volumes of the Company's major OEMs:

OEM Growth Rates		FY'22	FY'21	YoY
Hero Motocorp	Lacs (Vol.)	49.44	57.93	-15%
TVS Motors	Lacs (Vol.)	31.38	29.28	7%
Honda Motorcycles	Lacs (Vol.)	38.02	40.78	-7%
Bajaj Auto	Lacs (Vol.)	38.37	36.06	6%
Royal Enfield	Lacs (Vol.)	6.02	6.12	-2%
Honda Cars	Lacs (Vol.)	1.05	0.87	20%
Tata Motors- CVs	Lacs (Vol.)	3.57	2.63	36%

FINANCIAL PERFORMANCE FY'22

The performance of the Company for the year ended the 31 March 2022 is as per the summary given below:

STL Consolidated:

Total Revenue: Total Revenue (including inter-unit/inter-Company stock transfers) for the year ended the 31 March 2022 at Rs. 2,579.09 Crs as against Rs. 2,101.46 Crs in year ended the 31 March 2021, thereby representing a growth of 23%. After elimination of the inter-unit and inter-Company transactions, the Total Revenue at Consolidated level stood at Rs. 2,330.68 Crs for the year ended 31 March 2022 as against Rs. 1,874.34 Crs in the last year, thereby registering a growth of 24%.

The individual Company's Total Revenue (including Other Income), net of Inter-Unit, stood as below:

Company Name	FY'22	FY'21	Act Gr Vs LY
	(Rs. In Crs)	(Rs. In Crs)	%
STL	1,946.17	1,594.70	22.04%
STB (WOS) including its subsidiaries at Mexico and Poland	370.87	268.16	38.30%
STPL (WOS)	14.42	11.82	22.00%
SEPL (WOS)	0.10	-	
SASPL (WOS)	10.53	-	
Inter Companies elimination/adjustments	(11.41)	(0.34)	
Total	**2,330.68**	**1,874.34**	**24.35%**

The total contribution of the Subsidiaries to the consolidated Revenue has been Rs. 384.51 Crs in the year ended March 2022 as compared to Rs. 279.64 Crs in the previous fiscal year, constituting 16.50% and 14.92% of the Total Revenue, respectively.

EBITDA: At the Consolidated level, the Company registered an EBITDA of Rs. 213.01 Crs in the year ended March 2022 as compared to Rs. 199.18 Crs in the previous year, thereby registering a growth of 6.94%. The individual Company's performance stands as below:

Company Name	FY'22	FY'21	Act Gr Vs LY
	(Rs. In Crs)	(Rs. In Crs)	%
STL	171.11	163.14	5%
STB (WOS) including its step down subsidiaries at Mexico and Poland	39.02	33.69	16%
STPL (WOS)	3.40	2.70	26%
SEPL (WOS)	(0.80)	-	
SASPL (WOS)	1.28	-	
Inter Companies elimination/adjustments	(1.00)	(0.35)	
Total EBITDA	**213.01**	**199.18**	**7%**

The total contribution of the subsidiaries in the Consolidated EBITDA increases to Rs. 41.9 Crs for the year ended March 2022 from Rs. 36.04 Crs for the year ended March 2021 thereby contributing 19.67% to the total Consolidated EBITDA as against 18.09% in same period in the last year. The EBITDA margins are not comparable as the manufacturing units were shut down in the month of May 2021 due to COVID-19.

Total Manufacturing Cost

At Consolidated level, the manufacturing cost as a % to Total Net Revenue from Operations (net of GST) stood at 83.41% in the FY'22 as compared to 81.58% in the FY'21.

At Standalone level, the manufacturing cost as a % to Total Net Revenue from Operations (net of GST) stood at 85.30% in the FY'22 as compared to 83.82% in the FY'21. The higher manufacturing cost is due to COVID-19 pandemic and increase in commodity prices.

Personnel, Selling and Admin & General Costs:

At Consolidated level, Personnel, Selling, Admin & General Cost are lower at 9.50% in the FY'22 as compared to 10.55% in the FY'21.

At Standalone level, Personnel, Selling, Admin & General Cost is lower at 8.03% in the FY'22 as compared to 8.80% in the FY'21 in despite of higher proportion of fixed expenses in the overall cost structure primarily on account of decline in sales due to COVID-19 in Q1 FY'22.

Foreign exchange loss arising out of trade operations amounted to Rs. 0.02 Cr. in the year FY'22 as compared to a gain of Rs. 0.46 Cr. in the previous year.

Finance Costs:

At Consolidated level, the Finance Costs increased to Rs. 17.71 Crs (0.76% of Net Revenue) for FY'22 versus Rs. 16.02 Crs (0.86% of Net Revenue) in the FY'21.

At Standalone basis, the Finance Costs increased to Rs. 9.43 Crs (0.49% of Net Revenue) for the FY'22 versus Rs. 9.09 Crs (0.57% of Net Revenue) in the FY'21. The interest cost on working capital loans and bill discounting charges stood at Rs. 6.46 Crs for the FY'22 as compared to Rs. 7.14 Crs in the FY'21. The lower finance costs were on account of aggressive working capital management coupled with a slew of measures to use variety of short term financing structures.

The average working capital borrowing at Standalone level, increase by Rs. 99.85 Crs (from Rs. 43.06 Crs in March 21 to Rs. 142.91 Crs in March 22.

Loans (Borrowings):

At Consolidated level, the Term Loans as at the 31 March 2022 stood at Rs. 273.15 Crs versus Rs. 106.77 Crs as at 31 March 2021. Outstanding working capital loans at the Consolidated level stood at Rs. 242.49 Crs as against Rs. 113.80 Crs as at the 31 March 2021.

Outstanding Term Loans on Standalone basis, stood at Rs. 95.05 Cr as at the 31 March 2022 vs Rs. 0.24 Cr. as at the 31 March 2021.

Outstanding working capital loans on Standalone basis have been Rs. 142.91 Crs as at 31 March 2022 versus Rs. 43.06 Crs as at the 31 March 2021. The increase in borrowing is on account of decline in the business due to COVID-19 pandemic and increase in capex.

Capital Expenditure/Addition in Gross Block:

At STL Standalone level, Company increased asset base by Rs. 128.91 Crs as at 31 March 2022.

Capital Expenditure		
Addition in Property, Plant & Equipment (a to f)		97.12
a)	Buildings	5.73
b)	Plant and Equipment	83.92
c)	Office equipment	2.25
d)	Vehicles	0.56
e)	Freehold land	3.66
f)	Furniture and Fixtures	1.00
Addition in Intangible assets		23.43
Addition in Right of use assets		8.36
Total additions in Gross Block		**128.91**
Payment to Capital Creditors		(5.59)
Increase/ (Decrease) in CWIP		28.31
Increase in Capital Advance		0.21
Less:- Addition in Right of use assets		(8.36)
Total Capex as per cash flow		**143.48**

Investments:

The Total Investments made during the period in various subsidiaries and joint ventures aggregated Rs. 50.25 Crs. The Total Investments in such subsidiaries and joint ventures stood at Rs. 162.67 Crs.

S. No.	Name of Subsidiary/ Joint Venture	Total Investment as at 31st March, 2022 (Rs. In Crs)	Addition/(Deletion) during the period (Rs. In Crs)
1	Sandhar Engineering Pvt. Ltd.	35.00	35.00
2	Sandhar Amkin Industries Pvt. Ltd.	26.62	11.30
3	Sandhar Technologies Barcelona S.L.	20.29	-
4	Sandhar Han Sung Technologies Pvt. Ltd.	19.56	1.02
5	Sandhar Automotive Systems Pvt. Ltd.	16.66	0.48
6	Jinyoung Sandhar Mechatronics Pvt Ltd.	12.27*	-
7	Kwansung Sandhar Technologies Private Limited	10.08	-
8	Sandhar Whetron Electronics Pvt. Ltd.	9.78	1.46
9	Winnercom Sandhar Technologies Private Limited	4.00	-
10	Sandhar Tooling Pvt. Ltd.	3.87	-
11	Sandhar Han Shin Auto Technologies Private Limited	2.75	-
12	Kwangsung Sandhar Automotive Systems Private Limited	0.99	0.99
13	Sandhar Ecco Green Energy Pvt. Ltd.	0.79**	-
14	Sandhar Auto Castings Private Limited	0.01	-
15	Sandhar Auto Electric Solutions Private Limited	0.0001	0.0001
16	Sandhar Daeshin Auto Systems Pvt. Ltd.	-***	-
17	Sandhar Han Shin Automotive Private Limited	-***	-
18	Sandhar Strategic Systems Pvt. Ltd.	-***	-
	Total	**162.67**	**50.25**

* The original cost of investment in Jinyoung Sandhar Mechatronics Pvt Ltd is Rs. 13.37 Crs, company noted an impairment loss of Rs 1.10 Crs, fair valued at Rs. 12.27 Crs.

** The Original cost of Investment in Ecco Green amounting Rs. 2.22 Crs. fair valued at Rs. 0.79 Crs. The company is in the process of voluntary Liquidation.

*** Sandhar Han Shin Automotive Private Limited, Sandhar Daeshin Auto Systems Private Limited and Sandhar Strategic Systems Private Limited are is under process of strike-off.

Sundry Debtors:

At Consolidated level, the Receivables as at the 31 March 2022 stood at Rs. 445.37 Crs versus Rs. 392.92 Crs as at the 31 March 2021.

The Receivables for the Company on Standalone basis, stood at Rs. 406.59 Crs as at the 31 March 2022 as against Rs. 348.33 Crs as at 31 March 2021. This represented 57 days of average collection period as against 49 days as at the 31 March 2021. The increase in average collection period due to low sale in the 1st Quarter. No provision is required to be made, as the receivables are all good and recoverable.

Inventories:

At Consolidated level, the inventories as at the 31 March 2022 stood at Rs. 259.69 Crs versus Rs. 211.37 Crs as at the 31 March 2021.

The inventories for the Company on Standalone basis as at the 31 March 2022 stood at Rs. 156.30 Crs as against Rs. 133.97 Crs as at the 31 March 2021. This represented 39 days of inventory holding period as against 43 days as at the 31 March 2021. No provision is required in the inventory against any slow moving inventory as their dispatch is in accordance with the customer offtake plan.

Current Liabilities:

At Consolidated level, the Current Liabilities & Provisions as at the 31 March 2022 stood at Rs. 500.00 Crs versus Rs. 469.96 Crs as at the 31 March 2021.

The current liabilities & provisions for the Company on Standalone basis, stood at, the Rs. 342.91 Crs as at 31 March 2022 as against Rs. 374.44 Crs as at 31 March 2021. This includes Rs. 290.41 Crs trade payables as at 31 March 2022 and represented 70 days of average payable as against 75 days as at t31 March 2021.

Cash flow from Operations:

The Company's Cash Flow (Consolidated & Standalone level) as at 31 March 2022 stood as under:

(Amount in Rs. Crs.)

Particulars	Consolidated		Standalone	
	FY'22	FY'21	FY'22	FY'21
Cash Flows from Operating Activities				
Profit before tax	81.44	78.02	86.32	85.48
Depreciation and amortization expense	100.03	93.95	74.26	68.57
Other adjustments	28.68	23.69	8.02	4.92
Operating profit before working capital changes	210.15	195.65	168.60	158.97
Movements in working capital:	(141.98)	(52.40)	(129.83)	(42.77)
Cash generated from operations	**68.18**	143.25	**38.77**	**116.20**
Taxes Paid	19.55	19.53	19.19	19.38
Net cash inflow from operating activities (A)	**48.62**	123.72	**19.58**	**96.82**
Cash Flows from Investing Activities				
Capital Expenditure	(297.03)	(76.97)	(143.48)	(55.87)
Investments in joint ventures & subsidiaries	(15.24)	(26.35)	(50.24)	(26.44)
Proceeds from Sale of investments	(3.73)	5.15	-	3.62
Other Receipts	4.77	0.76	2.22	4.01
Net cash used in investing activities (B)	**(311.23)**	(97.40)	**(191.49)**	**(74.69)**
Cash Flows from Financing Activities				
Borrowings/Repayment	295.37	19.00	194.66	4.03
Payment of lease liabilities	(16.09)	(17.38)	(8.72)	(7.41)
Dividend Paid	(6.08)	(12.10)	(6.02)	(12.04)
Interest paid	(13.50)	(15.76)	(8.65)	(8.83)
Net cash flow generated from / (used in) financing activities (C)	**259.70**	**(26.23)**	**171.27**	**(24.25)**
Foreign currency translation gain	1.03	(0.82)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2.90)**	**0.09**	**(0.63)**	**(2.13)**
Opening Cash Balance	5.97	6.70	0.87	3.00
Cash and equivalents at the end of the year	4.10	5.97	0.24	0.87

Contingent Liabilities:

The Company's Contingent Liabilities as at the 31 March 2022 stood as under (all Fig. in Rs. Lacs):

	Particulars	31 March 2022	31 March 2021
a.	Claims against the Company not acknowledged as debts*		
	- Service tax matters	310.55*	311.03*
	- Income tax matters	259.08**	160.59**
	- Custom act matters	6.94	-
	- Demand notice against Land (Chakan & Pathredi)	837.52	837.52
	- Other matters	46.50	61.55
	Total (a)	**1,460.59**	**1,370.69**
b.	Guarantees given by the Company	16,728.15	9,620.00
	Total (a+b)	**18,188.74**	**10,990.69**

*Majorly (Rs.261 Lacs) relating to credit availed on Contract Labour services, catering service and freight. This is common to all the industry.

**Majorly (of Rs.104.00 Lac) relating to disallowance of R& D expenses. DSIR allowed expenses from the date of application filed for R&D center. Whereas the we considered expenses for full year in which application filed on the basis of various case laws.

Outlook:

India Ratings and Research (Ind-Ra) revised its outlook for the auto sector to 'neutral' from 'improving' for 2022-23, saying supply-side constraints and a muted rural demand will restrict growth.

Domestic automobile sales volume is expected to grow 5-9 per cent year-on-year in 2022-23, after three consecutive years of decline.

In the next fiscal year, passenger vehicle volume could grow 5-9 per cent driven by an intermittent improvement in consumer sentiments and continued preference for personal mobility, although supply chain issues could limit the growth.

Looking to the future, it is likely that government incentives will continue to support low-emissions vehicles, which will in turn boost production of electric vehicles. In China, EV production and exports for both legacy OEMs and new players are on the rise and are likely to continue to increase, however, geopolitical tensions could lead to regionalised EV production in the years ahead. Elsewhere, sustainability is also playing an important role in the future of self-driving cars, with the global autonomous market expected to be worth $60 billion in 2030.

As we enter 2022, market predictions remain cautiously optimistic, with light vehicle sales set to grow, albeit modestly. And with the semiconductor supply chain showing signs of stabilisation in the second half of next year, the signals at this stage suggest there could be better times ahead.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sandhar Technologies Limited**

Report on the Audit of the Standalone Financial Statements
Basis for Opinion

Opinion

We have audited the standalone financial statements of Sandhar Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, 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 significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 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 obtained by us 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
As disclosed in Note 17 to the Standalone Financial Statements, the Company's revenue from operations for the year ended 31 March 2022 was INR 194,101.58 Lacs (Previous year INR 158,530.80 Lacs). The Company's revenue is derived primarily from sale of products which comprises automotive components. 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. In view of the above, we have identified revenue recognition as a key audit matter.	Our audit procedures included: • Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard. • 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. • Involved our IT specialists to assist us in testing of key IT system controls which impact relating to revenue recognition. • 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. • Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions. • Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

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' Responsibilities 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/loss 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 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 in preparation of standalone 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 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, 2020 ("the Order") issued by the Central Government of India 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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 Auditor's) 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 2022 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.

   iv. (a)The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
   - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

   - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
   - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.

   v. The dividend declared or paid by the Company during the year is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act 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
Membership No.: 095109
ICAI UDIN: 22095109AJECRW6352

Place: Gurugram
Date: 18 May 2022

Annexure - A to the Independent Auditor's Report

on the standalone financial statements of Sandhar Technologies Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showin full particulars, including quantitative details and situ tion of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Free Hold Land	30.98	Adeep Roloforms Limited	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
Free Hold Land	4.04	Adeep Locks Limited	No	28.12.2005	
Free Hold Land	21.31	Adeep Roloforms Limited	No	28.12.2005	
Free Hold Land	317.77	Adeep Roloforms Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
Free Hold Land	192.69	Sandhar Auto Components Limited	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
Building	747.36	Adeep Roloforms Limited	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
Building		Adeep Locks Limited	No	28.12.2005	
Building	53.17	Adeep Roloforms Limited	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
Building	411.08	Adeep Roloforms Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
Building	132.55	Sandhar Auto Components Limited	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee, granted unsecured loans to companies and other parties in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firm or limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or guarantee to companies and other parties as below:

Amount (Rs.in Lacs)

Particulars	Guarantees	Loans
Aggregate amount during the year		
(a) Subsidiaries as per Companies Act, 2013	5,429	4,200
(b) Others	-	33
Balance outstanding as at balance sheet date		
(a) Subsidiaries as per Companies Act, 2013	5,429	-
(b) Others	-	21

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and which is repayable on demand. Loan has been repaid during the year. There has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Amount (Rs. in Lacs)
Aggregate of loans/advance in nature of loan	
- Repayable on demand (A)*	4,200
- Agreement does not specify any terms or period of repayment (B)	-
Total	**4,200**
Total loans granted during the year	4,233
Percentage of loans in nature of loan to the total loans granted	99.22%
*The above loan has been repaid during the year by the related parties.	

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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 during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -

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 proceeds	AY 2013-2014 to 2016-17 & 2018-2019	Commissioner of Income tax (A) – LTU	93.12	-
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	3.62	-
Finance Act, 1994 Service tax	Service tax on Manpower for sub 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	-
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	-

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 Civil construction, CHA, maintenance or repair, outward freight, Travel Agent, Catering Pandal, Shamiana, Authorized Service Station & Telephone Service	February- 2004 to November- 2011	Commissioner, Joint Commissioner and Deputy Commissioner, Central Excise	33.85	-
Custom Act 1962	Custom duty on import of goods	2015-16 and 2016-17	Custom Authority Garhi Harsaru, Gurugram, Haryana	6.94	-

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations 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. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:22095109AJECRW6352

Place: Gurugram
Date: 18 May 2022

Annexure B to the Independent Auditor's report

on the Standalone Financial Statements of Sandhar Technologies Limited for the year ended 31 March 2022

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 2022 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 2022, 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 number: 095109
ICAI UDIN: 22095109AJECRW6352

Place: Gurugram
Date: 18 May 2022

Standalone Balance Sheet as at 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	58,269.73	55,180.88
Capital work-in-progress	3A	3,597.13	736.42
Right-of-use assets	4	4,028.97	3,916.70
Goodwill	5	552.35	552.35
Other intangible assets	5	2,589.45	533.15
Financial assets	6		
- Investments	6A	16,365.35	11,438.77
- Other financial assets	6F	1,078.07	986.27
Income-tax assets	8	444.13	502.34
Other non-current assets	8	198.73	176.04
Total non-current assets		**87,123.91**	**74,022.92**
Current assets			
Inventories	7	15,629.94	13,397.11
Financial assets	6		
- Loans	6B	41.48	678.58
- Trade receivables	6C	40,659.26	34,832.70
- Cash and cash equivalents	6D	23.90	87.35
- Other bank balances	6E	84.17	81.34
- Other financial assets	6F	114.83	120.81
Other current assets	8	2,451.02	1,438.72
Total current assets		**59,004.60**	**50,636.61**
Assets held for sale		-	-
Total assets		**146,128.51**	**124,659.53**
Equity and liabilities			
Equity			
Equity share capital	9	6,019.07	6,019.07
Other equity	10	79,975.31	74,654.97
Total equity		**85,994.38**	**80,674.04**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	11	9,031.25	5.31
- Lease liabilities	13	1,204.74	1,217.02
Deferred tax liabilities (net)	16	842.00	995.00
Total non current liabilities		**11,077.99**	**2,217.33**
Current liabilities			
Financial liabilities			
- Borrowings	11	14,764.76	4,324.33
- Trade payables	12		
• total outstanding dues of micro enterprises and small enterprises		11,301.89	3,832.45
• total outstanding dues of creditors other than micro enterprises and small enterprises		17,739.19	29,300.91
-Lease liabilities	13	762.10	613.86
- Other financial liabilities	13	1,328.95	826.91
Other current liabilities	14	1,615.75	1,795.98
Income-tax liabilities	15	609.51	380.95
Provisions	15	933.99	692.77
Total current liabilities		**49,056.14**	**41,768.16**
Total equity and liabilities		**146,128.51**	**124,659.53**
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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
REVENUE			
Revenue from operations	17	194,101.58	158,530.80
Other income	18	515.06	939.33
Total income (I)		**194,616.64**	**159,470.13**
EXPENSES			
Cost of raw materials and components consumed	19	131,519.23	101,910.72
Changes in inventories of finished goods and work-in-progress	20	(647.97)	(54.98)
Employee benefits expense	21	23,415.95	20,887.08
Finance costs	24	942.75	909.43
Depreciation and amortization expense	22	7,426.26	6,857.01
Other expenses	23	23,218.39	20,413.15
Total expenses (II)		**185,874.61**	**150,922.41**
Profit before exceptional item and tax (III = I - II)		**8,742.03**	**8,547.72**
Exceptional item	25	110.36	-
Profit before tax (IV)		**8,631.67**	**8,547.72**
Tax expense:			
Current tax		2,567.84	2,013.92
Deferred tax (credit)/charge		(78.85)	10.60
Total tax expense (V)		2,488.99	2,024.52
Profit for the year (VI = IV - V)		**6,142.68**	**6,523.20**
Other Comprehensive Income (VII)			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans	26	(294.58)	(534.80)
Income tax relating to re-measurement gain/(loss) on defined benefit plans		74.15	134.60
Total Other Comprehensive Loss for the year (net of tax)		**(220.43)**	**(400.20)**
Total Comprehensive Income for the year (VIII = VI - VII) (Comprising Profit and Other Comprehensive Loss for the year)		**5,922.25**	**6,123.00**
Earnings per equity share:			
(1) Basic-Par value of Rs. 10 per share	27	10.21	10.84
(2) Diluted-Par value of Rs. 10 per share		10.21	10.84
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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Standalone Statement of changes in equity for the year ended 31 March 2022

(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 2020	9	**601.91**	**6,019.07**
Changes during the year		-	-
Balance as at 31 March 2021		**601.91**	**6,019.07**
Changes during the year		-	-
Balance as at 31 March 2022		**601.91**	**6,019.07**

