ANNUAL REPORT

(FY 2022-2023)

SANDHAR AUTO CASTINGS PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To The Members of M/s Sandhar Auto Castings Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sandhar Auto Castings Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") 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 made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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, and we do not have any reportable audit key matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include financial statements and our auditor's report thereon.

SERVA ASSOCIATES FRN:000272N New Delhi Chartered Accountants

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 during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 scepticism throughout the audit. We also:

SERVA ASSOCIATES FRN:000272N New Delhi Chartered Accountants

• 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 financial 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 system 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.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

SERVA ASSOCIATES
FRN:000272N
New Delhi
Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. **As required by Section 143(3) of the Act, based on our audit we report that:**
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g. The company being a private limited company, the provisions of section 197 read with schedule V to the Companies Act are not applicable to the company.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

I. The company does not have any pending litigations.
II. The Company had not entered into any long-term contracts including derivative contracts.
III. There was no amount which was required to be transferred to investors education & protection fraud.

   a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
   b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

SERVA ASSOCIATES
CHARTERED ACCOUNTANTS

manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Serva Associates
Chartered Accountants
Firm Registration Number: 000272N

SERVA ASSOCIATES FRN:000272N New Delhi Chartered Accountants

Nitin Jain
(Partner)
Membership Number: 506898
UDIN:23506898BGRYDL4362

Place: Delhi
Date: 03 MAY 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members Sandhar Auto Castings Private Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **Sandhar Auto Castings Private Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

SERVA ASSOCIATES * FRN 000272N * New Delhi * Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

For Serva Associates
Chartered Accountants
Firm Registration Number: 000272N

SERVA ASSOCIATES * Chartered Accountants * FRN:000272N New Delhi

Nitin Jain
(Partner)
Membership Number: 506898
UDIN: 23506898BGRYDL4362

Place: Delhi
Date: 03 MAY 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sandhar Auto Castings Private Limited

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i.

a(A). The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

a(B). The company has maintained proper records showing full particulars of intangible assets.

b. All the assets have been physically verified by the management during the year at which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

c. That the company does not possess any immovable property and hence the reporting under clause (i)('c) is not applicable.

d. The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

e. As represented by management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a The physical verification of inventory has been conducted at reasonable intervals by the company & no material discrepancies were reported on physical verification of the inventory during the year. The inventory has been taken as quantified, valued and certified by the management.

b. That the company has not been sanctioned working capital limit in excess of INR 5 Crores from any banks or financial institutions on the basis of security of current assets, therefore clause (ii) (b) is not applicable.

iii. The company has not granted any loan secured or unsecured to companies, firms, Limited liability partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act and hence provisions para (iii) are not applicable.

iv. The company has not given/advances any loans to directors and parties covered under Section 185 or loans and advances under section 186 of the Companies Act, 2013 and hence the provisions of paragraph (iv) are not applicable to the company

SERVA ASSOCIATES ★ FRN:000272N New Delhi ★ Chartered Accountants

v. The Company has not accepted any deposit. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, in our opinion the maintenance of cost records have not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act, though the same have been made voluntarily by the company.

vii.

In respect of statutory dues:

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, duty of customs, Goods & Services Tax (GST), cess and other statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they become payable.

(b)

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there was no outstanding statutory dues which have been deposited on account of dispute with the authorities.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) The Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.

(b) That no instance or information has come on our records in context to the Company been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) That the loans have been applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, as at the end of financial year funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company does not have any subsidiaries, Joint venture or associate, therefore clause (ix) (e) is not applicable.

(f) The company does not have any subsidiaries, Joint venture or associate, therefore clause (ix) (f) is not applicable.

SERVA ASSOCIATES
FRN:000272N
New Delhi
Chartered Accountants

x.

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has made any preferential allotment of shares to the existing shareholders at face value during the year under review.

xi.

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) That as represented by the management, there are no whistle blower complaints received by the company during the year.

xii.

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii.

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) The provisions of this para is not applicable to the company.

(b) Internal audit under section 138 read with rule 13 of company act is not applicable to the company therefore clause (xiv) (b) of the order is not applicable.

xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

xvii. The company has incurred cash loss of INR 91.33 Lacs