B. Other equity

Particluars	Reserves and Surplus (1)			Items of other comprehensive income (2)	Total
	Retained earnings	Securities Premium	Capital reserves	Remeasurements of defined benefit liabilities	
Balance as at 1 April 2020	**38,704.52**	**27,859.67**	**2,653.66**	**517.93**	**69,735.78**
Total Comprehensive income for the year ended 31 March 2021					
Profit for the year	6,523.20	-	-	-	6,523.20
Other comprehensive loss (net of tax)	-	-	-	(400.20)	(400.20)
Contribution by and distribution to owner					
Dividend on equity shares (Final)	(451.43)	-	-	-	(451.43)
Dividend on equity shares (Interim)	(752.38)	-	-	-	(752.38)
Tax on Dividend	-	-	-	-	-
Balance as at 31 March 2021	**44,023.91**	**27,859.67**	**2,653.66**	**117.73**	**74,654.97**
Total Comprehensive income for the year ended 31 March 2022					
Profit for the year	6,142.68	-	-	-	6,142.68
Other comprehensive loss (net of tax)	-	-	-	(220.43)	(220.43)
Contribution by and distribution to owner					
Dividend on equity shares (Final)	(601.91)	-	-	-	(601.91)
Dividend on equity shares (Interim)	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Balance as at 31 March 2022	**49,564.68**	**27,859.67**	**2,653.66**	**(102.70)**	**79,975.31**

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Standalone Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities**		
1	**Profit before tax**	8,631.67	8,547.72
2	**Adjustments for :**		
	Depreciation and amortization expenses	7,426.26	6,857.01
	Impairment loss on investment in join venture	110.36	-
	Profit on sale of property, plant and equipment	(40.25)	(42.74)
	Provision for doubtful debts and advances	-	11.35
	Unrealised foreign exchange gain	(48.50)	(22.58)
	Interest expense	942.75	909.43
	Interest income on security deposits measured at amortised cost	-	(45.03)
	Gain on investments carried at fair value through profit or loss	(13.19)	(32.73)
	Interest income	(124.94)	(148.31)
	Dividend income	(23.98)	(137.03)
3	**Operating profit before working capital changes (1+2)**	**16,860.18**	**15,897.09**
4	**Movements in working capital:**		
	Increase in trade receivables	(5,826.57)	(15,211.58)
	Increase in inventories	(2,232.83)	(1,297.43)
	Decrease/(Increase) in financial assets	555.46	(3,341.21)
	(Increase)/ Decrease in other current assets	(1,012.30)	353.99
	(Decrease)/ Increase in trade payables	(4,043.78)	14,712.02
	Decrease in current provisions	(415.62)	(469.82)
	Increase in other financial liabilities	172.98	177.46
	(Decrease)/ Increase in other current liabilities	(180.22)	799.48
	Total movement in working capital:	**(12,982.88)**	**(4,277.09)**
5	**Cash generated from operations (3+4)**	3,877.30	11,620.00
6	**Income tax paid (net of refunds)**	1,918.82	1,938.05
7	**Net cash generated from operating activities (5-6)**	**1,958.48**	**9,681.95**
B	**Cash flow from investing activities:**		
	Purchase of Property, plant and equipment, Capital work in progress, other intangible assets and capital advances	(14,347.52)	(5,587.36)
	Proceeds from sale of property, plant and equipment	80.49	77.20
	Purchase of non-current investment in subsidiaries	(3,500.01)	-
	Purchase of non-current investment in joint ventures	(1,523.73)	(2,644.24)
	Sale of non-current investment in joint ventures	-	361.80
	Increase of Bank deposits (having original maturity of more than 3 months)	(2.83)	(2.08)
	Dividend income	23.98	137.03
	Interest received	120.77	188.49
	Net cash used in investing activities:	**(19,148.85)**	**(7,469.16)**
C	**Cash flow from financing activities:**		
	Repayment of long-term borrowings	(18.54)	(35.58)
	Proceeds from long-term borrowings	9,500.00	-
	Proceeds from short-term borrowings (net)	9,984.91	438.90
	Payment of lease liabilities	(872.40)	(741.37)
	Dividend paid during the year	(601.91)	(1,203.81)
	Interest paid	(865.14)	(883.08)
	Net cash generated from/ (used in) financing activities:	**17,126.92**	**(2,424.94)**
D	**Net decrease in Cash and cash equivalents (A+B+C)**	**(63.45)**	**(212.15)**
E-1	Cash and cash equivalents as at the beginning of year	87.35	299.50
E-2	Cash and cash equivalents as at end of the year	23.90	87.35
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	16.40	73.07

Standalone Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
– Cheques on hand	-	-
Cash on hand	7.50	14.28
Cash and cash equivalents at the end of the year	**23.90**	**87.35**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non - current borrowings*	Current borrowings
Opening balance as at 1 April 2021	**26.12**	**4,305.79**
Cash flows during the year	9,504.89	9,984.91
Non-cash changes:	-	-
Closing balance as at 31 March 2022	**9,531.01**	**14,290.70**

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 13.

For lease liabilities refer note 34

Notes:

1. 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 ".
2. Refer note 2 for significant accounting policies.
3. The Company paid in cash Rs. 209.33 Lacs for the year ended 31 March 2022 and Rs. 216.66 Lacs for the year ended 31 March 2021 towards Corporate Social Responsibility (CSR) expenditure.

The accompanying notes are an integral part of these Standalone Financial Statements.

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For **B S R & Co. LLP**
Chartered Accountants
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Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 18 May 2022

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

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Chairman
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Company Secretary
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Place: Gurugram
Date: 18 May 2022

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(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 AS,s 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 Lacs, 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 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

(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 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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.

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

- **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

Company as a lessee the Company applies a single recognition and measurement approach for all leases, except for short-term leases.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, 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. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note e for Impairment of non- financial assets.

ii) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

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.

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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.

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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, 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.

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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 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.

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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 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

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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

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.

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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.

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

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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.

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.

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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.

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

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(Rupees in lacs, except share data, per share data and unless otherwise stated)

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:

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.

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 accounting pronouncements:

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
Gross carrying value as at							
1 April 2020	11,397.48	18,851.04	42,643.81	1,897.33	637.17	870.44	76,297.27
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
Balance as at 31 March 2021	**11,401.56**	**19,528.89**	**47,214.09**	**1,884.13**	**479.10**	**878.66**	**81,386.43**
Additions	366.77	573.99	8,392.03	225.23	56.26	99.59	9,713.87
Disposals	100.71	43.16	947.83	340.03	113.57	10.08	1,555.38
Balance as at 31 March 2022	**11,667.62**	**20,059.72**	**54,658.29**	**1,769.33**	**421.79**	**968.17**	**89,544.92**
Accumulated depreciation							
Balance as at 1 April 2020	**-**	**2,832.27**	**16,495.98**	**1,081.47**	**308.76**	**348.21**	**21,066.69**
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
Balance as at 31 March 2021	**-**	**3,671.82**	**20,622.31**	**1,321.10**	**155.52**	**434.80**	**26,205.55**
Depreciation for the year	-	874.07	5,099.35	266.03	114.36	92.69	6,446.50
Accumulated depreciation on disposal	-	14.63	899.84	339.12	113.20	10.07	1,376.86
Balance as at 31 March 2022	**-**	**4,531.26**	**24,821.82**	**1,248.01**	**156.68**	**517.42**	**31,275.19**
Net carrying amount							
As at 31 March 2022	**11,667.62**	**15,528.46**	**29,836.47**	**521.32**	**265.11**	**450.75**	**58,269.73**
As at 31 March 2021	**11,401.56**	**15,857.07**	**26,591.78**	**563.03**	**323.58**	**443.86**	**55,180.88**

3A. Capital work-in-progress

Balance as at 31 March 2022

S. No	CWIP	Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress	3,597.13	-	-	-	3,597.13
2	Project Temporarily suspended	-	-	-	-	-

Out of above, the projects which are overdue as per original plan:

S. No	CWIP	To be completed in				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress (SMT Line)	1,906.16	-	-	-	1,906.16

Balance as at 31 March 2021

S. No	CWIP	Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress	736.42	-	-	-	736.42
2	Project Temporarily suspended	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

3B. Title deeds of immovable properties not held in the name of the Company

As at 31 March 2022

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value 31 March 2022	Gross Carrying Value 31 March 2021	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
1	Property, plant and equipment - Land	12C& 13A, KIABD Industrial Area, Attibele Bangalore	30.98	30.98	Adeep Rolofoam Ltd	No	28.12.2005	The Title deed is in the name of company i.e. Adeep Rolofoam Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
2	Property, plant and equipment - Land	12C, KIABD Industrial Area, Attibele Bangalore	4.04	4.04	Adeep Locks Ltd	No	28.12.2005	
3	Property, plant and equipment - Land	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	21.31	21.31	Adeep Rolofoam Ltd	No	28.12.2005	
4	Property, plant and equipment - Land	Plot no 44-Sec-tor-3, IMT MANESAR,Gur-gaon	317.77	317.77	Adeep Rolofoam Ltd	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
5	Property, plant and equipment - Land	Plot no 24-Sec-tor-3, IMT MANESAR,Gur-gaon	192.69	192.69	Sandhar Auto Com-ponents, Ltd	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
6	Property, plant and equipment - Land	Plot no 46A,Peenya 2nd phase, Industrial Area, Bangalore	-	2,570.15	Mag Engineering Pvt Ltd	No	01.04.2012	Valuation done by the Government agency for stamp duty amount during the current year and the same was deposited in the registrar office.
7	Property, plant and equipment - Land	Plot no 34B,Peenya 2nd phase, Industrial Area, Bangalore	-	2,436.53	Mag Engineering Pvt Ltd	No	01.04.2012	
8	Property, plant and equipment - Building	12C& 13A, KIABD Industrial Area, Attibele Bangalore	747.36	732.30	Adeep Rolofoam Ltd	No	28.12.2005	The Title deed is in the name of company i.e. Adeep Rolofoam Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
9	Property, plant and equipment - Building	12C, KIABD Industrial Area, Attibele Bangalore			Adeep Locks Ltd	No	28.12.2005	
10	Property, plant and equipment - Building	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	53.17	53.17	Adeep Rolofoam Ltd	No	28.12.2005	
11	Property, plant and equipment - Building	Plot no 44-Sec-tor-3, IMT MANESAR,Gur-gaon	411.08	411.08	Adeep Rolofoam Ltd	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
12	Property, plant and equipment - Building	Plot no 24-Sec-tor-3, IMT MANESAR,Gur-gaon	132.55	132.55	Sandhar Auto Com-ponents, Ltd	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
13	Property, plant and equipment - Building	Plot no 46A,Peenya 2nd phase, Industrial Area, Bangalore	-	1,878.04	Mag Engineering Pvt Ltd	No	01.04.2012	Valuation done by the Government agency for stamp duty amount during the current year and the same was deposited in the registrar office.
14	Property, plant and equipment - Building	Plot no 34B,Peenya 2nd phase, Industrial Area, Bangalore			Mag Engineering Pvt Ltd	No	01.04.2012	

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

4. Right-of-use asset*

Particulars	Leasehold Land	Total
Gross carrying value		
Balance as at 1 April 2020	**4,240.00**	**4,240.00**
Additions	962.05	962.05
Balance as at 31 March 2021	5,202.05	5,202.05
Additions	835.79	835.79
Balance as at 31 March 2022	**6,037.84**	**6,037.84**
Accumulated amortization		
Balance as at 1 April 2020	674.84	674.84
Depreciation charge for the year	610.51	610.51
Balance as at 31 March 2021	**1,285.35**	**1,285.35**
Depreciation charge for the year	723.52	723.52
Balance as at 31 March 2022	**2,008.87**	**2,008.87**
Net carrying amount		
As at 31 March 2022	**4,028.97**	**4,028.97**
As at 31 March 2021	**3,916.70**	**3,916.70**
* Refer note 34		

5. Intangible assets

Particulars	Computer software	Technical know-how	Goodwill*	Total
Gross carrying value as at 1 April 2020	**957.38**	**999.29**	**552.35**	**2,509.02**
Additions	25.62	-	-	25.62
Disposals	9.68	-	-	9.68
Balance as at 31 March 2021	**973.32**	**999.29**	**552.35**	**2,524.96**
Additions	43.34	2,300.00	-	2,343.34
Disposals	436.09	288.17	-	724.26
Balance as at 31 March 2022	**580.57**	**3,011.12**	**552.35**	**4,144.04**
Accumulated amortization				
Balance as at 1 April 2020	596.31	570.78	-	1,167.09
Amortization for the year	141.78	140.27	-	282.05
Accumulated amortization on disposal	9.68	-	-	9.68
Balance as at 31 March 2021	**728.41**	**711.05**	**-**	**1,439.46**
Amortization for the year	91.08	194.47	-	285.55
Accumulated amortization on disposal	434.60	288.17	-	722.77
Balance as at 31 March 2022	**384.89**	**617.35**	**-**	**1,002.24**
Net carrying amount				
As at 31 March 2022	**195.68**	**2,393.77**	**552.35**	**3,141.80**
As at 31 March 2021	**244.91**	**288.24**	**552.35**	**1,085.50**

***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:

i. 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.

ii. The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.

iii. 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 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

6. Financial assets

	Particulars	As at 31 March 2022	As at 1 March 2021
	Investments		
A.	**Non-current Investments**		
	Investments at cost		
	Investments in subsidiaries		
(I)	**Investment in equity shares (Unquoted)**		
	47.95 Lacs (31 March 2021: 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 2021: 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 2021: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Strategic Systems Private Limited	1.00	1.00
	0.10 Lacs (31 March 2021: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)@	1.00	-
	350.00 Lacs (31 March 2021: NIL) equity shares of Rs.10/- each fully paid-up in Sandhar Engineering Private Limited	3,500.00	-
	309.96 Lacs (31 March 2021: 161.73 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)#	1,666.16	-
	0.0001.00 Lacs (31 March 2021: NIL) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Electric Solutions Private Limited	0.01	-
	Investments in joint ventures		
(II)	**Investment in equity shares (Unquoted)**		
	172.206 Lacs (31 March 2021: 161.979 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	1,722.06	1,619.80
	6.89 Lacs (31 March 2021: 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 2021: 68.65 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	686.50	686.50
	266.20 Lacs (31 March 2021: 153.2 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	2,662.00	1,532.00
	NIL (31 March 2021: 161.73 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)#	-	1,617.31
	0.107 Lacs (31 March 2021: 0.107 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daeshin Auto Systems Private Limited	1.07	1.07
	97.845 Lacs (31 March 2021: 83.241 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	978.45	832.41
	100.84 Lacs (31 March 2021: 100.84 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	1,008.37	1,008.37
	0.099 Lacs (31 March 2021: 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 2021: 27.500 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	275.00	275.00
	4 Lacs (31 March 2021: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winnercom Sandhar Technologies Private Limited	400.00	400.00
	NIL (31 March 2021: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)@	-	1.00
	0.98655 Lacs (31 March 2021: NIL) equity shares of Rs.10/- each fully paid-up in Kwangsung Sandhar Automotive Systems Private Limited	98.66	-
	Investments at fair value through profit and loss		
	Investments in joint ventures		
(III)	**Investments in Preference shares (Unquoted)**		

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	As at 31 March 2022	As at 1 March 2021
	23.43 Lacs (31 March 2021: 23.43) 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 2021: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	650.38	650.38
(IV)	**Non Trade investment (Unquoted)**		
	0.2 Lacs (31 March 2021: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	97.24	84.05
		16,621.95	**11,582.94**
	Less: Aggregate amount of impairment in the value of investments*		
	Investment in Joint Ventures		
	(i) In fully paid equity shares and preference shares	(256.60)	(144.17)
	Total aggregate amount of impairment / sale of investments	(256.60)	(144.17)
	Total investments	**16,365.35**	**11,438.77**
	Aggregate value of unquoted investments	16,621.95	11,582.94
	Aggregate amount of impairment in value of investments	(256.60)	(144.17)
	Current	-	-
	Non-Current	16,365.35	11,438.77

***Breakup of impairment in the value of investments**

1. During the year ended 31 March 2022, the company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics 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. 110.36 Lacs was recognized in the standalone financial statements as an exceptional item in Statement of Profit and Loss.

2. 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.

3. During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

4. During the year ended 31 March 2022, Sandhar Strategic Systems Private Limited, a wholly owned subsidiary of the company and Sandhar Daeshin Auto Systems Private Limited, a joint venture of the company, was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investments amounting Rs. 2.07 Lacs.

   #The Company owned 52.18% shareholding in joint venture Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) and has purchased the remaining 47.82% stake from joint venture partner for Rs. 48.84 Lacs on 28 December 2021 through share purchase deed. Accordingly, Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) becomes wholly owned subsidiary w.e.f. 28 December 2021. The Company has recognised a tax of Rs 180.22 Lacs on net gain on acquisition of shares as per Income Tax Act, 1961.

   @The Company has obtained control in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) on 1 October 2021 and hence it becomes wholly owned subsidiary w.e.f. 1 October 2021.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	As at 31 March 2022	As at 31 March 2021
B.	**Loans**		
	Loans recoverable from related parties- Current	-	638.18
	Loans to employees - Current	41.48	40.40
	Total loans	**41.48**	**678.58**
	Break up of total loans		
(a)	Secured, considered good;	-	-
(b)	Unsecured, considered good; and	41.48	678.58
(c)	Doubtful	-	-
		41.48	**678.58**
	Less: loss allowance	-	-
		41.48	**678.58**
	Current	41.48	678.58

	Particulars	As at 31 March 2022	As at 31 March 2021
C.	**Trade receivables**		
	(unsecured and considered good, unless otherwise stated)		
	Trade receivables*	37,216.55	31,286.21
	Unbilled Reveune	3,442.71	3,546.49
	Total trade receivables	**40,659.26**	**34,832.70**

Trade Receivables ageing schedule as on March 31, 2022

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	
i) Undisputed Trade receivables- considered good	40,656.43	1.40	1.43	-	-	40,659.26
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on March 31, 2021

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	
i) Undisputed Trade receivables- considered good	34,787.87	17.20	14.04	6.97	6.62	34,832.70
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-

* 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 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
D. Cash and cash equivalents		
Balances with banks:		
– In current accounts	16.40	73.07
Cash on hand	7.50	14.28
Total Cash and cash equivalents	**23.90**	**87.35**

Particulars	As at 31 March 2022	As at 31 March 2021
E. Other Bank balances		
In current account for equity dividend	1.07	0.74
Deposits with original maturity for more than 3 months but less than 12 months*	83.10	80.60
Total other bank balances	**84.17**	**81.34**
*These deposits are held as margin money deposits with government authorities.		

Particulars	As at 31 March 2022	As at 31 March 2021
F. Other financial assets		
Security deposits - Non current	1,078.07	986.27
Interest accrued but not due on fixed deposits	20.25	16.08
Other advances recoverable	94.58	104.73
Total other financial assets	**1,192.90**	**1,107.08**
Current	40,923.64	35,800.78
Non-current	17,443.42	12,425.04
Total financial assets (A+B+C+D+E+F)	**58,367.06**	**48,225.82**
Break up of financial assets carried at amortised cost		
Security Deposits	1,078.07	986.27
Total financial assets carried at amortised cost	**1,078.07**	**986.27**

7. Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials {includes goods in transit of Rs. 575.70 Lacs (31 March 2021: Rs. 756.43 Lacs)}	11,302.47	9,749.35
Work in progress	1,249.07	636.15
Finished goods {includes goods in transit of Rs. 458.97 Lacs (31 March 2021: Rs. 628.84 Lacs)}	1,937.88	1,902.83
Stores and spares	1,165.52	1,133.78
	15,654.94	**13,422.11**
Provision for inventory obsolescence	(25.00)	(25.00)
Total inventories at the lower of cost and net realisable value	**15,629.94**	**13,397.11**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

8. Other assets

	Particulars	As at 31 March 2022	As at 31 March 2021
	Other non - current assets		
A.	**Capital advances**		
	(Unsecured and considered good, unless otherwise stated)		
	Unsecured, considered good.	198.73	176.04
	Total capital advances	**198.73**	**176.04**
B.	**Income-tax asset**		
	(Unsecured and considered good, unless otherwise stated)		
	Advance income-tax (net of provision for taxation) (refer note 15)	444.13	502.34
		444.13	502.34
	Total other non - current assets (A+B)	**642.86**	**678.38**
	Other current assets		
C.	**Other advances**		
	Unsecured, considered good.	672.84	521.18
	Doubtful	-	-
	Total other advances	**672.84**	**521.18**
	Less: Loss allowance	-	-
	Total net other advances	**672.84**	**521.18**
D.	**Prepaid expenses**		
	Prepaid expenses	478.23	269.99
		478.23	**269.99**
E.	**Balance with statutory / government authorities**		
	(Unsecured and considered good, unless otherwise stated)		
	Unsecured, considered good	1,299.95	486.77
	Total balance with statutory / government authorities	**1,299.95**	**486.77**
F.	**Plan Asset**		
	Plan asset over defined benefit obligation	-	160.78
	Total Balance in Plan Assets	-	160.78
	Total other current assets (C+D+E+F)	**2,451.02**	**1,438.72**
	Current	2,451.02	1,438.72
	Non-current	642.86	678.38

9. Share capital

	Particulars	As at 31 March 2022	As at 31 March 2021
A.	**Authorised share capital**		
	680 lacs equity shares of Rs.10 each (31 March 2021: 680 lacs equity shares of Rs.10 each)	6,800.00	6,800.00
	2 lacs preference shares of Rs.100 each (31 March 2021: 2 lacs preference shares of Rs.100 each)	200.00	200.00
		7,000.00	**7,000.00**
B.	**Issued, subscribed and fully paid equity share capital**		

Particulars	As at 31 March 2022	As at 31 March 2021
601.91 lacs equity shares of Rs. 10 each fully paid up (31 March 2021: 601.91 lacs equity shares of Rs. 10 each)	6,019.07	6,019.07
	6,019.07	**6,019.07**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

C. Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity shares outstanding at the beginning of the year	601.91	6019.07	601.91	6019.07
Issued during the year	-	-	-	-
Outstanding at the end of the year	601.91	6019.07	601.91	6019.07

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 2021: 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.

The company has paid final dividend of Rs. 1.00 per equity share of face value Rs. 10 each, which was declared on 21 May 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*	314.31	52.22%

* 90,909 Equity Shares are held by Mr. Jayant Davar in his Capacity as proprietor of Sandhar Enterprises

Details of shares held by promoters as at 31st March 2022

Particulars	No. of shares in Lacs (1 April 2021)	Change during the year	No. of shares in Lacs (31 March 2022)	% change during the year	% of shareholding
Jayant Davar	314.15	0.16	314.31	0.05%	52.22%
Monica Davar	26.23	-	26.23	0.00%	4.36%
Neel Jay Davar	15.56	-	15.56	0.00%	2.59%
Dharmendar Nath Davar	8.40	-	8.40	0.00%	1.39%
Santosh Davar	7.86	-	7.86	0.00%	1.31%
Poonam Juneja	0.62	-	0.62	0.00%	0.10%
Sanjeevni Impex Private Limited	16.85	-	16.85	0.00%	2.80%
YSG Estates Private Limited	16.62	-	16.62	0.00%	2.76%
Sandhar Infosystems Limited	7.94	-	7.94	0.00%	1.32%
Jubin Finance And Investment Ltd	5.74	-	5.74	0.00%	0.95%
Sandhar Estates Private Limited	3.50	-	3.50	0.00%	0.58%

Details of shares held by promoters as at 31st March 2021

Particulars	No. of shares in Lacs (1 April 2020)	Change during the year	No. of shares in Lacs (31 March 2021)	% change during the year	% of shareholding
Jayant Davar	313.75	0.40	314.15	0.13%	52.19%
Monica Davar	26.23	-	26.23	0.00%	4.36%
Neel Jay Davar	15.56	-	15.56	0.00%	2.59%
Dharmendar Nath Davar	8.40	-	8.40	0.00%	1.39%
Santosh Davar	7.86	-	7.86	0.00%	1.31%
Poonam Juneja	0.62	-	0.62	0.00%	0.10%
Sanjeevni Impex Private Limited	16.85	-	16.85	0.00%	2.80%
YSG Estates Private Limited	16.62	-	16.62	0.00%	2.76%
Sandhar Infosystems Limited	7.94	-	7.94	0.00%	1.32%
Jubin Finance And Investment Ltd	5.74	-	5.74	0.00%	0.95%
Sandhar Estates Private Limited	3.50	-	3.50	0.00%	0.58%

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

10. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserve		
At the beginning and end of the year	2,653.66	2,653.66
Securities Premium		
Balance at the beginning of the year	27,859.67	27,859.67
Less: Share issue expenses	-	-
Balance at the end of the year	**27,859.67**	**27,859.67**
Retained earnings		
Balance at the beginning of the year	44,141.64	39,222.45
Add: Profit for the year	6,142.68	6,523.20
Other comprehensive loss - Re-measurement of defined benefit liabilities	(220.43)	(400.20)
Less: Dividend on equity shares (Final)	(601.91)	(451.43)
Less: Dividend on equity shares (Interim)	-	(752.38)
Balance at the end of the year	49,461.98	44,141.64
Total of other equity	**79,975.31**	**74,654.97**

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 and will be utilised as per the requirements of the Companies Act, 2013.

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

11. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Term Loans		
Indian rupee loan from banks (secured) (refer note A)	7,031.25	-
Indian rupee loan from others (secured) (refer note B)	2,000.00	-
Indian rupee loan from banks (secured) (refer note C)	-	5.31
Total non-current borrowings	**9,031.25**	**5.31**
Secured	9,031.25	5.31
Unsecured	-	-
Current borrowings		
a) Current maturities of long term loans		
Indian rupee loan from banks (secured) (refer note A)	468.75	-
Indian rupee loan from banks (secured) (refer note C)	5.31	18.54
Total Current maturities of long term loans	**474.06**	**18.54**
b) Cash credit from banks (secured) (refer note D)	9,290.70	4,305.79
c) Cash credit from banks (unsecured) (refer note E)	5,000.00	-
Total current borrowings	**14,764.76**	**4,324.33**
Aggregate secured loans	9,764.76	4,324.33
Aggregate unsecured loans	5,000.00	-

Particulars	As at 31 March 2022	As at 31 March 2021
Terms of borrowings:		
(A) Term loan from CITI Bank Indian rupee Loan of Rs. 750,000,000 carries interest rate of 5.75% p.a. The loan is repayable in 16 quarterly installments of Rs. 46,875,000 from January, 2023	7,500.00	-
(B) Term loan from Bajaj Finserve Ltd Indian rupee Loan of Rs. 200,000,000 carries interest rate of 5.75%-6.00% p.a. The loan is repayable in 16 quarterly installments of Rs. 125,00,000 from April, 2023	2,000.00	-
(C) Vehicle loan are from banks are secured by hypothecation of the financed vehicle.	5.31	23.85
(D) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the company.	9,290.70	4,305.79
(E) Cash credit from Federal Bank	5,000.00	-

Above term loans are secured by:

1. First pari passu charge on the entire present and future movable property, plant and equipment of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions
2. First pari passu charge on immovable properties, of the borrower as detailed below:
   i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
   ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
   iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon
   iv. Plot no. 24, Sector 3, IMT Manesar, Haryana
   v. Plot no. 44, Sector 3, IMT Manesar, Haryana
   vi. Plot no. 8, Bommasandra- Jigani Link Road Industrial Area, Hubli
   vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore
   viii. Plot # 13a, Sy No. 47 & 50, KIADB, Bangalore
   ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh
   x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore
3. Second Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders. ;Unless mentioned otherwise
   Disclosures as per revised schedule III:
   1. The Company has utilised the borrowings for the purpose it was taken
   2. The quarterly returns/ statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

12. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 40)	11,301.89	3,832.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,618.01	25,536.90
Acceptances*	2,121.18	3,764.01
Total trade payables	**29,041.08**	**33,133.36**

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,which are normally effected within a period of 90 days.

Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	11,264.89	21.13	7.78	8.09	11,301.89
(ii) Others	17,706.24	9.72	2.37	20.86	17,739.19
(iii) Disputed dues — MSME					-
(iv) Disputed dues — Others					-

Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	3,827.17	5.28	-	-	3,832.45
(ii) Others	29,238.22	24.84	9.39	28.46	29,300.91
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

13. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Financial liabilities at amortised cost		
Payables for capital goods	1,091.86	667.84
Interest accrued but not due	0.03	0.14
Interest accrued and due on borrowings	25.66	2.13
Unpaid equity dividend	1.07	0.74
Security deposit payable-Current	81.95	81.87
Provision for Interest - MSMED (refer note 40)	128.38	74.19
Lease liabilities - non current (refer note 34)	1,204.74	1,217.02
Lease liabilities - current (refer note 34)	762.10	613.86
Total financial liabilities at amortised cost	**3,295.79**	**2,657.79**
Current	2,091.05	1,440.77
Non-current	1,204.74	1,217.02

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

14. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	1,135.35	1,407.82
Advance from customers	480.40	388.16
Total	**1,615.75**	**1,795.98**
Current	1,615.75	1,795.98
Non-current	-	-

15. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 30)	173.46	-
Provision for leave benefits	695.59	641.53
Other provisions		
Provision for income tax (net of tax paid) (refer note 8B)	609.51	380.95
Provision for warranties*	64.94	51.24
Total	**1,543.50**	**1,073.72**
Total Income tax liabilities	609.51	380.95
Total Current provision	933.99	692.77
***Provision for warranties**		
At the beginning of the year	51.24	52.87
Accrued during the year	91.23	52.81
Utilized during the year	(77.53)	(54.44)
At the end of the year	**64.94**	**51.24**

*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.

16. Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Items leading to creation of deferred tax assets		
-Post-employment benefits	219.00	161.00
-Provision for doubtful debt & advances	75.00	75.00
-Employee benefits	115.00	117.00
-Fair value measurement	34.00	-
-Impact of IND-AS 116	42.75	43.08
Total deferred tax assets	**485.75**	**396.08**
Items leading to creation of deferred tax liabilities		
-Property, plant and equipment: Impact of difference between tax and depreciation/amortization charged for the financial reporting	1,327.75	1,391.08
Total deferred tax liabilities	**1,327.75**	**1,391.08**
Deferred tax assets/(liabilities)	**(842.00)**	**(995.00)**
MAT Credit entitlement	-	-
Net deferred tax liabilities	**(842.00)**	**(995.00)**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

17. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	189,275.57	1,54,489.52
Sale of services	2,100.74	2,079.48
Other operating revenue		
Scrap sale	2,725.27	1,961.80
Revenue from operations	**1,94,101.58**	**1,58,530.80**

18. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non-operating income		
Dividend income on long-term investments	23.98	137.03
Profit on sale of property, plant and equipment	40.25	42.74
Foreign exchange fluctuation gain (net)	-	46.38
Interest from bank	8.13	10.35
Interest from others	116.81	137.96
Interest income on security deposits mearsured at amortised cost	-	45.03
Gain on investments carried at fair value through profit or loss	13.19	32.73
Other miscellaneous income	312.70	487.11
	515.06	**939.33**

19. Cost of raw material and components consumed

Raw material and components consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	9,749.35	8,477.99
Add: Purchases during the year	133,072.35	103,182.08
	142,821.70	**111,660.07**
Less: Inventory at the end of the year	11,302.47	9,749.35
Cost of raw material and components consumed	**131,519.23**	**101,910.72**

20. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Closing inventories		
Finished goods	1,937.88	1,902.83
Work in progress	1,249.07	636.15
Opening inventories		
Finished goods	1,902.83	1,825.18
Work in progress	636.15	658.82
Net changes	**(647.97)**	**(54.98)**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

21. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	21,227.24	18,994.82
Contribution to provident and other funds	986.76	867.29
Staff welfare expenses	1,020.89	894.09
Gratuity expense (refer note 30)	181.06	130.88
	23,415.95	**20,887.08**

22. Depreciation and amortization expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	6,446.49	5,968.91
Depreciation on right of use assets	723.52	610.51
Amortisation on intangible assets	285.55	282.05
	7,455.56	**6,861.47**
Less: Depreciation on plant and machinery capitalized during the year	29.30	4.46
	7,426.26	**6,857.01**

23. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	4,041.01	3,557.07
Packing material	2,471.80	2,061.46
Job work charges	3,194.14	3,254.63
Rent	144.54	176.93
Rates and taxes	137.76	114.53
Insurance	205.54	209.52
Freight and forwarding charges	1,939.88	1,743.91
Power and fuel	5,632.61	4,792.68
Repairs and maintenance		
- Buildings	165.69	153.87
- Plant and machinery	1,261.06	621.92
- Others	932.18	880.13
Legal and professional charges*	818.78	704.68
Travelling and conveyance	210.99	114.84
CSR expenditure**	209.33	216.66
Provision for doubtful debts and advances	-	11.35
Reversal of provision for doubtful debts	-	(42.35)
Bad debts and advances written off	-	42.35
Provision for warranties (net of reversal)	91.23	52.81
Royalty	94.28	102.29
Commission to directors	333.71	371.13
Security service charges	573.32	530.24
Testing and development expenses	64.08	65.12
Festival and celebration expenses	39.12	48.47
Directors sitting fee	27.15	40.10
Foreign exchange fluctuation loss (net)	2.44	-
Miscellaneous expenses	627.75	588.81
Total other expenses	**23,218.39**	**20,413.15**

* Includes payment to auditors :

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
- Audit fees	40.00	40.00
- Limited Review	12.00	12.00
In other capacity		
- Other services (certification fees)	6.00	0.70
- Reimbursement of expenses	1.69	1.04
Total	**59.69**	**53.74**

** Disclosure relating to CSR expenditure:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Gross Amount required to be spent by the Company as per Section 135 of the "Companies Act 2013"	205.53	213.72
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- In cash	209.33	216.66
- Yet to be paid in cash	-	-
	209.33	**216.66**

24. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest to banks on		
- Term loan	85.58	-
- Cash credit	520.16	375.15
- Others	46.03	229.32
Interest to others	69.38	65.44
Finance charges	21.92	65.26
Bank charges	27.11	5.68
Interest on lease liabilities (refer note 34)	172.57	168.58
Total finance costs	**942.75**	**909.43**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

25. Exceptional Items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment loss on investment in join venture (refer note 6)	110.36	-
Total exceptional items	**110.36**	**-**

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 2022:

Particulars	Retained earnings	Total
Re-measurement gain on defined benefit plans	(294.58)	(294.58)
Tax impact on re-measurement gain on defined benefit plans	74.15	74.15
	(220.43)	**(220.43)**

During the year ended 31 March 2021:

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	(534.80)	(534.80)
Tax impact on re-measurement loss on defined benefit plans	134.60	134.60
	(400.20)	**(400.20)**

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 2022	For the year ended 31 March 2021
Profit attributable to equity holders of the Company	6,142.68	6,523.20
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.)	10.21	10.84
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:		
Balance as at 1 April 2020	601.91	601.91
Issued during the year 2019-20 (Number of shares in lacs)		
Balance as at 31 March 2021	601.91	601.91
Issued during the year 2020-21 (Number of shares in lacs)	-	-
Balance as at 31 March 2022	**601.91**	**601.91**

At present, the Company does not have any dilutive potential equity shares

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

28. Income Tax

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:		
Income tax recognized in statement of profit and loss		
Current income tax:		
Current tax	2,605.05	2,121.34
Current tax relating to earlier years	(37.21)	(107.42)
Deferred tax:		
Relating to origination and reversal of temporary differences	(78.85)	10.60
Income tax expense reported in the statement of profit or loss	**2,488.99**	**2,024.52**
Income tax recognized in other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	74.15	134.60
Income tax charged to other comprehensive income	**74.15**	**134.60**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(b) Reconciliation of effective tax rate		
Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2022 and 31 March 2021:		
Profit for the year	8,631.67	8,547.72
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,172.42	2,151.29
Tax impact of deductible/ non-deductible expenses		
- Effect of Dividend Income	(6.03)	(34.49)
- Effect of CSR expenses	52.68	54.53
- Effect of Interest paid to MSMED	12.24	7.77
- Income tax of earlier years	(37.21)	(107.42)
- Effect of gain on acquisition of equity interest in joint venture*	180.22	-
- Others	114.67	(47.16)
Income tax expense after adjustment of tax impact of non deductible items	**2,488.99**	**2,024.52**

*Refer note 6

29. Group information

The Company has investment in following subsidiaries and joint ventures:

Name of the entity	Principal place of business	Relationships	Percentage of ownership interest	
			As at 31 March 2022	As at 31 March 2021
Sandhar Tooling Private Limited	India	Subsidiary	79.92	79.92
Sandhar Technologies Barcelona SL	Spain	Subsidiary	100.00	100.00
Sandhar Engineering Private Limited (w.e.f. 14 October 2021)	India	Subsidiary	100.00	-
Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited (subsidiary w.e.f. 28 December 2021)	India	Subsidiary	100.00	-
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (subsidiary w.e.f. 1 October 2021)	India	Subsidiary	100.00	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Name of the entity	Principal place of business	Relationships	Percentage of ownership interest	
			As at 31 March 2022	As at 31 March 2021
Sandhar Auto Electric Solutions Private Limited (w.e.f. 6 January 2022)	India	Subsidiary	100.00	-
Sandhar Strategic System Private Limited (under process of Striking off)	India	Subsidiary	-	100.00
Sandhar Han Sung Technologies Private Limited	India	Joint Venture	50.00	50.00
Jinyoung Sandhar Mechatronics Private Limited	India	Joint Venture	50.00	50.00
Sandhar Amkin Industries Private Limited	India	Joint Venture	50.00	50.00
Sandhar Whetron Electronics Private Limited	India	Joint Venture	50.00	50.00
Kwangsung Sandhar Technologies Private Limited	India	Joint Venture	50.00	50.00
Sandhar Han Shin Auto Technologies Private Limited	India	Joint Venture	50.00	50.00
Winnercom Sandhar Technologies Private Limited	India	Joint Venture	50.00	50.00
Sandhar Ecco Green Energy Private Limited (under voluntary liquidation)	India	Joint Venture	50.00	50.00
Sandhar Daeshin Auto Systems Private Limited (under process of Striking off)	India	Joint Venture	-	50.00
Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited (joint venture up-to 27 December 2021)	India	Joint Venture	-	50.00
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (joint venture up-to 30 September 2021)	India	Joint Venture	-	50.00
Sandhar Han Shin Automotive Private Limited (under process of Striking off)	India	Joint Venture	-	-
Indo Toolings Private Limited (exit from 9 October 2020)	India	Joint Venture	-	-

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 2022	31 March 2021
Contribution to provident fund	725.30	635.34
Contribution to national pension scheme	49.91	38.26
Contribution to employee state insurance scheme	44.72	47.69

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 2022. 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

I. Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Liability for gratuity	2,214.91	1,964.90
Plan asset for gratuity	2,041.45	2,125.68
Net plan Asset/ (Liability) (Current):	**(173.46)**	**160.78**

II. Reconciliation of present value of defined benefit obligation:

Particulars	Year ended 31 March 2022	Year Ended 31 Marc 2021
Balance at the beginning of the year	1,964.90	1,581.68
Current service cost	192.00	170.06
Interest cost	133.61	107.55
Benefits paid	(190.72)	(233.24)
Past Service Cost including curtailment Gains/Losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	115.12	338.85
Balance at the end of the year	**2,214.91**	**1,964.90**

III. Reconciliation of fair value of plan assets:

Particulars	Year ended 31 March 2022	Year Ended 31 March 2021
Balance at the beginning of the year	2,125.68	2,157.86
Actual return on plan asset	144.54	146.74
Contribution paid into the plan	-	-
Benefits paid	(187.71)	(220.83)
Actuarial gain/(loss) on plan assets recognized in other comprehensive income	(41.06)	41.91
Closing fair value of plan asset	**2,041.45**	**2,125.68**

IV. Expense recognized in the Statement of Profit and Loss under employee benefits expense:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	192.00	170.06
Past service cost	-	-
Interest cost	(10.94)	(39.18)
Expense recognised in the Statement of Profit and Loss	**181.06**	**130.88**

V. Remeasurement recognized in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain / (loss) on Defined Benefit Obligation	(115.12)	(338.85)
Gain/ (loss) on Plan Assets excluding interest income	(41.06)	41.91
Amount recognised in the Other Comprehensive Income	**(156.18)**	**(296.94)**

VI. Bifurcation of Actuarial Gain/Loss on Defined benefit obligation:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) due to demographic assumption change	-	-
Actuarial gain/(loss) due to financial assumption change	(103.47)	(367.38)
Actuarial gain/(loss) due to experience adjustment	(11.65)	28.53
Amount recognised in the Other Comprehensive Income	**(115.12)**	**(338.85)**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 2022	As at 31 March 2021
Discount rate	7.22%	6.80%
Inflation rate	5.50%	4.50%

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 2022	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% p.a.
From 31 to 44 years	3% p.a.	3% p.a.
Above 44 years	1% p.a.	1% p.a.

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 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(93.59)	100.64	(83.99)	90.35
Expected rate of future salary increase (0.5% movement)	97.27	(91.60)	88.26	(83.12)

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. 247.32 Lacs (previous year Rs. 187.82 Lacs).

Expected maturity analysis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	138.86	136.49
1-2 years	135.70	88.81
2-5 years	483.71	410.88
More than 5 years	1,456.63	1,328.72

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Other long-term employee benefits:

During the year ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to Rs. 162.20 (previous year Rs. 140.85). 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 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,266.76	557.29

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 2022	31 March 2021
a. Claims against the Company not acknowledged as debts*		
• Service tax matters (refer note A below)	310.55	311.03
• Income tax matters (refer note B below)	259.08	169.08
• Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
• Other matters	53.44	61.55
b. Guarantees given by the Company (refer note D below)	16,728.15	9,620.00

* 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.

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. 11.73 (31 March, 2021: 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, 2021: 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 2021: 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 2021: 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 2021: Rs. 35.14).

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Note B:

i) 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 2021: Rs. 64.54)

ii) 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 2021: Rs. 3.12)

iii) 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 2021: Rs.11.80).

iv) 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 2021: Rs. 2.50).

v) In respect of assessment year 2014-15 demand was issued for penalty procedding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2021: Rs. 3.12).

vi) 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 2021: Rs. 19.40).

vii) 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 2021: Rs. 63.14).

viii) 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 2021: Rs. 1.46).

ix) In the respect of assessment year 2013-14 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.64.54 (31 March 2021: NIL).

x) In the respect of assessment year 2015-16 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.16.89 (31 March 2021: NIL).

xi) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.7.42 (31 March 2021: NIL).

xii) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.1.15 (31 March 2021: NIL).

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 2021: 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 March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2021: 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. 16,728.15 (31 March 2021: Rs. 9,620.00).

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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.

1. Subsidiary Companies including step-down subsidiaries:	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 Engineering Private Limited (w.e.f. 14 October 2021)
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (subsidiary w.e.f. 28 December 2021)
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (subsidiary w.e.f. 1 October 2021) (subsidiary w.e.f. 1 October 2021)
	Sandhar Auto Electric Solutions Private Limited (w.e.f. 6 January 2022)
	Sandhar Auto Electric Technologies Private Limited (subsidiary w.e.f. 28 December 2021)
	Sandhar Autotech Private Limited (subsidiary w.e.f. 28 December 2021) (under strike-off)
	Sandhar Strategic Systems Private Limited (under strike-off)
2. Joint Ventures:	Indo Toolings Private Limited (exit from JV w.e.f. 9th October 2020)
	Sandhar Han Sung Technologies Private Limited
	Jinyoung Sandhar Mechatronics Private Limited
	Sandhar Amkin Industries Private Limited
	Sandhar Whetron Electronics Private Limited
	Kwangsung Sandhar Technologies Private Limited
	Sandhar Han Shin Auto Technologies Limited
	Winnercom Sandhar Technologies Private Limited
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (joint venture up-to 27 December 2021)
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (joint venture up-to 30 September 2021)
	Kwangsung Sandhar Automotive Systems Private Limited
	Sandhar Ecco Green Energy Private Limited (under voluntary liquidation)
	Sandhar Daeshin Auto Systems Private Limited (under strike-off)
	Sandhar Han Shin Automotive Private Limited (under strike-off)
	Sandhar Auto Electric Technologies Private Limited (joint venture up-to 27 December 2021)
	Sandhar Autotech Private Limited (Joint Venture up-to 27 December 2021) (under strike-off)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

3. Enterprises over which KMP/ relatives of Key Managerial Personnel are able to exercise control/ significant influence with whom transactions have undertaken during the year:	Sandhar Info systems Limited
	Sandhar Estate Private Limited
	Jubin Finance and Investment Limited
	Haridwar Estates Private Limited
	Swaran Enterprises (Mrs. Santosh Davar is a Partner)
	Shorah Realty LLP
	Rico Auto Industries Private Limited
	Khaitan & Co LLP
4. Key Managerial Personnel:	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 (C.F.O.) (appointed w.e.f. 11 May 2020) (resigned w.e.f. 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. Komal Malik (Company Secretary) (appointed w.e.f. 6 November 2020)
	Ms. Subhi Gupta (Company Secretary) (appointed w.e.f. 11 May 2020) (resigned w.e.f. 6 November 2020)
	Mr. Arvind Kapur (Non-Executive Independent Director)
	Mr. Bharat Anand (Non-Executive Independent Director)
5. Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company:	Mr. Jayant Davar
6. Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company with whom transactions have undertaken during the year:	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. 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 2022	For the year ended 31 March 2021
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3,373.13	2,676.12
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	635.74	332.06
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	350.66	230.56
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	55.40	13.89
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	84.88	34.64

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	36.51	27.05
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	832.88	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	158.77	138.27
	Sandhar Engineering Private Limited	Subsidiary	30.24	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	1,082.67	-
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.80	1.61
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	28.97	55.98
Sale of Property, Plant and Equipment	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	3.46
	Sandhar Engineering Private Limited	Subsidiary	39.04	-
	Sandhar Automotive Systems Private Limited (Formally Known As Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	0.81	-
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.19	0.83
Purchase of Property, Plant and Equipment	Sandhar Tooling Private Limited	Subsidiary	46.27	11.21
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	3.09
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	-	0.17

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Reimbursement of expenses from	Sandhar Technologies Barcelona SL	Subsidiary	39.32	92.81
	Sandhar Tooling Private Limited	Subsidiary	11.03	12.80
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	63.09	100.27
	Sandhar Infosystems Limited	Enterprises under Common control with the Reporting Enterprises	-	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	8.68	19.82
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	65.18	7.80
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	48.70	23.94
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	13.33	49.37
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	15.69	16.65
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	16.21	2.78
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	11.40	39.81
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	7.50
	Sandhar Engineering Private Limited	Subsidiary	251.60	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	0.90	-
Reimbursement of expenses to	Sandhar Technologies Barcelona S.L	Subsidiary	-	8.63
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	268.36	268.36
	Urmila Joshi	Key Managerial Personnel & their relatives	-	0.51
	Minakshi Aggarwal	Key Managerial Personnel & their relatives	-	49.64
	Jayant Davar	Key Managerial Personnel & their relatives	8.05	7.89
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.71	0.71

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease rentals received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	28.20	26.36
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	11.60	23.04
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	0.14	0.28
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	15.16	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	20.16	12.60
Dividend Received from	Sandhar Tooling Private Limited	Subsidiary	23.98	23.98
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	113.05
Services received from	Sandhar Tooling Private Limited	Subsidiaries	0.83	-
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	3.56	3.53
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	0.69
	Khaitan & Co LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	4.50	2.46
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	22.25	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	59.15	17.02
	Sandhar Tooling Private Limited	Subsidiary	-	0.55
Interest Received	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	13.73	14.78
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	25.44	28.50
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.91	0.58
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	1.07
	Sandhar Engineering Private Limited	Subsidiary	18.04	-
Managerial remuneration	Jayant Davar	Key Managerial Personnel & their relatives	457.43	459.27
	Puru Aggarwal	Key Managerial Personnel & their relatives	-	69.50
	Yashpal Jain	Key Managerial Personnel & their relatives	105.83	5.25
	Komal Malik	Key Managerial Personnel & their relatives	23.79	9.27
	Subhi Gupta	Key Managerial Personnel & their relatives	-	2.44
	Arvind Joshi	Key Managerial Personnel & their relatives	-	7.20
	Narender Kumar Dogra	Key Managerial Personnel & their relatives	-	7.86

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid	Jayant Davar	Key Managerial Personnel & their relatives	282.04	627.80
	Others	Enterprises under Common control with the Reporting Enterprises	46.40	102.42
	Others	Key Managerial Personnel & their relatives	52.80	117.33
Investment made in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	102.26	254.93
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	-	436.80
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	48.85	120.00
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	1,130.00	700.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	898.85
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	146.04	149.34
	Sandhar Engineering Private Limited	Subsidiary	3,500.00	-
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	0.01	
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	-	75.00
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Joint Venture of Reporting Enterprises	0.0001	1.00
Loan & Advances Given to	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	52.38	105.44
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	264.05	505.00
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	100.00	95.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	165.00
	Sandhar Engineering Private Limited	Subsidiary	3,900.00	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
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	0.01	0.10
	Sandhar Technologies Barcelona SL	Subsidiary	39.32	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	214.54
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	9.71	509.74
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	10.54	1.09
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	-
	Sandhar Engineering Private Limited	Subsidiary	15.78	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	1,217.99	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.88	0.24
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.05	0.12
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	3.11	-
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3.33	15.07
Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	381.89	373.29
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.12	-
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	35.37	-
	Sandhar Tooling Private Limited	Subsidiary	14.02	11.22
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.05
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	5.97

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Corporate guarantee / stand by letter of credit given to	Sandhar Technologies Barcelona S L	Subsidiary	7,583.38	7,899.87
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,744.27	919.69
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1,890.95	700.00
	Sandhar Engineering Private Limited	Subsidiary	5,429.27	-
Managerial Remunera-tion Payable	Jayant Davar	Key Managerial Personnel & their relatives	325.40	361.82
	Yashpal Jain	Key Managerial Personnel & their relatives	8.40	5.25
	Komal Malik	Key Managerial Personnel & their relatives	1.87	1.79
Investment in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1956.44	1,854.18
	Sandhar Tooling Private Limited	Subsidiary	387.19	387.19
	Sandhar Technologies Barcelona SL	Subsidiary	2029.00	2,029.00
	Sandhar Ecco Green Energy Private Limited*	Joint Venture of Reporting Enterprises	222.48	222.48
	Sandhar Strategic Systems Private Limited***	Subsidiary	1.00	1.00
	Jinyoung Sandhar Mechatronics Private Limited@	Joint Venture of Reporting Enterprises	1,336.87	1,336.87
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive System Pvt Ltd)	Subsidiary	1,666.16	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	1,617.31
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	2,662.00	1,532.00
	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	978.45	832.41
	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 Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Joint Venture of Reporting Enterprises	-	1.00
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	1.00	-
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	275.00	275.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.37	1,008.37
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	-
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	0.01	-
	Sandhar Engineering Private Limited	Subsidiary	3,500.00	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

@During the year ended 31 March 2022, the company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics 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. 110.36 Lacs was recognized in the standalone financial statements.

*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 was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

***During the year ended 31 March 2022, Sandhar Daeshin Auto Systems Private Limited, a joint venture of the company and Sandhar Strategic Systems Private Limited, a wholly owned subsidiary of the company was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 2.07 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

(i) Particulars of loan given (Loan repayable on demand were given to related parties as mentioned below)

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 2022	Purpose
Sandhar Automotive System Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)	133.18	-	-	133.18	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Limited	505.00	200.00	-	215.00	490.00	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Private Limited	-	100.00	-	100.00	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Engineering Private Limited	-	3,900.00	-	3,900.00	-	-	Loan given to subsidiary company in pursuant to business support.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 Automotive System Private Limited(formerly known as Sandhar Daewha Automotive Systems Private Limited)	88.18	45.00	-	-	-	133.18	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Limited	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 / stand by letter of credit given to:

Name of the entity	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
Sandhar Technologies Barcelona SL	7,583.38	-	7,583.38	To secure term loan & working capital loan
Sandhar Han Sung Technologies Private Limited	1,744.27	-	1,744.27	To secure term loan & working capital loan
Sandhar Amkin Industries Private Limited	1,890.95	-	1,890.95	To secure term loan & working capital loan
Sandhar Engineering Private Limited	5,429.27	-	5,429.27	To secure term loan & working capital loan

(iii) Particulars of investments made:

Refer note 6A for investments made by the Company.

34. Leases

i.) The Company has lease contracts for land & building used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of guest house and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

ii.) Impact of adoption of Ind AS 116 on the statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities (refer note 24)	172.57	168.58
Depreciation of Right-of-use assets (refer note 4)	723.52	610.51
Impact on the statement of profit and loss for the year	896.09	779.09

iii.) Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repayment of lease liabilities including interest expenses	872.40	741.37
Impact on the statement of cash flows for the year	872.40	741.37

iv.) Refer note 37 for contractual maturities of lease liabilities.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
	Financial assets				
A.	**FVTPL:**				
	Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	97.24	84.05	97.24	84.05
B.	**Amortised Cost:**				
	Security deposit	1,078.07	986.27	1,078.07	986.27
	Loans recoverable from related parties	-	638.18	-	638.18
	Loans to employees	41.48	40.40	41.48	40.40
	Total	**1,216.79**	**1,748.90**	**1,216.79**	**1,748.90**
	Financial liabilities				
A.	**Amortised Cost:**				
	Borrowings				
	Loans	23,796.01	4,329.64	23,796.01	4,329.64
	Lease liabilities	1,966.84	1,830.88	1,966.84	1,830.88
	Total	**25,762.85**	**6,160.52**	**25,762.85**	**6,160.52**

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 2022

(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 2022:

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	97.24	-	-	97.24
Assets measured at amortised cost for which fair values are disclosed (refer note 35):				
Security deposit	1,078.07	-	-	1,078.07
Loans recoverable from related parties	-	-	-	-
Loans to employees	41.48	-	-	41.48
Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):				
Loans	23,796.01	-	-	23,796.01
Lease liabilities	1,966.84	-	-	1,966.84

During the year ended 31 March 2022, 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 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

B. 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
Assets measured at amortised cost for which fair values are disclosed (refer note 35):				
Security deposit	986.27	-	-	986.27
Loans recoverable from related parties	638.18	-	-	638.18
Loans to employees	40.40	-	-	40.40
Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):				
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.

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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 2022 and 31 March 2021. 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 2022.

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 2022 and 31 March 2021.

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 2022	31 March 2021
Financial Liabilities		
Fixed rate instruments		
- Term Loan	9,500.00	-
- Vehicle Loan	5.31	23.85
Variable rate instruments		
- Cash credit from bank	14,290.70	4,305.79
Financial Assets		
Fixed rate instruments		
- Fixed Deposits	83.10	80.60
- Loans	41.48	678.58
- Security Deposits	1,078.07	986.27

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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)
31 March 2022			
Secured term loan from banks	100	95.05	71.13
Cash credit from bank	100	142.91	106.94
Secured term loan from banks	(100)	(95.05)	(71.13)
Cash credit from bank	(100)	(142.91)	(106.94)
31 March 2021			
Secured term loan	100	0.24	0.18
Cash credit from bank	100	43.06	32.22
Secured term loan	(100)	(0.24)	(0.18)
Cash credit from bank	(100)	(43.06)	(32.22)

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:

All figures Rs. in lacs

	As at 31 March 2022		As at 31 March 2021	
Particulars	**Amount In Foreign Currency**	**Amount in Rs**	**Amount In Foreign Currency**	**Amount in Rs**
Trade Payables (USD)	19.19	1,454.23	17.85	1,305.13
Trade Payables (JPY)	2,150.50	1,336.11	845.09	558.77
Trade Payables (GBP)	-	-	0.02	1.61
Trade Payables (EUR)	0.24	20.53	0.82	70.00
Trade Receivables (USD)	3.94	298.35	2.18	159.64
Trade Receivables (EUR)	0.90	75.74	0.03	2.42

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2022	As at 31 March 2021
INR/ JPY	0.62	0.66
INR/ USD	75.80	73.12
INR/ GBP	-	100.78
INR/ EUR	83.96	85.78

Sensitivity Analysis

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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)
As at 31 March 2022	INR/JPY Increases by 1 %	Import Trade payables	0.6213	0.0062	2,150.50	(13.36)	(10.00)
	INR/JPY Decreases by 1 %		0.6213	(0.0062)	2,150.50	13.36	10.00
As at 31 March 2021	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

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)
As at 31 March 2022	INR/USD Increases by 1 %	Import Trade payables	75.7975	0.75798	19.19	(14.54)	(10.88)
	INR/USD Decreases by 1 %		75.7975	(0.75798)	19.19	14.54	10.88
As at 31 March 2021	INR/USD Increases by 1 %		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

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)
As at 31 March 2022	INR/GBP Increases by 1 %	Import Trade payables	-	-	-	-	-
	INR/GBP Decreases by 1 %		-	-	-	-	-
As at 31 March 2021	INR/GBP Increases by 1 %		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

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)
As at 31 March 2022	INR/EURO Increases by 1 %	Import Trade payables	83.96	0.8396	0.24	(0.21)	(0.15)
	INR/EURO Decreases by 1 %		83.96	(0.8396)	0.24	0.21	0.15
As at 31 March 2021	INR/EURO Increases by 1 %		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

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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)
As at 31 March 2022	INR/USD Increases by 1 %	Trade Receivables	75.7975	0.7580	3.94	2.98	2.23
	INR/USD Decreases by 1 %		75.7975	(0.7580)	3.94	(2.98)	(2.23)
As at 31 March 2021	INR/USD Increases by 1 %		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)

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)
As at 31 March 2022	INR/EUR Increases by 1 %	Trade Receivables	83.96	0.8396	0.90	0.76	0.57
	INR/ EUR Decreases by 1 %		83.96	(0.8396)	0.90	(0.76)	(0.57)
As at 31 March 2021	INR/ EUR Increases by 1 %		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)

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 40,659.26 as at 31 March 2022 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 2022 and 31 March 2021 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 2022	As at 31 March 2021
Loans	41.48	678.58
Other financial assets	1,192.90	1,107.08
Total	**1,234.38**	**1,785.66**

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 2022	0- 6 Month	6 – 12 Month	More than 12 months
Gross Carrying Amount	40,957.86	40,656.43	1.40	300.03
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	40,659.26	40,656.43	1.40	1.43

Particulars	As at 31 March 2021	0- 6 Month	6 – 12 Month	More than 12 months
Gross Carrying Amount	35,132.24	34,787.87	17.20	327.17
Expected credit loss (Loss allowance provision)	299.54	-	-	299.54
Carrying amount of trade receivables	34,832.70	34,787.87	17.20	27.63

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 2022 and 31 March 2021 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 summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2022	0- 1 year	1- 5 year	More than 5 year
Trade Payable	29,041.08	29,041.08	-	-
Borrowings	23,796.01	14,764.76	9,031.25	-
Lease liabilities	1,966.84	762.10	1,204.74	-
Other financial liabilities	1,328.95	1,328.95	-	-
Total	**56,132.88**	**45,896.89**	**10,235.99**	**-**

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2021	0- 1 year	1- 5 year	More than 5 year
Trade Payable	33,133.36	33,133.36	-	-
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	-	-
Total	**40,120.79**	**38,898.46**	**1,222.33**	**-**

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 2022	31 March 2021
Net Debt (A)*	23,687.94	4,160.95
Equity (B)	85,994.38	80,674.04
Debt Equity Ratio (A/B)	0.28	0.05

* 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier as at the end of the year	11,301.89	3,832.45
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	3.87	5.57
(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	8.87	1.16
- Payment to Suppliers	15,591.23	4,661.49
(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.	59.19	28.40
(e) Amount of Interest accrued and remaining unpaid at the end of the year	63.07	33.97
(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.	128.38	74.19

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 2022	31 March 2021
Capital expenditure	6.16	12.06

b. Revenue Expenditure

Particulars	31 March 2022	31 March 2021
Material/Consumables/Spares	12.13	9.15
Employee benefits expense	383.66	323.93
Power & Fuel	1.01	1.48
Repair & maintenance	2.20	4.45
Travelling & conveyance	1.94	0.25
Legal & professional charges	5.63	1.93
Miscellaneous expenses	28.19	16.85
Total	**434.76**	**358.04**

42. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

to be contemporaneous in nature, the Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from 1 April 2021 and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

43. 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.

44. Additional Information:

(i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have such transaction which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

45. Analytical Ratios

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Variance	Reason for variance (if variance exceeds 25%)
Current ratio	Total current assets	Total current liabilities	1.20	1.21	-0.79%	-
Debt-equity ratio	Total Debt	Shareholder's equity	0.28	0.05	415.60%	Debt has been increased in FY 2021-22
Debt service coverage ratio	Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans + Loss on sale of PPE	Total amount of interest , lease payments & principle repayments of loan paid during the period	7.91	8.47	-6.60%	-
Return on equity ratio	Net profit after tax*100	Average Shareholder's equity	7.37%	8.34%	-11.62%	-
Inventory turnover ratio	Cost of goods sold	(Opening inventory + closing inventory)/2	9.02	7.99	12.86%	-
Trade receivables turnover ratio	Total Net Revenue	Average Account Receivables (Opening+ Closing)/2	5.14	6.20	-17.01%	-
Trade payables turnover ratio	Total Purchases	Average Account Payables (Opening+ Closing)/2	4.28	3.99	7.25%	-
Net Capital turnover ratio	Total Net Revenue from operations	Working capital (Current Assets-Current liabilities)	19.51	17.88	9.15%	-
Net Profit ratio	Net Profit after tax*100	Net Revenue from operations	3.16%	4.11%	-23.09%	-
Return on capital employed	Earnings Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	0.09	0.11	-20.02%	-
Return on Investment	Interest Income	Average Investment	0.01	0.03	-60.10%	Investment increased in subsidiaries and joint ventures during the financial year ended 31 March 2022

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

Place: Gurugram
Date: 18 May 2022

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Sandhar Technologies Limited

Report on the Audit of the 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 subsidiary of a joint venture), which comprise the consolidated balance Sheet as at 31 March 2022, 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/consolidated 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) as at 31 March 2022, 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) 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 reports of the other auditors referred to in 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
As disclosed in Note 19 to the Consolidated Financial Statements, the Group's revenue from operations for the year ended 31 March 2022 was INR 232,370.23 Lacs (Previous year INR 186,356.51 Lacs). The Group revenue is derived primarily from sale of products which comprises automotive components. 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 Group which makes it susceptible to misstatement. In view of the above, we have identified revenue recognition as a key audit matter. - -	Our audit procedures included: • Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard. • 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. • Involved our IT specialists to assist us in testing of key IT system controls which impact relating to revenue recognition. • 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. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions. • Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

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/loss 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) 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) 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 Board of 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) 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 its joint ventures (including a subsidiary of a joint venture) 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 its joint ventures (including a subsidiary of a joint venture) 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 statements/financial information of such entities or business activities within the Group and its joint ventures (including a subsidiary of a joint venture) to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/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 paragraph (a) of the section titled 'Other Matters' in this audit report.

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 Matters

(a) We did not audit the financial statements/financial information of nine subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs 53,410.64 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 39,583.13 Lacs and net profit after tax (before consolidation adjustments) of Rs. 772.46 Lacs and net cash outflows (before consolidation adjustments) of Rs.202.26 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (including other comprehensive income) (before consolidation adjustments) of Rs. 915.10 Lacs for the year ended 31 March 2022, in respect of six joint ventures (including subsidiary of joint venture), whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures (including subsidiary of joint venture) and our report in terms of sub-section (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries and joint ventures is based solely on the report of other auditors.

    Five subsidiaries are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We 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 subsidiaries 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 us.

(b) The financial statements/financial information of three subsidiaries, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of Rs. Nil as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 0.19 Lacs, and net cash outflows (before consolidation adjustments) of Rs. 0.10 Lacs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated annual financial statements also include the Group's share of net loss after tax of Rs. 0.51 Lacs for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of two joint ventures whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/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 subsidiaries and joint ventures (including subsidiary of 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 subsidiaries and joint ventures (including subsidiary of joint venture), is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information 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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and joint ventures (including subsidiary of joint venture) as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of 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.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 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 venture companies, incorporated in India , none of the directors of the Group companies and its joint ventures (including a subsidiary of a joint venture) incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies (including a subsidiary of a joint venture) incorporated in India 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 Auditor's) 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/consolidated financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and joint ventures (including a subsidiary of a joint venture). Refer Note 32 to the consolidated financial statements.

ii. The Group and its joint ventures (including a subsidiary of a joint venture) did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, or its subsidiary companies incorporated in India during the year ended 31 March 2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, and joint venture companies (including subsidiary of joint venture) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:-

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture companies (including subsidiary of joint venture) incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies and joint venture companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and joint ventures companies (including subsidiary of joint venture) incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.

v. The dividend declared or paid during the year by the Holding Company and its subsidiary company incorporated in India is in compliance with Section 123 of the Act.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act):

In our opinion and according to the information and explanations given to us, and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies 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 and its subsidiary companies 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
Membership No.: 095109
ICAI UDIN:
22095109AJEDAM5518

Place: Gurugram
Date: 18 May 2022

Annexure - A to the Independent Auditor’s Report

on the consolidated financial statements of Sandhar Technologies Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor’s Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W / W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN: 22095109AJEDAM5518

Place: Gurugram
Date: 18 May 2022

Annexure B to the 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 2022

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 Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Sandhar Technologies Limited (hereinafter referred to as" 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 five 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 2022, 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 auditor's 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 four 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, eight (8) Joint Venture Companies (including subsidiary of joint venture company), incorporated in India, are exempted from the requirement of their auditor reporting on whether the respective joint venture company (including a 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
Membership No.: 095109
ICAI UDIN: 22095109AJEDAM5518

Place: Gurugram
Date: 18 May 2022

Consolidated Balance Sheet as at 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	79,284.53	72,093.34
Capital work-in-progress	3A	8,907.19	1,454.81
Intangible assets under development		3,895.16	-
Right-of-use assets	4	11,449.23	10,579.59
Goodwill	5	553.30	553.30
Other intangible assets	5	2,921.43	952.67
Equity accounted investees	6	4,311.83	5,166.37
Financial assets	7		
- Investments	7 A	429.39	520.74
- Other financial assets	7 F	2,156.54	1,210.63
Income-tax assets	9 B	610.41	505.84
Other non-current assets	9 A	3,118.95	176.04
Total non-current assets		**117,637.96**	**93,213.33**
Current assets			
Inventories	8	25,969.79	21,136.90
Financial assets	7		
- Investments	7 A	585.23	153.82
- Loans	7 B	43.48	678.58
- Trade receivables	7 C	44,537.42	39,292.33
- Cash and cash equivalents	7 D	410.39	596.90
- Other bank balances	7 E	251.77	514.62
- Other financial assets	7 F	1,535.86	1,495.31
Other current assets	9 C, D, E, F	6,542.90	2,512.51
Total current assets		**79,876.84**	**66,380.97**
Assets held for sale		-	-
Total assets		**197,514.80**	**159,594.30**
Equity and liabilities			
Equity			
Equity share capital	10	6,019.07	6,019.07
Other equity	11	79,875.08	74,418.43
Equity attributable to owners of the Company		85,894.15	80,437.50
Non controlling interest	12	387.13	369.06
Total equity		**86,281.28**	**80,806.56**
Non-current liabilities			
Financial liabilities			
- Borrowings	13	24,692.34	9,928.40
- Lease liabilities	15	8,328.50	7,841.39
- Other financial liabilities	15	36.89	195.96
Provisions	17	100.91	102.01
Deferred tax liabilities (net)	18	1,203.04	1,596.35
Total non current liabilities		**34,361.68**	**19,664.11**
Current liabilities			
Financial liabilities			
- Borrowings	13	26,871.82	12,128.00
- Trade payables	14		
• total outstanding dues of micro enterprises and small enterprises		11,591.36	3,832.45
• total outstanding dues of creditors other than micro enterprises and small enterprises		28,187.17	35,321.92
- Lease liabilities	15	1,526.34	1,136.49
- Other financial liabilities	15	2,467.11	1,208.12
Other current liabilities	16	4,672.77	4,400.40
Income-tax liabilities	17	617.67	400.36
Provisions	17	937.60	695.89
Total current liabilities		**76,871.84**	**59,123.63**
Total equity and liabilities		**197,514.80**	**159,594.30**

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
REVENUE			
Revenue from operations	19	232,370.23	**186,356.51**
Other income	20	698.11	**1,077.63**
Total income (I)		**233,068.34**	**187,434.14**
EXPENSES			
Cost of raw materials and components consumed	21	143,890.47	**109,150.09**
Changes in inventories of finished goods and work-in-progress	22	(2,306.86)	**61.86**
Employee benefits expense	23	31,836.97	**27,774.19**
Finance costs	26	1,771.03	**1,602.06**
Depreciation and amortization expense	24	10,003.23	**9,394.78**
Other expenses	25	38,346.81	**30,529.70**
Total expenses (II)		**223,541.65**	**178,512.68**
Profit before share of loss of investment accounted for using equity method, exceptional items and tax (III = I - II)		9,526.69	**8,921.46**
Exceptional items	27	110.86	**-**
Profit before share of loss of investment accounted for using equity method, and tax (IV)		9,415.83	**8,921.46**
Share in loss of joint ventures accounted for using equity method, net (V)		1,271.59	**1,119.93**
Profit before tax (VI = IV - V)		**8,144.24**	**7,801.53**
Tax expense:	30		
Current tax		2,663.42	**2,038.25**
Deferred tax (credit)/ charge		(112.11)	**(20.08)**
Total tax expense (VII)		2,551.31	**2,018.17**
Profit for the year (VIII = VI - VII)		**5,592.93**	**5,783.36**
Other comprehensive income	28		
Items that will not be reclassified to profit or loss			
(a) Re-measurement gain/ (loss) on defined benefit plans		(310.47)	**(544.67)**
Income tax relating to re-measurement gain/ (loss) on defined benefit plans		78.17	**137.08**
(b) Gain on acquisition of equity interest in joint venture		904.72	**-**
Income tax on above		(180.22)	**-**
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(3.13)	**44.08**
Income tax relating to exchange difference in translation		0.78	**(11.02)**
Total other comprehensive income for the year, net of tax (IX)		489.85	**(374.53)**
Total comprehensive income for the year (X = VIII + IX) (Comprising Profit and Other Comprehensive Income for the year)		**6,082.78**	**5,408.83**
Profit attributable to:			
- Owners of the Company		5,572.87	**5,775.37**
- Non-controlling interest		20.06	**7.99**
		5592.93	**5783.36**
Other comprehensive income attributable to:			
- Owners of the Company		491.84	**(373.04)**
- Non-controlling interest		(1.99)	**(1.49)**
		489.85	**(374.53)**
Total comprehensive income attributable to:			
- Owners of the Company		6,064.71	**5,402.33**
- Non-controlling interest		18.07	**6.50**
		6,082.78	5,408.83
Earnings per equity share:	29		
(1) Basic-Par value of Rs. 10 per share		9.29	**9.61**
(2) Diluted-Par value of Rs. 10 per share		9.29	**9.61**

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Consolidated Statement of changes in equity for the year ended 31 March 2022

(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 2020	10	601.91	6,019.07
Changes during the year		-	-
Balance as at 31 March 2021		601.91	6,019.07
Changes during the year		-	-
Balance as at 31 March 2022		601.91	6,019.07

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			
Balance as at 1 April 2020	38,027.77	27,859.67	3,190.97	616.47	531.06	70,225.94	362.56	70,588.50
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								
Dividend on equity shares (Final)	(451.43)	-	-	-	-	(451.43)	-	(451.43)
Dividend on equity shares (Interim)	(758.41)	-	-	-	-	(758.41)	-	(758.41)
Balance as at 31 March 2021	**42,594.79**	**27,859.67**	**3,190.97**	**649.53**	**123.47**	**74,418.43**	**369.06**	74,787.49
Total Comprehensive income for the year ended 31 March 2022								
Profit for the Year	5,574.87	-	-	-	-	5,574.87	18.07	5,592.94
Other comprehensive income (net of tax)	-	-	724.49	(2.35)	(232.30)	489.84	-	489.84
Adjustment on account of conversion of joint venture into subsidiary	(0.13)	-	-	-	-	(0.13)	-	(0.13)
Contribution by and distribution to owner								
Dividend on equity shares (Final)	(607.93)	-	-	-	-	(607.93)	-	(607.93)
Balance as at 31 March 2022	**47,561.60**	**27,859.67**	**3,915.46**	**647.18**	**(108.83)**	**79,875.08**	**387.13**	80,262.21

Notes:
1. Refer note 11 for nature and purpose of other equity.
2. Refer note 6 for adjustment on account of conversion of joint venture into subsidiary.

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Place: Gurugram
Date: 18 May 2022

Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities**		
1	**Profit before tax**	8,144.24	7,801.53
2	**Adjustments for :**		
	Depreciation and amortisation expense	10,003.23	9,394.78
	Impairment loss on investment in join venture and subsidiary	110.86	-
	Share in loss of joint ventures accounted for using equity method	1,271.59	1,119.93
	Gain on account of fair value of investment exceeds its carrying value	(1.67)	-
	Profit on sale of property, plant and equipment	(52.95)	(47.29)
	Provision for doubtful debts and advances	-	34.82
	Unrealised foreign exchange loss (net)	(48.50)	(22.58)
	Interest expense	1,771.03	1,602.06
	Bad debts and advances written off	1.68	42.35
	Interest income on security deposits measured at amortised cost	(3.55)	(45.69)
	Gain on investments carried at fair value through profit or loss	(71.14)	(45.06)
	Interest income	(109.21)	(156.49)
	Dividend income	-	(113.05)
3	**Operating profit before working capital changes (1+2)**	**21,015.61**	**19,565.31**
2	**Movements in working capital:**		
	Increase in trade receivables	(5,015.67)	(16,633.36)
	Increase in inventories	(4,832.89)	(1,567.54)
	Increase in non current financial assets	(945.91)	(1,202.78)
	Decrease/(Increase) in current financial assets	598.81	(2,652.81)
	Increase in other current assets	(3,573.32)	(160.66)
	Increase in trade payables	75.92	15,552.66
	Decrease in current provisions	(484.96)	(413.25)
	(Decrease)/ Increase in other financial liabilities	(54.26)	896.52
	Increase in other current liabilities	34.29	941.23
	Total movement in working capital:	**(14,197.99)**	**(5,239.99)**
5	**Cash flows generated from operations (3+4)**	**6,817.62**	**14,325.32**
6	Less : Income tax paid (net of refunds)	1,955.14	1,952.88
7	**Net cash flows generated from operating activities (5-6)**	**4,862.48**	**12,372.44**
B	**Cash flows from investing activities:**		
	Purchase of Property, plant and equipment, Capital work in progress, other intangible assets and capital advances	(29,702.91)	(7,696.89)
	Proceeds from sale of property, plant and equipment	105.90	201.35
	Purchase of non-current investment in joint ventures	(1,523.73)	(2,634.41)
	Sale of non-current investment in joint ventures	-	361.80
	(Purchase)/Proceeds of/from investments	(373.46)	152.74
	Redemption/(Increase) of Bank deposits (having original maturity of more than 3 months)	263.18	(435.36)
	Dividend income	-	113.05
	Interest received	108.51	197.40
	Net cash flows used in investing activities:	**(31,122.51)**	**(9,740.32)**
C	**Cash flows from financing activities:**		
	Repayment of long-term borrowings	(18.54)	(576.18)
	Proceeds from long-term borrowings	16,656.95	9,755.47
	Proceeds/(Repayment) from/of short-term borrowings (net)	12,899.26	(7,278.99)
	Payment of lease liabilities	(1,609.28)	(1,738.02)
	Dividend paid during the year	(607.93)	(1,209.84)
	Interest paid	(1,350.02)	(1,575.71)
	Net cash flows generated from/ (used in) financing activities:	**25,970.44**	**(2,623.27)**

Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
D	**Net (decrease)/increase in Cash and cash equivalents (A+B+C)**	**(289.59)**	**8.85**
	Impact on cash flow on account of foreign currency translation	103.08	(82.32)
	Cash and cash equivalents as at the beginning of year	596.90	670.37
	Cash and cash equivalents as at end of the year	410.39	596.90
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	399.62	438.65
	Cash on hand	10.77	18.25
	Deposits with original maturity for less than three months	-	140.00
	Cash and cash equivalents at the end of the year	**410.39**	**596.90**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non - current borrowings*	Current borrowings
Opening balance as at 1 April 2021	**10,679.12**	**11,379.54**
Cash flows during the year	16,661.95	12,899.26
Non-cash changes due to:		
- Foreign currency translation	-	(29.91)
Closing balance as at 31 March 2022	**27,341.07**	**24,248.89**

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 13.

Notes:

1. 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 ".
2. Refer note 2 for significant accounting policies.
3. The Company paid in cash Rs. 209.33 Lacs for the year ended 31 March 2022 and Rs. 216.66 Lacs for the year ended 31 March 2021 towards Corporate Social Responsibility (CSR) expenditure.

The accompanying notes are forming part of these Consolidated Financial Statements.

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 18 May 2022

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(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 2022 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
			2021-22	2020-21	
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
6.	Sandhar Engineering Private Limited (SEPL) (w.e.f 14 October 2021)	Subsidiary	100	-	India

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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
			2021-22	2020-21	
7.	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (w.e.f 1 October 2021 , Joint Venture Company upto 30 September 2021)	Subsidiary	100	99.99	India
8.	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (w.e.f. 28 December 2021 Joint venture Company upto 27 December 2021)	Subsidiary	100	-	India
A.	Sandhar Autotech Private Limited (w.e.f 28 December 2021, Subsidiary of Joint venture Company upto 27 December 2021)	Step Down Subsidiary	100	100	India
B.	Sandhar Auto Electric Technologies Private Limited (w.e.f 28 December 2021, Subsidiary of Joint venture Company upto 27 December 2021)	Step Down Subsidiary	100	100	India

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
			2021-22	2020-21	
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 Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (Joint venture Company upto 27 December 2021)	Daehwa fuel pump Ind., Limited	-	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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV		Country of Incorporation and Principal place of Business
			2021-22	2020-21	
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 Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Daeshin Machinery Ind. Co. Ltd.	-	NA	India
	(Joint Venture Company upto 30 September 2021)		-	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.

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

2.1 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:

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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 Lacs, 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)

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

- 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)
- 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.

2.1 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.

2.1 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

proportionate share 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.

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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

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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 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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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).

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.

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(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

Company as a lessee the Company applies a single recognition and measurement approach for all leases, except for short-term leases.

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, 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. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note-d for Impairment of non- financial assets.

ii) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities

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is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

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.

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.

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 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.

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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.

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

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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:

a) 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.

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.

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Dividends

Revenue is recognized when the Group's right to receive the payment is established by the reporting date.

I. 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 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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.

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 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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:

- 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 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 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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

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(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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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 accounting pronouncements:

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
Gross carrying value as at 1 April 2020	11,492.71	18,905.23	64,140.59	2,215.57	637.15	918.25	98,309.50
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
Gross carrying value as at 31 March 2021	**11,496.79**	**19,681.86**	**70,614.21**	**2,227.00**	**479.08**	**927.86**	**105,426.80**
Additions	691.69	573.99	14,200.10	306.34	58.86	101.14	15,932.12
Disposals	100.71	43.16	1,163.47	340.03	113.57	10.08	1,771.02
Exchange difference on translation of foreign operations	(9.48)	-	(242.69)	(1.27)	-	(0.78)	(254.22)
Gross carrying value as at 31 March 2022	**12,078.29**	**20,212.69**	**83,408.15**	**2,192.04**	**424.37**	**1,018.14**	**119,333.68**
Accumulated depreciation							
Balance as at 1 April 2020	-	2,845.22	21,776.97	1,216.85	308.76	358.04	26,505.84
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
Balance as at 31 March 2021	**-**	**3,710.65**	**27,537.14**	**1,483.86**	**155.52**	**446.29**	**33,333.46**
Depreciation for the year	-	901.67	6,934.50	306.83	114.63	93.86	8,351.49
Depreciation on disposal	-	14.63	1,070.60	339.12	113.20	10.07	1,547.62
Exchange difference on translation of foreign operations	-	-	(86.45)	(1.73)	-	-	(88.18)
Balance as at 31 March 2022	**-**	**4,597.69**	**33,314.59**	**1,449.84**	**156.95**	**530.08**	**40,049.15**
Net carrying amount							
As at 31 March 2022	**12,078.29**	**15,615.00**	**50,093.56**	**742.20**	**267.42**	**488.06**	**79,284.53**
As at 31 March 2021	**11,496.79**	**15,971.21**	**43,077.07**	**743.14**	**323.56**	**481.57**	**72,093.34**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

3A. Capital work-in-progress and Intangible assets under development

Balance as at 31 March 2022

S.No	CWIP	Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress	12,788.67	-	-	13.68	12,802.35
2	Project Temporarily suspended	-	-	-	-	-
Out of above, the projects which are overdue as per original plan:						

S.No	CWIP	To be completed in				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress (SMT Line)	1,906.16	-	-	-	1,906.16
2	Projects in Progress (Others)	13.68	-	-	-	13.68

Balance as at 31 March 2021

S.No	CWIP	Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1	Projects in Progress	1,377.37	3.35	54.60	19.49	1,454.81
2	Project Temporarily suspended	-	-	-	-	-

3B. Title deeds of immovable properties not held in the name of the Company

As at 31 March 2022

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value 31 March 2022	Gross Carrying Value 31 March 2021	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
1	Property, plant and equipment - Land	12C& 13A, KIABD Industrial Area, Attibele Bangalore	30.98	30.98	Adeep Rolofoam Ltd	No	28.12.2005	The Title deed is in the name of company i.e. Adeep Rolofoam Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
2	Property, plant and equipment - Land	12C, KIABD Industrial Area, Attibele Bangalore	4.04	4.04	Adeep Locks Ltd	No	28.12.2005	
3	Property, plant and equipment - Land	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	21.31	21.31	Adeep Rolofoam Ltd	No	28.12.2005	
4	Property, plant and equipment - Land	Plot no 44-Sector-3, IMT MANESAR,Gurgaon	317.77	317.77	Adeep Rolofoam Ltd	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet dat
5	Property, plant and equipment - Land	Plot no 24-Sector-3, IMT MANESAR, Gurgaon	192.69	192.69	Sandhar Auto Components, Ltd	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
6	Property, plant and equipment - Land	Plot no 46A,Peenya 2nd phase, Industrial Area, Bangalore	-	2,570.15	Mag Engineering Pvt Ltd	No	01.04.2012	Valuation done by the Government agency for stamp duty amount during the current year and the same was deposited in the registrar office.
7	Property, plant and equipment - Land	Plot no 34B,Peenya 2nd phase, Industrial Area, Bangalore	-	2,436.53	Mag Engineering Pvt Ltd	No	01.04.2012	

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value 31 March 2022	Gross Carrying Value 31 March 2021	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
8	Property, plant and equipment - Building	12C& 13A, KIABD Industrial Area, Attibele Bangalore	747.36	732.30	Adeep Rolofoam Ltd	No	28.12.2005	The Title deed is in the name of company i.e. Adeep Rolofoam Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
9	Property, plant and equipment - Building	12C, KIABD Industrial Area, Attibele Bangalore			Adeep Locks Ltd	No	28.12.2005	
10	Property, plant and equipment - Building	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	53.17	53.17	Adeep Rolofoam Ltd	No	28.12.2005	
11	Property, plant and equipment - Building	Plot no 44-Sector-3, IMT MANESAR,Gurgaon	411.08	411.08	Adeep Rolofoam Ltd	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
12	Property, plant and equipment - Building	Plot no 24-Sector-3, IMT MANESAR,Gurgaon	132.55	132.55	Sandhar Auto Components, Ltd	Yes	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
13	Property, plant and equipment - Building	Plot no 46A,Peenya 2nd phase, Industrial Area, Bangalore	-	1,878.04	Mag Engineering Pvt Ltd	No	01.04.2012	Valuation done by the Government agency for stamp duty amount during the current year and the same was deposited in the registrar office.
14	Property, plant and equipment - Building	Plot no 34B,Peenya 2nd phase, Industrial Area, Bangalore			Mag Engineering Pvt Ltd	No	01.04.2012	

4. Right-of-use asset*

Particulars	Leasehold Land	Total
Gross carrying value as at 1 April 2020	11,282.51	11,282.51
Impact of Ind AS 116	-	-
Additions	1,857.23	1,857.23
Exchange difference on translation of foreign operations	182.01	182.01
Gross carrying value as at 31 March 2021	**13,321.75**	**13,321.75**
Additions	2,234.15	2,234.15
Disposals	-	-
Exchange difference on translation of foreign operations	(51.17)	(51.17)
Gross carrying value as at 31 March 2022	**15,504.73**	**15,504.73**
Accumulated depreciation		
Balance as at 1 April 2020	1,388.10	1,388.10
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
Balance as at 31 March 2021	**2,742.16**	**2,742.16**
Depreciation for the year	1,343.74	1,343.74
Accumulated depreciation on disposal	-	-
Exchange difference on translation of foreign operations	(30.40)	(30.40)
Balance as at 31 March 2022	**4,055.50**	**4,055.50**
Net carrying amount		
As at 31 March 2022	**11,449.23**	**11,449.23**
As at 31 March 2021	**10,579.59**	**10,579.59**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

* Refer note 35

5. Intangible Assets

Particulars	Computer software	Technical know-how	Goodwill*	Total
Gross carrying value as at 1 April 2020	1,071.53	999.29	553.30	2,624.12
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
Gross carrying value as at 31 March 2021	**1,116.10**	**1,370.97**	**553.30**	**3,040.37**
Additions	72.08	2,300.00	-	2,372.08
Disposals	436.09	288.17	-	724.26
Exchange difference on translation of foreign operations	(4.86)	(8.42)	-	(13.28)
Gross carrying value as at 31 March 2022	**747.23**	**3,374.38**	**553.30**	**4,674.91**
Accumulated amortization				
Balance as at 1 April 2020	619.47	570.78	-	1,190.25
Amortization for the year	178.99	171.34	-	350.33
Accumulated amortization on disposal	9.68	-	-	9.68
Exchange difference on translation of foreign operations	3.67	(0.17)	-	3.50
Balance as at 31 March 2021	**792.45**	**741.95**	**-**	**1,534.40**
Amortization for the year	125.69	269.30	-	394.99
Amortization on disposal	434.60	288.17	-	722.77
Exchange difference on translation of foreign operations	(3.56)	(2.88)	-	(6.44)
Balance as at 31 March 2022	**479.98**	**720.20**	**-**	**1,200.18**
Net carrying amount				
As at 31 March 2022	**267.25**	**2,654.18**	**553.30**	**3,474.73**
As at 31 March 2021	**323.65**	**629.02**	**553.30**	**1,505.97**

* 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:

i. 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.

ii. The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.

iii. 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 Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

6. Equity accounted investees

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity shares (unquoted)		
In joint ventures		
172.206 Lacs (31 March 2021: 161.979 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	959.36	950.82
6.89 Lacs (31 March 2021: 6.89 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Ecco Green Energy Private Limited	139.18	140.92
68.65 Lacs (31 March 2021: 68.65 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	-	72.88
266.20 Lacs (31 March 2021: 153.2 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	1,170.96	496.73
NIL (31 March 2021: 161.73 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)#	-	1,213.79
0.107 Lacs (31 March 2021: 0.107 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daeshin Auto Systems Private Limited	-	0.50
97.845 Lacs (31 March 2021: 83.241 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	854.63	788.88
100.84 Lacs (31 March 2021: 100.84 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	671.57	983.95
0.099 Lacs (31 March 2021: 0.099 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Automotive Private Limited	2.67	2.67
27.50 Lacs (31 March 2021: 27.500 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	180.31	204.12
4 Lacs (31 March 2021: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winnercom Sandhar Technologies Private Limited	417.12	380.44
0.98655 Lacs (31 March 2021: NIL) equity shares of Rs.10/- each fully paid-up in Kwangsung Sandhar Automotive Systems Private Limited	98.66	-
NIL (31 March 2021: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)@	-	0.87
Total equity accounted investees	**4,494.46**	**5,236.57**
Less: Aggregate amount of impairment in the value of equity accounted investee*		
Investment in Joint Ventures		
(i) In fully paid equity shares	(182.63)	(70.20)
Total aggregate amount of impairment	(182.63)	(70.20)
Total equity accounted investees (net of impairment)	**4,311.83**	**5,166.37**

*Breakup of impairment in the value of investments

1. During the year ended 31 March 2022, the company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics 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. 110.36 Lacs was recognized in the standalone financial statements as an exceptional item in Statement of Profit and Loss.
2. 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 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.
3. During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the company was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.
4. During the year ended 31 March 2022, Sandhar Daeshin Auto Systems Private Limited, a joint venture of the company was struck-off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investments amounting Rs. 1.07 Lacs.

#The Company owned 52.18% shareholding in joint venture Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) and has purchased the remaining 47.82% stake from joint venture partner for Rs. 48.84 Lacs on 28 December 2021 through share purchase deed. Accordingly, Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) becomes wholly owned subsidiary w.e.f. 28 December 2021. The Company has recognised a tax of Rs 180.22 Lacs on net gain on acquisition of shares as per Income Tax Act, 1961.

@The Company has obtained control in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) on 1 October 2021 and hence it becomes wholly owned subsidiary w.e.f. 1 October 2021.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

7. Financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Investments		
A. Non - current Investments		
Investments at fair value through profit and loss		
Investments in joint ventures		
(i) Investments in preference shares (Unquoted)		
65.03 Lacs (31 March 2021: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	97.77	202.31
2 3.43 Lacs (31 March 2021: 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
(ii) Non Trade investment (Unquoted)		
0.2 Lacs (31 March 2021: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	97.24	84.05
(iii) Investment in unquoted mutual funds		
Franklin India Low Duration Fund 3,769.575 units (31 March 2021: 98,483.057 units)	1.22	22.86
Franklin India Ultra Short Bond Fund 21,543.749 units (31 March 2021: 440,582.743 units)	7.38	130.96
Franklin India Low Duration bond fund- Segregated Portfolio 2,20,514.706 units (31 March 2021: Nil units)	0.75	-
ICICI Prundential Fund 11,62,212.79 units (31 March 2021:Nil units)	575.88	-
Total investments	**1,014.62**	**674.56**
Aggregate value of unquoted investments	1,014.62	674.56
Current	585.23	153.82
Non-Current	429.39	520.74

Particulars	As at 31 March 2022	As at 31 March 2021
B. Loans		
Loans recoverable from related parties - Current	-	638.18
Loans to employees - Current	43.48	40.40
Total loans	**43.48**	**678.58**
Break up of total loans		
(a) Unsecured and considered good	43.48	678.58
	43.48	**678.58**
Current	43.48	678.58
Non-current	-	-

Particulars	As at 31 March 2022	As at 31 March 2021
C. Trade receivables		
(unsecured and considered good, unless otherwise stated)		
Trade receivables*	41,094.71	35,745.84
Unbilled Revenue	3,442.71	3,546.49
Total trade receivables	**44,537.42**	**39,292.33**

* For explanations on the Company's credit risk management processes, refer to Note 38.

Trade Receivables ageing schedule as on March 31, 2022

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	
i) Undisputed Trade receivables- considered good	44,532.25	2.55	2.62	-	-	44,537.42
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on March 31, 2021

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 Years	More than 3 years	
i) Undisputed Trade receivables- considered good	39,233.67	19.05	26.02	6.97	6.62	39,292.33
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-

	Particulars	As at 31 March 2022	As at 31 March 2021
D.	**Cash and cash equivalents**		
	Balances with banks:		
	– In current accounts	399.62	438.65
	Cash on hand	10.77	18.25
	Deposits with original maturity for less than three months	-	140.00
	Total Cash and cash equivalents	**410.39**	**596.90**
E.	**Other Bank balances**		
	In current account for equity dividend	1.07	0.74
	Deposits with original maturity for more than 3 months but less than 12 months*	250.70	513.88
	Total other bank balances	**251.77**	**514.62**
	*These deposits are held as margin money deposits with government authorities.		
F.	**Other financial assets**		
	Security deposits - Non Current	2,101.95	1,208.78
	Interest accrued but not due on fixed deposits	20.37	16.12
	Bank deposit with original maturity of more than 12 months	54.59	1.85
	Other advances recoverable	1,515.49	1,479.19
	Total other financial assets	**3,692.40**	**2,705.94**
	Current	1,535.86	1,495.31
	Non-current	2,156.54	1,210.63

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(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 2022	As at 31 March 2021
Raw materials {includes goods in transit of Rs. 575.70 Lacs (31 March 2021: Rs. 756.43 Lacs)}	12,050.75	10,184.89
Work in progress	4,316.03	2,983.12
Finished goods {includes goods in transit of Rs. 458.97 Lacs (31 March 2021: Rs. 628.84 Lacs)}	4,297.33	3,383.29
Stores and spares	5,384.08	4,665.07
	26,048.19	**21,216.37**
Provision for inventory obsolescence	(78.40)	(79.47)
Total inventories at the lower of cost and net realisable value	**25,969.79**	**21,136.90**

9. Other assets

	Particulars	As at 31 March 2022	As at 31 March 2021
	Other non - current assets		
A.	**Capital advances**		
	(Unsecured and considered good, unless otherwise stated)		
	Unsecured and considered good.	3,118.95	176.04
	Total capital advances	**3,118.95**	**176.04**
B.	**Income-tax asset**		
	(Unsecured and considered good, unless otherwise stated)		
	Advance income-tax (net of provision for taxation) (refer note 17)	610.41	505.84
	Total income-tax asset	**610.41**	**505.84**
	Other current assets		
C.	**Other advances**		
	Unsecured, considered good.	680.40	658.44
	Doubtful	-	-
	Total other advances	**680.40**	**658.44**
	Less: Loss allowance	-	-
	Total net other advances	**680.40**	**658.44**
D.	**Prepaid expenses**		
	Prepaid expenses	606.65	339.24
		606.65	**339.24**
E.	**Balance with statutory / government authorities**		
	(Unsecured and considered good, unless otherwise stated)		
	Unsecured, considered good	5,255.85	1,354.05
	Total balance with statutory / government authorities	**5,255.85**	**1,354.05**
F.	**Plan Assets**		
	Plan asset over defined benefit obligation	-	160.78
	Total Balance in Plan Assets	**-**	**160.78**
	Total other current assets (C+D+E+F)	**6,542.90**	**2,512.51**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

10. Share capital

	Particulars	As at 31 March 2022	As at 31 March 2021
A.	**Authorised share capital**		
	680 lacs equity shares of Rs.10 each (31 March 2021: 680 lacs equity shares of Rs.10 each)	6,800.00	6,800.00
	2 lacs preference shares of Rs.100 each (31 March 2021: 2 lacs preference shares of Rs.100 each) "	200.00	200.00
		7,000.00	**7,000.00**
B.	**Issued, subscribed and fully paid equity capital**		
	601.91 lacs equity shares of Rs. 10 each fully paid up (31 March 2021: 601.91 lacs equity shares of Rs. 10 each)	6,019.07	6,019.07
		6,019.07	**6,019.07**

C. Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2022	As at 31 March 2021
	Rs. in Lacs	Rs. in Lacs
Equity shares outstanding at the beginning of the year	6,019.07	6,019.07
Issued during the year	-	-
Outstanding at the end of the year	**6,019.07**	**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 2021: 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.

The company has paid final dividend of Rs. 1.00 per equity share of face value Rs. 10 each, which was declared on 21 May 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*	314.31	52.22%

* 90,909 Equity Shares are held by Mr. Jayant Davar in his Capacity as proprietor of Sandhar Enterprises

Details of shares held by promoters as at 31 March 2022

Particulars	No. of shares in Lacs (1 April 2021)	Change during the year	No. of shares in Lacs (31 March 2022)	% change during the year	% of share-holding
Jayant Davar	314.15	0.16	314.31	0.05%	52.22%
Monica Davar	26.23	-	26.23	0.00%	4.36%
Neel Jay Davar	15.56	-	15.56	0.00%	2.59%
Dharmendar Nath Davar	8.40	-	8.40	0.00%	1.39%
Santosh Davar	7.86	-	7.86	0.00%	1.31%
Poonam Juneja	0.62	-	0.62	0.00%	0.10%
Sanjeevni Impex Private Limited	16.85	-	16.85	0.00%	2.80%
YSG Estates Private Limited	16.62	-	16.62	0.00%	2.76%
Sandhar Infosystems Limited	7.94	-	7.94	0.00%	1.32%
Jubin Finance And Investment Ltd	5.74	-	5.74	0.00%	0.95%
Sandhar Estates Private Limited	3.50	-	3.50	0.00%	0.58%

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Details of shares held by promoters as at 31 March 2021

Particulars	No. of shares in Lacs (1 April 2020)	Change during the year	No. of shares in Lacs (31 March 2021)	% change during the year	% of shareholding
Jayant Davar	313.75	0.40	314.15	0.13%	52.19%
Monica Davar	26.23	-	26.23	0.00%	4.36%
Neel Jay Davar	15.56	-	15.56	0.00%	2.59%
Dharmendar Nath Davar	8.40	-	8.40	0.00%	1.39%
Santosh Davar	7.86	-	7.86	0.00%	1.31%
Poonam Juneja	0.62	-	0.62	0.00%	0.10%
Sanjeevni Impex Private Limited	16.85	-	16.85	0.00%	2.80%
YSG Estates Private Limited	16.62	-	16.62	0.00%	2.76%
Sandhar Infosystems Limited	7.94	-	7.94	0.00%	1.32%
Jubin Finance And Investment Ltd	5.74	-	5.74	0.00%	0.95%
Sandhar Estates Private Limited	3.50	-	3.50	0.00%	0.58%

11. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserve		
At the beginning and end of the year	3,190.97	3,190.97
Add: Addition during the year	724.49	-
	3,915.46	**3,190.97**
Securities Premium		
Balance at the beginning of the year	27,859.67	27,859.67
Less: Share issue expenses	-	-
Balance at the end of the year	**27,859.67**	**27,859.67**
Retained earnings		
Balance at the beginning of the year	42,594.79	38,027.77
Adjustment on account of conversion of joint venture into subsidiary	(0.13)	-
Add: Profit for the year	5,574.87	5,776.86
Less: Dividend on equity shares (Final)	(607.93)	(451.43)
Less: Dividend on equity shares (Interim)	-	(758.41)
Balance at the end of the year	**47,561.60**	**42,594.79**
Other comprehensive income		
a. Exchange differences on translation of foreign operations		
Balance at the beginning of the year	649.53	616.47
Exchange differences on translation	(3.13)	44.08
Income tax relating to Exchange differences on translation	0.78	(11.02)
Balance at the end of the year	**647.18**	**649.53**
b. Remeasurements of defined benefit liability		
Balance at the beginning of the year	123.47	531.06
Re-measurement of defined benefit liabilities	(310.47)	(544.67)
Income tax relating to re-measurement (gain)/ loss on defined benefit liabilities	78.17	137.08
Balance at the end of the year	**(108.83)**	**123.47**
Total of other equity	**79,875.08**	**74,418.43**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 and will be utilised as per the requirements of the Companies Act, 2013.
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 cummulative profits for the Group.

12. Non - controlling interest

Particulars	As at 31 March 2022	As at 31 March 2021
Sandhar Tooling Private Limited		
Balance at the beginning of the year	369.06	362.56
Share of profit for the year	18.07	6.50
Balance at the end of the year	**387.13**	**369.06**
Revenue	1,442.54	1,181.93
Profit	99.88	39.76
Other comprehensive income	(9.90)	(7.39)
Total comprehensive income	**89.98**	**32.37**
Profit allocated to non-controlling interest	20.06	7.99
Other comprehensive income allocated to non-controlling interest	(1.99)	(1.49)
Total comprehensive income allocated to non-controlling interest	**18.07**	**6.50**
Cash flows from operating activities	2.25	60.01
Cash flows from/ (used in) investing activities	7.49	(56.14)
Cash flows used in financing activities	(19.29)	(18.34)
Net increase/ (decrease) in cash and cash equivalents	**(9.55)**	**(14.47)**

13. Borrowings

Particulars		As at 31 March 2022	As at 31 March 2021
A.	**Non-current borrowings**		
	Term Loans		
	Indian rupee loan from banks (secured) (refer note A)	12,460.52	-
	Indian rupee loan from others (secured) (refer note B,C)	2,000.00	5.31
	EUR Loan from Santander (unsecured) (refer note D)	351.36	10.75
	EUR loan from Bankinter (unsecured) (refer note K)	588.10	-
	EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note G)	1,576.36	2,446.80
	EUR Credit multiple bankers ICO COVID19 (Unsecured) (refer note G)	2,015.31	1,722.25
	USD Loan from Banamex (Secured) (refer note H)	946.02	1,283.00
	EUR Loan from ICF (Unsecured) (refer note E)	2,502.16	2,149.03
	EUR Loan from ICICI Bank (Secured) (refer note I)	1,082.78	1,538.70
	EUR loan from BBVA (Secured) (refer note J)	650.12	-
	Lease financing loans from financial institutions (Secured) (refer note F)	519.61	772.56
	Total non-current borrowings	**24,692.34**	**9,928.40**
	Secured	17,659.05	3,599.57
	Unsecured	7,033.29	6,328.83
B.	**Current borrowings**		
	a) Current maturities of long term borrowings		
	Indian rupee loan from banks (secured) (refer note A)	468.75	-
	Indian rupee loan from others (secured) (refer note C)	5.31	18.54
	EUR Loan from Santander (unsecured) (refer note D)	73.96	59.10
	EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note G)	815.02	33.57
	USD Loan from Banamex (Secured) (refer note H)	283.81	183.29

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
EUR Loan from ICF (Unsecured) (refer note E)	287.74	-
EUR loan from BBVA (Secured) (refer note J)	114.74	-
EUR Loan from ICICI Bank (Secured) (refer note I)	336.86	-
Lease financing loans from financial institutions (Secured) (refer note F)	236.74	453.96
Total Current maturities of long term borrowings	**2,622.93**	**748.46**
b) Cash credit from banks (secured) (refer note I)		
Cash credit/WCDL/Buyer's line of credit from banks (secured by CL, CGT or SBLC from STL or by invoices financed)	19,248.89	11,379.54
c) Cash credit from banks (unsecured) (refer note M)	5,000.00	-
Total current borrowings	**26,871.82**	**12,128.00**
Aggregate secured loans	20,695.09	12,035.33
Aggregate unsecured loans	6,176.73	92.67

Particulars	As at 31 March 2022	As at 31 March 2021
Terms of borrowings:		
(A) Term loan from CITI Bank Indian rupee Loan of Rs. 750,000,000 carries interest rate of 5.75% p.a. The loan is repayable in 16 quarterly instalments of Rs. 46,875,000 from January, 2023	12,929.27	-
(B) Term loan from Bajaj Finserve Ltd Indian rupee Loan of Rs. 200,000,000 carries interest rate of 5.75%-6.00% p.a. The loan is repayable in 16 quarterly instalments of Rs. 125,00,000 from April, 2023	2,000.00	-
(C) Vehicle loan are from banks are secured by hypothecation of the financed vehicle and WCDL from Federal bank	5.31	23.85
(D) 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	425.32	69.85
(E) 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	2,789.90	2,149.03
(F) 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)	756.35	1,226.52
(G) 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	4,406.70	4,202.62
(H) 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.	1,229.83	1,466.29
(I) EUR loan from ICICI Bank (Corporate guarantee from Parent company), carries interest of 3.25% repayable from 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.	1,419.64	1,538.70
(J) EUR loan from BBVA (Corporate guarantee from Parent company), carries interest of 1.90% repayable in 84 months installments o EUR 12,723,38 (including interest) from August 2021 to July 2028.	764.86	-
(K) EUR loan from Bankinter (Unsecured) carries interest @ 2.82% repayable in 60 monthly instalments of Eur 12,522.17 (including interest) from Apr. 2023 to Mar, 2028. It has 1 year moratory period from Apr. 2022 to Mar, 2023.	588.10	-
(L) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the company.	19,248.89	11,379.54
(M) Cash credit from banks (unsecured)	5,000.00	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Above term loans are secured by:

1. First pari passu charge on the entire present and future movable property, plant and equipment of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions
2. First pari passu charge on immovable properties, of the borrower as detailed below:
   i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
   ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
   iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon
   iv. Plot no. 24, Sector 3, IMT Manesar, Haryana
   v. Plot no. 44, Sector 3, IMT Manesar, Haryana
   vi. Plot no. 8, Bommasandra- Jigani Link Road Industrial Area, Hubli
   vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore
   viii. Plot # 13a, Sy No. 47 & 50, KIADB, Bangalore
   ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh
   x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore
3. Second Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders. ;Unless mentioned otherwise

Disclosures as per revised schedule III:

1. The Company has utilised the borrowings for the purpose it was taken.
2. The quarterly returns/ statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.

14. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables of micro enterprises and small enterprises	11,591.36	3,832.45
Trade payables other than micro enterprises and small enterprises	26,065.99	31,557.91
Acceptances*	2,121.18	3,764.01
Total trade payables	**39,778.53**	**39,154.37**

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 paid 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.
Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	11,554.36	21.13	7.78	8.09	11,591.36
(ii) Others	28,131.28	32.59	2.37	20.93	28,187.17
(iii) Disputed dues – MSME					-
(iv) Disputed dues – Others					-

Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	3,827.17	5.28	-	-	3,832.45
(ii) Others	35,250.47	29.07	9.39	32.99	35,321.92
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

15. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Financial liabilities at amortised cost		
Payables for capital goods - current	2,229.91	1,049.05
Payables for capital goods - non current	36.89	195.96
Interest accrued but not due	0.03	0.14
Interest accrued and due on borrowings	25.77	2.13
Unpaid equity dividend	1.07	0.74
Security deposit payable - current	81.95	81.87
Provision for Interest -MSMEDA	128.38	74.19
Lease liabilities - non current	8,328.50	7,841.39
Lease liabilities - current	1,526.34	1,136.49
Total financial liabilities at amortised cost	**12,358.84**	**10,381.96**
Current	3,993.45	2,344.61
Non-current	8,365.39	8,037.35

16. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	2,155.46	2,053.25
Statutory dues	1,795.18	1,786.82
Other Payable	722.13	560.33
Total	**4,672.77**	**4,400.40**

17. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 31)	245.04	68.39
Provision for leave benefits	728.53	678.27
Other provisions		
Provision for income tax (net of tax paid) (refer note 9B)	617.67	400.36
Provision for warranties*	64.94	51.24
Total	**1,656.18**	**1,198.26**
Current	1,555.27	1,096.25
Non-current	100.91	102.01
***Provision for warranties**		
At the beginning of the year	51.24	52.87
Accrued during the year	91.23	52.81
Utilized during the year	(77.53)	(54.44)
At the end of the year	64.94	51.24

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 Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

18. Deferred tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Items leading to creation of deferred tax assets		
-Post-employment benefits	249.32	192.46
-Provision for doubtful debt & advances	75.00	75.00
-Employee benefits	116.67	118.70
-Fair value measurement	34.00	-
-Impact of IND-AS 116	531.35	123.45
Total deferred tax assets	**1,006.34**	**509.61**
Items leading to creation of deferred tax liabilities		
-Property, plant and equipment: Impact of difference between tax and depreciation/ amortization charged for the financial reporting	1,908.55	1,799.30
-Impact of IND-AS 116	285.85	298.33
-Fair value measurement	14.98	8.33
Total deferred tax liabilities	**2,209.38**	**2,105.96**
Net deferred tax assets/(liabilities)	**(1,203.04)**	**(1,596.35)**

19. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	227,030.26	182,024.79
Sale of services	2,130.83	2,120.50
Other operating revenue		
Scrap sale	3,209.14	2,211.22
Revenue from operations	**232,370.23**	**186,356.51**

20. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non-operating income		
Dividend income on long-term investments	-	113.05
Profit on sale of short term investment	3.30	28.89
Profit on sale of property, plant and equipment	52.95	47.29
Foreign exchange fluctuation gain (net)	70.46	3.51
Government grant	1.20	1.13
Interest from bank	10.34	18.53
Interest from others	98.88	137.96
Interest income on securities measured at amortised cost	3.55	45.69
Gain on investments carried at fair value through profit or loss	71.14	45.06
Liabilities no longer required written back	4.53	-
Other miscellaneous income	381.76	636.52
	698.11	**1,077.63**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(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 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	10,184.89	8,806.39
Add: Purchases during the year	145,760.97	110,517.82
	155,945.86	**119,324.21**
Less: Inventory at the end of the year	12,050.75	10,184.89
Cost of raw material and components consumed	**143,895.11**	**109,139.32**
Adjustment on account of exchange difference	(4.64)	10.77
Cost of raw material and components consumed	**143,890.47**	**109,150.09**

22. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Closing inventories		
Finished goods	4,297.33	3,383.29
Work in progress	4,316.03	2,983.12
Adjustment on account of exchange difference	125.14	44.22
Total (A)	**8,738.50**	**6,410.63**
Opening inventories		
Finished goods	3,399.84	3,253.92
Work in progress	2,983.12	3,043.80
Adjustment on account of exchange difference	48.68	174.77
Total (B)	**6,431.64**	**6,472.49**
Changes in inventories of finished goods and work-in-progress	**(2,306.86)**	**61.86**

23. Employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	27,655.17	24,189.20
Contribution to provident and other funds	2,483.60	2,167.59
Staff welfare expenses	1,497.01	1,277.96
Gratuity expense (refer note 31)	201.19	139.44
	31,836.97	**27,774.19**

24. Depreciation and amortization expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	8,351.52	7,713.97
Depreciation on right-of-use assets	1,343.74	1,334.93
Amortisation on intangible assets	394.99	350.33
	10,090.25	**9,399.23**
Less: Depreciation on plant and machinery capitalized during the year	87.02	4.45
	10,003.23	**9,394.78**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

25. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	9,328.84	6,883.21
Packing material	2,858.69	2,321.37
Job work charges	5,623.45	5,219.63
Rent	204.73	223.23
Rates and taxes	257.80	192.04
Insurance	384.93	377.02
Freight and forwarding charges	2,515.72	2,296.00
Power and fuel	9,356.55	6,596.87
Repairs and maintenance		
- Buildings	267.97	225.64
- Plant and machinery	2,027.13	1,126.87
- Others	1,336.50	1,167.52
Legal and professional charges*	1,157.63	1,007.49
Travelling and conveyance	271.68	131.95
CSR expenditure**	209.33	216.66
Service contractor charges	34.06	35.38
Business and Sales promotion	3.71	1.82
Printing and Stationery	1.74	1.76
Provision for doubtful debts and advances	-	34.82
Reversal of provision for doubtful debts	-	(42.35)
Bad debts and advances written off	1.68	42.35
Provision for warranties (net of reversal)	91.23	52.81
Royalty	94.28	102.29
Commission to directors	333.71	371.13
Directors sitting fee	27.90	40.60
Security Service Charges	600.54	544.41
Testing and development expenses	67.33	65.12
Festival and celebration expenses	39.12	48.47
Miscellaneous expenses	1,250.56	1,245.59
Total other expenses	**38,346.81**	**30,529.70**
* Payment to auditors :		

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
- Audit fees	71.82	62.95
- Limited Review	12.00	12.00
In other capacity		
- Other services (certification fees)	6.75	0.70
- Reimbursement of expenses	1.76	1.03
Total	**92.33**	**76.68**
** Disclosure relating to CSR expenditure:		

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Gross Amount required to be spent by the Company as per Section 135 of the Companies Act 2013	205.53	213.72
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- In cash	209.33	216.66
- Yet to be paid in cash	-	-
	209.33	**216.66**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

26. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest to banks on		
- Term loan	365.10	195.23
- Cash credit	520.16	375.15
- Others	255.89	446.64
Interest to others	65.15	66.77
Finance charges	35.93	81.56
Bank charges	131.33	100.68
Interest on lease liabilities (refer note 35)	397.47	336.03
Total finance costs	**1,771.03**	**1,602.06**

27. Exceptional Items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment loss on investment in joint venture (refer note 6)	110.86	-
Total Exceptional Items	**110.86**	**-**

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 2022:

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	(310.47)	(310.47)
Tax impact on re-measurement loss on defined benefit plans	78.17	78.17
Exchange differences in translating the financial statements of foreign operations	(3.13)	(3.13)
Tax impact on translating the financial statements of foreign operations	0.78	0.78
	(234.65)	**(234.65)**

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)
	(374.53)	**(374.53)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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 2022	For the year ended 31 March 2021
Profit attributable to equity holders of the Company	5,592.93	5,783.36
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)	9.29	9.61
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:		
Balance as at 1 April 2019	**601.91**	**601.91**
Issued during the year 2020-21 (Number of shares in lacs)	-	-
Balance as at 31 March 2021	**601.91**	**601.91**
Issued during the year 2021-22 (Number of shares in lacs)	-	-
Balance as at 31 March 2022	**601.91**	**601.91**
At present, the Group does not have any dilutive potential equity shares		

30. Income Tax

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) The major components of income tax expense for the years ended		
31 March 2022 and 31 March 2021 are:		
Income tax recognized in statement of profit or loss		
Current income tax:		
Current tax	2,700.63	2,145.67
Current tax relating to earlier years	(37.21)	(107.42)
Deferred tax:		
Relating to origination and reversal of temporary differences	(112.11)	(20.08)
Income tax expense reported in the statement of profit or loss	2,551.31	2,018.17
Income tax recognized in other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	78.17	137.08
Exchange differences in translating the financial statements of foreign operations	0.78	(11.02)
Income tax on Gain on acquisition of equity interest in joint venture	(180.22)	-
Income tax charged to other comprehensive income	**(101.27)**	**126.06**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(b) Reconciliation of effective tax rate		
Reconciliation between average effective tax rate and applicable tax rate for the years ended 31 March 2022 and 31 March 2021:		
Profit for the year	8,144.24	7,801.53
Add: Share in loss of joint ventures accounted for using equity method	1,271.59	1,119.93
Profit for the year for computation of income tax	9,415.83	8,921.46
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,369.78	2,245.35
Tax impact of deductible/ non-deductible expenses		
- Effect of CSR expenses	52.68	54.53
- Effect of Interest paid to MSMED	12.24	7.77
- Income tax of earlier years	(37.21)	(107.42)
- Effect of gain on acquisition of equity interest in joint venture*	180.22	-
- Others	(26.40)	(182.06)
Income tax expense after adjustment of tax impact of non deductible items	**2,551.31**	**2,018.17**

*Refer footnote of note 33

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 2022. 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 2022	As at 31 March 2021
Liability for gratuity	2,286.50	2,033.29
Plan asset for gratuity	2,041.45	2,125.68
Net plan asset (Current):	**(245.05)**	**92.39**

II. Reconciliation of present value of defined benefit obligation:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	2,033.29	1,631.63
Current service cost	207.07	175.23
Interest cost	138.67	110.95
Benefits paid	(223.54)	(233.24)
Past service cost including curtailment (gains)/losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	131.01	348.72
Balance at the end of the year	**2,286.50**	**2,033.29**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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III. Reconciliation of fair value of plan assets:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	2,125.68	2,157.86
Actual return on plan asset	144.54	146.74
Contribution paid into the plan	-	-
Benefits paid	(187.71)	(220.83)
Actuarial gain / (loss) on plan asset recognised in other comprehensive income	(41.06)	41.91
Closing fair value of plan asset	**2,041.45**	**2,125.68**

IV. Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	207.07	175.23
Past service cost	-	-
Interest cost	(5.88)	(35.79)
Expense recognised in the Statement of Profit and Loss	**201.19**	**139.44**

V. Remeasurement recognised in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain / (loss) on Defined Benefit Obligation	(131.01)	(348.73)
Return on Plan Assets excluding interest income	(41.06)	41.91
Amount recognised in the Other Comprehensive Income	**(172.07)**	**(306.82)**

VI. Bifurcation of Actuarial gain/(loss) on Defined benefit obligation:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) on demographic assumption change	-	(3.04)
Actuarial gain/(loss) due to financial assumption change	(106.61)	(352.39)
Actuarial gain/(loss) due to experience adjustment	7.38	26.46
Amount recognised in the Other Comprehensive Income	**(99.23)**	**(328.97)**

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 2022	As at 31 March 2021
Discount rate	7.22% p.a.	6.80% p.a.
Inflation rate	5.50% p.a. – 6.00% p.a.	4.50% p.a. – 6.00% p.a.
Expected rate of return on assets	7.00% p.a.	7.00% p.a.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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(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 2022	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% p.a.
From 31 to 44 years	3% p.a.	3% p.a.
Above 44 years	1% p.a.	1% p.a.

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 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(97.19)	104.55	(86.86)	93.44
Expected rate of future salary increase (0.5% movement)	101.18	(95.27)	91.17	(85.84)

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. 247.32 Lacs (previous year Rs. 187.82 Lacs).

¬Expected maturity analysis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	140.65	138.14
1-2 years	137.23	90.32
2-5 years	498.31	430.49
More than 5 years	1,508.86	1,374.34

Other long-term employee benefits:
During the year ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to Rs. 162.20 lacs (previous year Rs. 140.85 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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32. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	14,563.11	1,778.11
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.		

B. Contingent liabilities

Claims against the Group not acknowledged as debts*:

	Particulars	31 March 2022	31 March 2021
a.	Claims against the Company not acknowledged as debts*		
-	Service tax matters (refer note A below)	310.55	311.03
-	Income tax matters (refer note B below)	259.08	169.08
-	Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
-	Other matters	53.44	61.55
b.	Guarantees given by the Company (refer note D below)	3,715.50	1,720.13

* 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.

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. 11.73 (31 March, 2021: 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, 2021: 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 2021: 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 2021: 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 2021: Rs. 35.14).

Note B:

i) 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 2021: Rs. 64.54)

ii) 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 2021: Rs. 3.12)

iii) 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 2021: Rs.11.80).

iv) 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 2021: Rs. 2.50).

v) In respect of assessment year 2014-15 demand was issued for penalty procedding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2021: Rs. 3.12).

vi) 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 2021: Rs. 19.40).

vii) 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 2021: Rs. 63.14).

viii) In respect of assessment year 2018-19 demand was issued for disallowance of provident fund and ESI expenses. The correction has

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been filed and amount involved is Rs. 1.46 (31 March 2021: Rs. 1.46).

ix) In the respect of assessment year 2013-14 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.64.54 (31 March 2021: NIL).

x) In the respect of assessment year 2015-16 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.16.89 (31 March 2021: NIL).

xi) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.7.42 (31 March 2021: NIL).

xii) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.1.15 (31 March 2021: NIL).

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 2021: 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 March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2021: 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. 3,715.50 (31 March 2021: Rs. 1,720.13

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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33. 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.

Joint Ventures:	Indo Toolings Private Limited (exit from JV w.e.f. 9th October 2020)
	Sandhar Han Sung Technologies Private Limited
	Jinyoung Sandhar Mechatronics Private Limited
	Sandhar Amkin Industries Private Limited
	Sandhar Whetron Electronics Private Limited
	Kwangsung Sandhar Technologies Private Limited
	Sandhar Han shin Auto Technologies Limited
	Winnercom Sandhar Technologies Private Limited
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (joint venture up-to 27 December 2021)
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (joint venture up-to 30 September 2021)
	Kwangsung Sandhar Automotive Systems Private Limited
	Sandhar Ecco Green Energy Private Limited (under voluntary liquidation)
	Sandhar Daeshin Auto Systems Private Limited (under strike-off)
	Sandhar Han Shin Automotive Private Limited (under strike-off)
	Sandhar Auto Electric Technologies Private Limited (joint venture up-to 27 December 2021)
	Sandhar Autotech Private Limited (joint venture up-to 27 December 2021) (under strike-off)

Enterprises over which KMP/ relatives of Key Managerial Personnel are able to exercise control/ significant influence with whom transactions have undertaken during the year:	Sandhar Info systems Limited
	Sandhar Estate Private Limited
	Jubin Finance and Investment Limited
	Haridwar Estates Private Limited
	Swaran Enterprises (Mrs. Santosh Davar is a Partner)
	Shorah Realty LLP
	Rico Auto Industries Private Limited
	Khaitan & Co LLP

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Key Managerial Personnel:	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 (C.F.O.) (appointed w.e.f. 11 May 2020) (resigned w.e.f. 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. Komal Malik (Company Secretary) (appointed w.e.f. 6 November 2020)
	Ms. Subhi Gupta (Company Secretary) (appointed w.e.f. 11 May 2020) (resigned w.e.f. 6 November 2020)
	Mr. Arvind Kapur (Non-Executive Independent Director)
	Mr. Bharat Anand (Non-Executive Independent Director)
Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company:	Mr. Jayant Davar
Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company with whom transactions have undertaken during the year:	Mr. D. N. Davar -(Chairman)
	Mrs. Monica Davar
	Mr. Neel Jay Davar
	Mrs. Santosh Davar,
	Mrs. Poonam Juneja,
	Mrs. Urmila Joshi
	Mrs. Mi nakshi Aggarwal

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 2022	For the year ended 31 March 2021
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3,373.13	2,676.12
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	635.74	332.06
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	350.66	230.56
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	55.40	13.89
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	84.88	34.64

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	36.51	27.05
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	832.88	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	158.77	138.27
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.80	1.61
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	28.97	55.98
Sale of Property, Plant and Equipment	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	3.46
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.83
Purchase of Property, Plant and Equipment	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	3.09
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	-	0.17
Reimbursement of expenses from	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	63.47	100.27
	Sandhar Infosystems Limited	Enterprises under Common control with the Reporting Enterprises	-	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	8.68	19.82
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	65.18	7.80
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	48.70	23.94
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	13.33	49.37
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	15.69	16.65
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	16.21	2.78
Reimbursement of expenses from	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	11.40	39.81
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	7.50

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
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	268.36	290.72
	Urmila Joshi	Key Managerial Personnel & their relatives	-	0.51
	Minakshi Aggarwal	Key Managerial Personnel & their relatives	-	49.64
	Jayant Davar	Key Managerial Personnel & their relatives	8.05	7.89
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.59	0.71
Lease rentals received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	28.20	26.36
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	11.60	23.04
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	0.14	0.28
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	20.16	12.60
Dividend Received from	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	113.05
Services received from	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	3.56	3.53
	Indo Toolings Private Limited	Joint Venture of Reporting Enterprises	-	0.69
	Khaitan & Co LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	4.50	2.46
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	22.25	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	59.15	17.02
Interest Received	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	13.73	14.78
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	25.44	28.50
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.91	0.58
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	1.07
Managerial remuneration	Jayant Davar	Key Managerial Personnel & their relatives	457.43	459.27
	Puru Aggarwal	Key Managerial Personnel & their relatives	-	69.50
	Yashpal Jain	Key Managerial Personnel & their relatives	105.83	5.25
	Komal Malik	Key Managerial Personnel & their relatives	23.79	9.27
	Subhi Gupta	Key Managerial Personnel & their relatives	-	2.44
	Arvind Joshi	Key Managerial Personnel & their relatives	-	7.20
	Narender Kumar Dogra	Key Managerial Personnel & their relatives	-	7.86

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid	Jayant Davar	Key Managerial Personnel & their relatives	282.04	627.80
	Others	Enterprises under Common control with the Reporting Enterprises	46.40	102.42
	Others	Key Managerial Personnel & their relatives	52.80	117.33
Investment made in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	102.26	254.93
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	-	436.80
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	48.85	120.00
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	1,130.00	700.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	898.85
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	146.04	149.34
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	-	75.00
	Sandhar Daeshin Technologies Private Limited	Joint Venture of Reporting Enterprises	0.0001	1.00
Loan & Advances Given to	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	52.38	105.44
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	264.05	505.00
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	100.00	95.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	165.00

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
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	0.01	0.10
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	220.82	214.54
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	9.71	509.74
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	10.54	1.09
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.88	0.24
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	0.05	0.12
Joint Venture of Reporting Enterprises	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	3.11	-
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3.33	15.07
Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	381.89	373.29
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	0.12	-
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	35.70	-
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.05
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	5.97
Corporate guarantee/ stand by letter of credit given to	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,744.27	919.69
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1,890.95	700.00
Managerial Remuneration Payable	Jayant Davar	Key Managerial Personnel & their relatives	325.40	361.82
	Yashpal Jain	Key Managerial Personnel & their relatives	8.40	5.25
	Komal Malik	Key Managerial Personnel & their relatives	1.87	1.79

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
Investment in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1956.44	1,854.18
	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	1,336.87
	Sandhar Automotive Systems Pvt Ltd (formerly known as Daewha Automotive System Pvt Ltd)#	Joint Venture of Reporting Enterprises	-	1,617.31
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	2,662.00	1,532.00
	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	978.45	832.41
	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 Auto Castings Private Limited (formerly known as 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	275.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.37	1,008.37
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	

@During the year ended 31 March 2022, the company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics 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. 110.36 Lacs was recognized in the standalone financial statements.

* 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 was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 1.00 Lacs.

***During the year ended 31 March 2022, Sandhar Daeshin Auto Systems Private Limited, a joint venture of the company and Sandhar Strategic Systems Private Limited, a wholly owned subsidiary of the company was struck off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investment amounting Rs. 2.07 Lacs.

#The Company owned 52.18% shareholding in joint venture Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) and has purchased the remaining 47.82% stake from joint venture partner for Rs. 48.84 Lacs on 28 December 2021 through share purchase deed. Accordingly, Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) becomes wholly owned subsidiary w.e.f. 28 December 2021. The Company has recognised a tax of Rs 180.22 Lacs on net gain on acquisition of shares as per Income Tax Act, 1961.

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At the date of acquisition, the fair value of investment exceeds its carrying value by Rs. 1.67 Lacs and the same is recognized in statement of profit and loss.

The acquisition date fair value of net assets acquired is Rs. 2,006.36 Lacs which exceeds the cost of investments (including consideration transferred) amounting to Rs 1,101.64 Lacs. Accordingly, the Company has recognized a gain on bargain purchase of Rs. 904.72 Lacs in other comprehensive income and transfer the same directly to Capital Reserve.
The total amount of revenue and loss of acquired Company recognized in consolidated financial statements from the date of acquisition is Rs. 9.93 Lacs and Rs. 30.76 Lacs respectively.

The major assets/liabilities acquired on the date of acquisition and is included in consolidated financial statements are as follows: -

Particulars	Amount
Property, plant and equipment (at fair value)	1,769.52
Deferred tax assets	383.48
Trade receivables	231.11
Other assets	457.07
Total Assets (A)	**2,841.18**
Trade payables	596.74
Other liabilities	238.08
Total Liabilities (B)	**834.82**
Net Assets (C = A-B)	**2,006.36**
Less: Fair value of Investment on date of investment	1,052.80
Less: Acquisition value of interest of JV partner	48.84
Total (D)	**1,101.64**
Net Gain recognized in other comprehensive income (C-D)	**904.72**

The fair value of the trade receivables amounts to Rs 231 Lacs. None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

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.

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34. Disclosure required under Section 186(4) of the Companies Act, 2013

a. Particulars of loan given (Loan repayable on demand where given to related parties as mentioned below)

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 2022	Purpose
Sandhar Automotive System Pvt Ltd (formerly known as Sandhar Daewha Automotive Systems Private Limited)	133.18	-	-	133.18	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Limited	505.00	200.00	-	215.00	490.00	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Private Limited	-	100.00	-	100.00	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Automotive System Pvt Ltd (formerly known as Sandhar Daewha Automotive Systems Private Limited)	88.18	45.00	-	-	-	133.18	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Limited	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 entity	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
Sandhar Han Sung Technologies Private Limited	1,744.27	-	1,744.27	To secure term loan & working capital loan
Sandhar Amkin Industries Private Limited	1,890.95	-	1,890.95	To secure term loan & working capital loan

(iii) Particulars of investments made:

Refer note 6 and 7A for investments made by the Group.

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35. Leases

i. The Company has lease contracts for land & building used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of guest house and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

ii. Impact of adoption of Ind AS 116 on the statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities (refer note 26)	397.47	336.03
Depreciation on Right-of-use assets (refer note 24)	1,343.74	1,334.93
Impact on the statement of profit and loss for the year	1,741.21	1,670.96

iii. Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repayment of lease liabilities including interest expenses	1,609.28	1,738.02
Impact on the statement of cash flows for the year	1,609.28	1,738.02

iv. 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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Financial assets				
A. FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	97.24	84.05	97.24	84.05
Investment in Unquoted Mutual Funds	585.23	153.82	585.23	153.82
B. Amortised Cost:				
Security deposit	2,101.95	1,208.78	2,101.95	1,208.78
Loans recoverable from related parties	-	638.18	-	638.18
Loans to employees	43.48	40.40	43.48	40.40
Total	**2,145.43**	**1,887.36**	**2,145.43**	**1,887.36**
Financial liabilities				
A. Amortised Cost:				
Borrowings				
Loans	51,564.16	22,056.40	51,564.16	22,056.40
Lease liabilities	9,854.84	8,977.88	9,854.84	8,977.88
Total	**61,419.00**	**31,034.28**	**61,419.00**	**31,034.28**

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.

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(Rupees in lacs, except share data, per share data and unless otherwise stated)

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.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

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A. Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	97.24	-	-	97.24
Investment in Unquoted Mutual Funds	585.23	-	-	585.23
Assets measured at amortised cost for which fair values are disclosed (refer note 36):				
Security deposit	2,101.95	-	-	2,101.95
Loans recoverable from related parties	-	-	-	-
Loans to employees	43.48	-	-	43.48
Liabilities measured at amortised cost for which fair values are disclosed (refer note 36):				
Loans	51,564.16	-	-	51,564.16
Lease liabilities	9,854.84	-	-	9,854.84

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 2021:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (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
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.

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

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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.

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.

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The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021. 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 2022.

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 2022 and 31 March 2021.

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 2022	31 March 2021
Financial Liabilities		
Fixed rate instruments		
- Vehicle Loan	5.31	23.85
Variable rate instruments		
- Term Loans	27,309.96	10,653.01
- Cash credit from bank	24,248.89	11,379.54
Financial Assets		
Fixed rate instruments		
- Fixed Deposits	305.29	655.73
- Loans	43.48	678.58

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.

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Particulars	Increase / decrease in basic points	Profit or loss	Profit or loss (net of tax)
31 March 2022			
Secured term loan from banks	100	191.05	142.97
Cash credit from bank	100	242.49	181.46
Other borrowings	100	82.10	61.44
Secured term loan	(100)	(191.05)	(142.97)
Cash credit from bank	(100)	(242.49)	(181.46)
Other borrowings	(100)	(82.10)	(61.44)
31 March 2021			
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)

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 2022		As at 31 March 2021	
	Amount In Foreign Currency	Amount in Rs	Amount In Foreign Currency	Amount in Rs
Trade Payables (USD)	23.51	1,781.45	18.08	1,321.80
Trade Payables (JPY)	2,150.50	1,336.11	845.09	558.77
Trade Payables (GBP)	-	-	0.02	1.61
Trade Payables (EUR)	6.06	509.27	0.82	70.00
Trade Payables (MXN)	-	-	-	-
Trade Receivables (USD)	3.94	298.35	2.18	159.64
Trade Receivables (MXN)	54.86	208.28	54.87	196.06
Trade Receivables (EUR)	1.27	106.66	0.10	8.57

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2022	As at 31 March 2021
INR/ JPY	0.6213	0.6612
INR/ USD	75.7741	73.1173
INR/ GBP	-	100.7800
INR/ EUR	84.0380	85.7800
INR/ MXN	3.7966	3.5734

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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)
As at 31 March 2022	INR/JPY Increases by 1 %	Import Trade payables	0.6213	0.0062	2,150.50	(13.36)	(10.00)
	INR/JPY Decreases by 1 %		0.6213	(0.0062)	2,150.50	13.36	10.00
As at 31 March 2021	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

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)
As at 31 March 2022	INR/USD Increases by 1 %	Import Trade payables	75.7741	0.7577	23.51	(17.81)	(13.33)
	INR/USD Decreases by 1 %		75.7741	(0.7577)	23.51	17.81	13.33
As at 31 March 2021	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

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)

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As at 31 March 2022	INR/GBP Increases by 1 %	Import Trade payables	-	-	-	-	-
	INR/GBP Decreases by 1 %		-	-	-	-	-
As at 31 March 2021	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

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)
As at 31 March 2022	INR/EUR Increases by 1 %	Import Trade payables	84.0380	0.8404	6.06	(5.09)	(3.81)
	INR/EUR Decreases by 1 %		84.0380	(0.8404)	6.06	5.09	3.81
As at 31 March 2021	INR/EUR Increases by 1 %		85.7800	0.8578	0.82	(0.70)	(0.52)
	INR/EUR Decreases by 1 %		85.7800	(0.8578)	0.82	0.70	0.52

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)
As at 31 March 2022	INR/USD Increases by 1 %	Export Trade Receivables	75.7741	0.7577	3.94	2.99	2.23
	INR/USD Decreases by 1 %		75.7741	(0.7577)	3.94	(2.99)	(2.23)
As at 31 March 2021	INR/USD Increases by 1 %		73.1173	0.7312	2.18	1.60	1.19
	INR/USD Decreases by 1 %		73.1173	(0.7312)	2.18	(1.60)	(1.19)

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)

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As at 31 March 2022	INR/MXN Increases by 1 %	Export Trade Receivables	3.7966	0.0380	54.86	2.08	1.56
	INR/MXN Decreases by 1 %		3.7966	(0.0380)	54.86	(2.08)	(1.56)
As at 31 March 2021	INR/MXN Increases by 1 %		3.5734	0.0357	54.87	1.96	1.47
	INR/MXN Decreases by 1 %		3.5734	(0.0357)	54.87	(1.96)	(1.47)

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)
As at 31 March 2022	INR/EUR Increases by 1 %	Export Trade Receivables	84.0380	0.8404	1.27	1.07	0.80
	INR/EUR Decreases by 1 %		84.0380	(0.8404)	1.27	(1.07)	(0.80)
As at 31 March 2021	INR/EUR Increases by 1 %		85.7800	0.8578	0.10	0.09	0.06
	INR/EUR Decreases by 1 %		85.7800	(0.8578)	0.10	(0.09)	(0.06)

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

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expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables of Rs. 44,537.42 Lacs as at 31 March 2022 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 2022 and 31 March 2021, 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 2022	As at 31 March 2021
Loans	43.48	678.58
Other financial assets	1,535.86	1,495.31
Total	**1,579.34**	**2,173.89**

(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 2022	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	44,836.02	44,532.25	2.55	301.22
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	44,537.42	44,532.25	2.55	2.62

Particulars	As at 31 March 2021	0- 6 Month	6 – 12 month	More than 12 months
Gross Carrying Amount	39,591.87	39,233.67	19.05	339.15
Expected credit loss (Loss allowance provision)	299.54	-	-	299.54
Carrying amount of trade receivables	39,292.33	39,233.67	19.05	39.61

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 2022 and 31 March 2021 is represented by the carrying amount of each

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

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	Carrying value as at 31 March 2022	Contractual cash flows		
		0- 1 year	1- 5 year	More than 5 year
Trade Payable	39,778.53	39,685.64	92.89	-
Borrowings	51,564.16	26,871.82	24,692.34	-
Lease liabilities	9,854.84	1,526.34	8,328.50	-
Other financial liabilities	2,504.00	2,467.11	36.89	-
Total	**1,03,701.53**	**70,550.91**	**33,150.62**	**-**

Particulars	Carrying value as at 31 March 2021	Contractual cash flows		
		0- 1 year	1- 5 year	More than 5 year
Trade Payable	39,154.37	39,077.64	76.73	-
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	1,404.08	1,208.12	195.96	-
Total	**71,592.73**	**53,549.95**	**17,912.89**	**129.59**

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 2022	31 March 2021
Net Debt (A)*	50,316.77	20,791.05
Equity (B)	86,281.28	80,806.56
Debt Equity Ratio (A/B)	**0.58**	**0.26**

* 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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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 2022	For the year ended 31 March 2021
Revenue from external customers		
India	1,95,367.78	159,651.65
Europe	37,002.45	26,704.86
Total	**2,32,370.23**	**186,356.51**

Non-current Assets

Particulars	As at 31 March 2022	As at 31 March 2021
India	87,861.69	69,115.40
Europe	29,776.27	24,097.93
Total	**1,17,637.96**	**93,213.33**

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

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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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 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	148.84	149.29
Non-Current assets	0.74	2.05
Current Liabilities	3.70	1.99
Equity	145.88	149.35
Proportion of the group's ownership	72.94	74.67

Summarised Statement of profit & loss of Sandhar Ecco Green Energy Private Limited:

Particulars	31 March 2022	31 March 2021
Revenue	-	-
Other incomes	4.51	5.28
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Cost	-	0.01
Depreciation and Amortization Expense	-	1.47
Other Expenses	7.99	24.36
(Loss)/ Profit Before Tax	(3.48)	(20.56)
Income tax expense	-	1.98
(Loss)/ Profit for the year (continuing operations)	(3.48)	(22.54)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	**(3.48)**	**(22.54)**
Group's share of profit/ (loss) for the year	(1.74)	(11.27)

Sandhar Han Sung Technologies Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	1,466.09	1,781.94
Non-Current assets	4,024.09	3,785.15
Current Liabilities	1,850.24	2,057.11
Non-current liabilities	1,253.25	1,140.38
Equity	2,386.70	2,369.60
Proportion of the group's ownership	**1,193.35**	**1,184.80**

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	3,878.13	3,028.34
Other incomes	11.58	21.96
Cost of Raw Material & Component Consumed	2,222.56	1,745.88
Employee Benefits Expense	771.01	661.01
Finance Costs	127.05	112.07
Depreciation and Amortization Expense	333.78	235.44
Other Expenses	697.04	542.64
Loss Before Tax	(261.73)	(246.74)

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Particulars	31 March 2022	31 March 2021
Income tax expense	(75.68)	(64.86)
(Loss)/ Profit for the year (continuing operations)	(186.04)	(181.89)
Other comprehensive income for the year, net of tax	(1.39)	3.35
Total Comprehensive income for the year (continuing operations)	**(187.44)**	**(178.53)**
Group's share of profit/ (loss) for the year	(93.72)	(89.27)

Indo Toolings Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	-	2,546.14
Non-Current assets	-	238.63
Current Liabilities	-	2,627.15
Non-current liabilities	-	97.59
Equity	-	60.03
Proportion of the group's ownership	-	30.01

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	-	985.91
Other incomes	-	0.05
Cost of Raw Material & Component Consumed	-	668.03
Employee Benefits Expense	-	296.64
Finance Costs	-	26.00
Depreciation and Amortization Expense	-	10.58
Other Expenses	-	196.48
Profit/ (Loss) Before Tax	-	(211.76)
Income tax expense	-	(39.08)
Profit/ (Loss) for the year (continuing operations)	-	(172.68)
Other comprehensive income for the year, net of tax	-	0.93
Total Comprehensive income for the year (continuing operations)	**-**	**(171.75)**
Group's share of profit/ (loss) for the year	-	(85.88)

Sandhar Amkin Industries Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	1,396.47	1,674.02
Non-Current assets	2,132.30	2,167.90
Current Liabilities	1,400.95	1,790.83
Non-current liabilities	1,593.90	1,787.81
Equity	533.92	263.28
Proportion of the group's ownership	**266.96**	**131.64**

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	2,003.80	1,379.94
Other incomes	12.40	11.73
Cost of Raw Material & Component Consumed	1,612.27	1,063.17
Employee Benefits Expense	317.27	421.34
Finance Costs	224.44	270.12
Depreciation and Amortization Expense	260.66	227.98

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Other Expenses	633.74	587.48
Loss Before Tax	(1,032.18)	(1,178.42)
Income tax expense	(112.75)	(539.43)
Loss for the year (continuing operations)	(919.43)	(638.99)
Other comprehensive income for the year, net of tax	7.91	(1.01)
Total Comprehensive income for the year (continuing operations)	**(911.52)**	**(640.00)**
Group's share of loss for the year	(455.76)	(320.00)

Jinyoung Sandhar Mechatronics Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	2,377.04	2,899.96
Non-Current assets	4,463.62	4,616.48
Current Liabilities	3,885.07	2,704.86
Non-current liabilities	2,760.93	4,262.09
Equity	194.66	549.49
Proportion of the group's ownership	97.33	274.75

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	3,541.48	2,998.64
Other incomes	39.37	290.10
Cost of Raw Material & Component Consumed	2,301.22	2,458.81
Employee Benefits Expense	497.32	547.75
Finance Costs	50.90	73.64
Depreciation and Amortization Expense	276.86	312.19
Other Expenses	925.35	888.09
Loss Before Tax	(470.79)	(991.74)
Income tax expense	(115.35)	(268.75)
Loss for the year (continuing operations)	(355.44)	(723.00)
Other comprehensive income for the year, net of tax	0.61	(4.85)
Total Comprehensive income for the year (continuing operations)	**(354.83)**	**(727.84)**
Group's share of loss for the year	(177.41)	(363.92)

Sandhar Daewha Automotive Systems Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	-	523.77
Non-Current assets	-	2,200.55
Current Liabilities	-	420.57
Non-current liabilities	-	13.28
Equity	-	2,290.47
Proportion of the group's ownership	-	1,145.23

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	-	303.90
Other incomes	-	1.22
Cost of Raw Material & Component Consumed	-	250.87
Employee Benefits Expense	-	126.64
Finance Costs	-	14.81

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Depreciation and Amortization Expense	-	193.53
Other Expenses	-	81.28
Loss Before Tax	-	(362.01)
Income tax expense	-	(92.85)
Loss for the year (continuing operations)	-	(269.16)
Other comprehensive income for the year, net of tax	-	1.79
Total Comprehensive income for the year (continuing operations)	**-**	**(267.37)**
Group's share of loss for the year	-	(133.69)

Sandhar Daeshin Auto Systems Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	-	1.18
Non-Current assets	-	-
Current Liabilities	-	0.17
Non-current liabilities	-	-
Equity	-	1.01
Proportion of the group's ownership	-	0.50

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	-	-
Other incomes	-	-
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	0.52	0.41
Loss Before Tax	(0.52)	(0.41)
Income tax expense	0.49	(0.18)
Profit/ (Loss) for the year (continuing operations)	(1.01)	(0.23)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	**(1.01)**	**(0.23)**
Group's share of profit/ (loss) for the year	(0.51)	(0.11)

Sandhar Whetron Electronics Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	684.41	546.16
Non-Current assets	1,515.05	1,455.42
Current Liabilities	258.84	40.98
Non-current liabilities	243.51	248.97
Equity	1,697.11	1,711.63
Proportion of the group's ownership	848.55	855.81

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	296.42	131.12
Other incomes	10.03	14.97
Cost of Raw Material & Component Consumed	189.88	97.68
Employee Benefits Expense	133.35	54.00
Finance Costs	17.84	7.09

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Depreciation and Amortization Expense	126.87	57.92
Other Expenses	33.64	13.61
Profit/ (Loss) Before Tax	(195.14)	(84.20)
Income tax expense	(44.66)	(21.57)
Profit/ (Loss) for the year (continuing operations)	(150.48)	(62.64)
Other comprehensive income for the year, net of tax	(10.09)	1.86
Total Comprehensive income for the year (continuing operations)	**(160.57)**	**(60.78)**
Group's share of profit/ (loss) for the year	(80.29)	(30.39)

Kwangsung Sandhar Technologies Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	2,036.18	2,013.54
Non-Current assets	3,323.37	3,163.49
Current Liabilities	3,553.37	2,891.52
Non-current liabilities	270.35	363.26
Equity	1,535.83	1,922.25
Proportion of the group's ownership	767.91	961.13

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	490.73	-
Other incomes	8.53	8.47
Cost of Raw Material & Component Consumed	366.03	-
Employee Benefits Expense	531.83	-
Finance Costs	26.44	1.07
Depreciation and Amortization Expense	246.20	-
Other Expenses	174.53	20.74
Loss Before Tax	(845.77)	(13.34)
Income tax expense	(218.71)	18.57
Loss for the year (continuing operations)	(627.06)	(31.91)
Other comprehensive income for the year, net of tax	2.31	5.32
Total Comprehensive income for the year (continuing operations)	**(624.75)**	**(26.59)**
Group's share of loss for the year	(312.37)	(13.29)

Winnercom Sandhar Technologies Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	1,472.82	872.92
Non-Current assets	348.24	391.27
Current Liabilities	966.27	491.43
Non-current liabilities	20.56	11.89
Equity	834.24	760.87
Proportion of the group's ownership	417.12	380.44

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Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	3,017.98	1,966.30
Other incomes	3.34	26.18
Cost of Raw Material & Component Consumed	2,578.90	1,733.03
Employee Benefits Expense	161.07	111.68
Finance Costs	-	-
Depreciation and Amortization Expense	49.71	46.62
Other Expenses	142.14	118.57
Loss Before Tax	89.50	(17.42)
Income tax expense	15.48	(3.04)
Loss for the year (continuing operations)	74.02	(14.38)
Other comprehensive income for the year, net of tax	(0.66)	(1.39)
Total Comprehensive income for the year (continuing operations)	**73.37**	**(15.76)**
Group's share of loss for the year	36.68	(7.88)

Sandhar Han Shin Automotive Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	-	-
Non-Current assets	-	-
Current Liabilities	-	-
Non-current liabilities	-	-
Equity	-	-
Proportion of the group's ownership	-	-

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	-	-
Other incomes	-	5.98
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	-	0.65
Profit/ (Loss) Before Tax	-	5.33
Income tax expense	-	-
Profit/ (Loss) for the year (continuing operations)	-	5.33
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	**-**	**5.33**
Group's share of profit/ (loss) for the year	-	2.67

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Sandhar Han Shin Auto Technologies Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Current assets	589.23	607.81
Non-Current assets	388.27	384.11
Current Liabilities	603.04	569.14
Non-current liabilities	13.84	14.55
Equity	360.61	408.23
Proportion of the group's ownership	180.31	204.11

Summarised Statement of profit & loss

Particulars	31 March 2022	31 March 2021
Revenue	1,069.62	740.81
Other incomes	1.02	18.20
Cost of Raw Material & Component Consumed	859.16	711.75
Employee Benefits Expense	165.91	111.77
Finance Costs	1.69	3.81
Depreciation and Amortization Expense	57.11	58.62
Other Expenses	62.06	46.56
Loss Before Tax	(75.29)	(173.50)
Income tax expense	(27.15)	(45.26)
Loss for the year (continuing operations)	(48.15)	(128.24)
Other comprehensive income for the year, net of tax	0.53	(5.31)
Total Comprehensive income for the year (continuing operations)	**(47.62)**	**(133.55)**
Group's share of loss for the year	(23.81)	(66.77)

Sandhar Daeshin Technologies Private Limited

Summarised balance sheet as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
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 2022	31 March 2021
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 the Consolidated Financial Statements for the year ended 31 March 2022

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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 2022 and 31 March 2021.

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 2022	31 March 2021
Capital expenditure	6.16	12.06

b. Revenue Expenditure

Particulars	31 March 2022	31 March 2021
Material/Consumables/Spares	12.13	9.15
Employee benefits expenses	383.66	323.93
Power & Fuel	1.01	1.48
Repair & maintenance	2.20	4.45
Travelling & conveyance	1.94	0.25
Legal & professional charges	5.63	1.93
Miscellaneous expenses	28.19	16.85
Total	**434.76**	**358.04**

43. 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.

44. Disclosure of additional information as required by the Schedule III

Name of the entity	2021-22							
	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 consoli-dated net assets	Amount (in Rs.)	As % of consolidat-ed profit or loss	Amount (in Rs.)	As % of consolidat-ed profit or loss	Amount (in Rs.)	As % of consolidat-ed profit or loss	Amount (in Rs.)
Parent								
Sandhar Technologies Ltd.	89.32%	76,723.58	109.89%	6,123.22	(102.17%)	502.48	109.26%	6,625.68
Indian Subsidiaries of Sandhar Technologies Ltd.								
Sandhar Tooling Pvt Ltd	0.40%	345.26	1.25%	69.20	(1.61%)	(7.91)	1.02%	61.29

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

Name of the entity	2021-22							
	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.)
Sandhar Strategic Systems Private Limited	0.00%	-	(0.00%)	0.06	0.00%	-	(0.00%)	0.06
Sandhar Engineering Private Limited	3.88%	3,336.41	(2.94%)	(163.59)	0.00%	-	(2.70%)	(163.59)
Sandhar Automotive Systems Private Limited	2.25%	1,933.29	(0.52%)	(28.79)	(0.40%)	(1.97)	(0.51%)	(30.76)
Sandhar Auto Castings Private Limited	0.00%	0.87	(0.00%)	0.14	0.00%	-	(0.00%)	0.14
Minority interest in Sandhar Tooling Pvt Ltd.	(0.45%)	(387.13)	(0.36%)	(20.06)	(0.40%)	1.99	(0.30%)	(18.07)
Foreign subsidiaries of Sandhar Technologies Ltd.								
Sandhar Technologies Barcelona, SL	6.07%	5,213.47	12.58%	701.23	(0.49%)	(2.35)	11.53%	698.89
Joint ventures								
Jinyoung Sandhar Mechatronics Private Limited	0.11%	97.33	(3.19%)	(177.72)	0.06%	0.31	(2.93%)	(177.41)
Sandhar Amkin Industries Private Limited	0.32%	266.96	(8.25%)	(459.72)	0.80%	3.95	(7.52%)	(455.76)
Sandhar Ecco Green Energy Private Limited	0.08%	72.94	(0.03%)	(1.74)	0.00%	-	(0.03%)	(1.74)
Sandhar Han Sung Technologies Private Limited	1.39%	1,193.35	(1.67%)	(93.02)	(0.14%)	(0.70)	(1.55%)	(93.72)
Sandhar Dashin Auto Systems Private Limited	0.00%	-	(0.01%)	(0.51)	0.00%	-	(0.01%)	(0.51)
Sandhar Whetron Electronics Private Limited	0.99%	848.55	(1.35%)	(75.24)	(1.03%)	(5.05)	(1.32%)	(80.29)
Kwansung Sandhar Technologies Private Limited	0.90%	767.91	(5.63%)	(313.53)	(0.24%)	1.16	(5.15%)	(312.37)
Winnercom Sandhar Technologies Private Limited	0.49%	417.12	(0.66%)	37.01	(0.07%)	(0.33)	(0.60%)	36.68
Sandhar Han Shin Auto Technologies Private Limited	0.21%	180.31	(0.43%)	(24.07)	0.05%	0.26	(0.39%)	(23.81)
Less: Cost of investment in joint ventures	(5.96%)	(5,116.07)						
Consolidated Net Assets/ Profit after tax	**100.00%**	**85,894.15**	**100.00%**	**5,572.87**	**100.00%**	**491.84**	**100.00%**	**6,064.71**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(Rupees in lacs, except share data, per share data and unless otherwise stated)

45. Additional Information:

a. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

c. There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company does not have such transaction which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h. The Company is not declared as a wilful defaulter by any bank of financial institution or other lender.

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

Place: Gurugram
Date: 18 May 2022

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

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date: 18 May 2022

SANDHAR
Growth. Motivation. Better Life

Notice

Notice is hereby given that the 30th Annual General Meeting ("AGM") of the Members of Sandhar Technologies Limited will be held on Thursday the 22nd September, 2022 at 11:30 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, 2022 together with the Reports of the Board of Directors and Auditor thereon.

2) To declare a final dividend of Rs. 2.25/- per equity share of Rs. 10/- each fully paid up for the Financial Year ended the 31st March, 2022.

3) To appoint a Director in place of Shri Neel Jay Davar (DIN 09201336), who retires by rotation and being eligible, offers himself for re-appointment.

4) Re-appointment of the Statutory Auditors.

   To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**;

   "RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) be and is hereby re-appointed as the Statutory Auditors of the Company to hold such office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5) **Ratification of remuneration payable to Cost Auditor viz. M/s Satija & Co for audit of cost records for the Financial Year 2022-2023.**

   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), M/s Satija & Co, Cost Accountants, New Delhi, having Firm Registration No. 004907, appointed as the Cost Auditors of the Company by the Board of Directors for conduct of the audit of the Cost Records of the Company for the financial year ended the 31st March, 2023 at such remuneration amounting to Rs. 1,25,000 (Rupees One Lakh Twenty-Five Thousand Only) per annum plus reimbursement of out of pocket expenses incurred by them in the course of aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board
For **Sandhar Technologies Limited**

Sd/-
KOMAL MALIK
Company Secretary & Compliance Officer
Membership Number: 6430

Place: Gurugram
Dated: 03rd August 2022

Registered Office:
B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@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, 2022 read with circulars dated May 05, 2020, April 08, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("the Meeting") 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 Circular, the Meeting 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 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) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6) 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

7) 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 16, 2022 to Thursday, September 22, 2022 (both days inclusive).

8) Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Director seeking appointment / re-appointment at the AGM is attached as Annexure-1 forming part of this Notice.

9) In compliance with the MCA Circulars and SEBI Circular dated 05th May, 2022, 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.

10) Members may note that the Notice and Annual Report 2021-2022 will also be available on the Company's website www.sandhargroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Registrar https://instavote.linkintime.co.in .

11) 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 15, 2022 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.

12) 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.

13) 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.

14) The remote e-voting period will commence at 09:00 A.M., on Monday, September 19, 2022 and will end at 05:00 P.M. on Wednesday, September 21, 2022.

15) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

16) 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.

17) 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.

18) The Company has appointed M/s K.K. Sachdeva & Associates, Practicing Company Secretaries, 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.

19) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

20) 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 .

21) The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 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.

22) 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 The same shall be replied by the Company suitably.

23) 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.

24) Therefore, Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.

25) 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.

26) 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 in the prescribed form.

27) 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.

28) Members may note that the Income Tax Act, 1961 ("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 us 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 following documents/declarations in accordance with the provisions of the Act.

For Resident Members, taxes shall be deducted at source under Section 194 of the 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 2022-23 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 Act by email to investors@sandhar.in .

Note:- If a shareholder holds multiple demat account having single PAN in that case if the aggregate amount of dividend of all the demat account exceeds Rs 5000/- the TDS shall be deducted on the entire amount of dividend.

Resident Members may also submit valid document as prescribed under the 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 Act or covered under Section 196 of the Act) are required to submit self-attested copy of the valid documentary evidence and declaration to avail such exemption under the Act.

Deduction of Tax at Higher rates in case of Non-filers of returns (Section 206AB)

With effective from July 1, 2021, new section is introduced, and the tax shall be deductible at the higher rates prescribed under this provision if the following conditions are satisfied:

Deductee (shareholder) has not filed the return of income for 2 assessment years # relevant to the previous years immediately prior to the previous year in which tax is required to be deducted.

The due date to file such return of income, as prescribed under section 139(1), has expired; and

The aggregate amount of tax deducted and collected at source is Rs. 50,000 or more in each of these 2 previous years#

With effect from 01-04-2022 period of 2 years has been reduced to 1 year

Rate of TDS:

The tax shall be deducted at the higher of the following rates:

- Twice the rate specified in the relevant provision of the Act (Rate specified u/s 194 is 10%)
- Twice the rate or rates in force; or
- 5% (This rate is not applicable for Dividend)

For Non-resident Members, taxes are required to be withheld in accordance with Section 195 and other applicable sections of the Act. For FPI/FII, TDS shall be at the rate of 20% (plus applicable surcharge and cess) as per Section 196D of the 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 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 2022-23 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 Act for lower withholding of taxes, if applicable duly attested by the shareholder.

29) 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.

30) The results declared along with the scrutinizer's report shall be placed on the website of the Company 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.

31) 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 or contact on: - Tel: 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 in from September 19, 2022 at 10.00 am to September 21, 2022 at 5.00 pm.

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. 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 or contact on: - Tel: 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 Pvt. Limited ("LIIPL"), Registrar and Share Transfer agent of the Company to facilitate remote e-voting

The remote e-voting period begins on 09:00 A.M., on Monday, September 19, 2022 and will end at 05:00 P.M. (IST) on Wednesday, September 21, 2022. During this period, shareholders of the Company, holding shares in dematerialized form as on the Cut-off Date i.e. Thursday, September 15, 2022 may cast their votes electronically. The remote e-voting module shall be disabled by LIIPL for voting after 05:00 p.m. (IST) on the Wednesday, September 21, 2022

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 9th June, 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
Individual Shareholders holding securities in demat mode with NSDL	• 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: https://eservices.nsdl.com 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. • 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 & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name 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 & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • 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. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • 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 & voting during the meeting.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in • Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above • Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). • Click "confirm" (Your password is now generated). 2. Click on 'Login' under '**SHARE HOLDER**' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'. 4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link). 7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL 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 and have forgotten the password:

o Click on '**Login**' on 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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 LIIPL: 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 or contact on: - Tel: 022 –4918 6000.

By Order of the Board

For **Sandhar Technologies Limited**

Sd/-

KOMAL MALIK

Company Secretary &
Compliance Officer
Membership Number: 6430

Place: Gurugram
Dated: 03rd August 2022

Registered Office:
B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@sandhar.in
Website: www.sandhargroup.com

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No 5:

Ratification of remuneration payable to Cost Auditor viz. M/s Satija & Co., for audit of cost records for the financial year 2022-2023.

The Board on the recommendation of Audit Committee has 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, 2023 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, 2023.

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

For **Sandhar Technologies Limited**

Sd/-

KOMAL MALIK

Company Secretary &
Compliance Officer
Membership Number: 6430

Place: Gurugram
Dated: 03rd August 2022

Registered Office:

B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@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	Neel Jay Davar
Date of Birth	16/08/1997
Age	24
Date of Appointment/Reappointment	06/08/2021
Relationship with Directors and Key Managerial Personnel	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 S Industrial Engineering and Operations from the University of California, Berkeley.
Expertise in specific Functional Area	Software Development and prototyping
Board Membership of listed Companies	Nil
Committees of the Board (Sandhar Technologies Limited)	Nil
Number of Shares held in the Company as on June 30, 2022	15,55,995 Equity Shares

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Growth. Motivation. Better Life

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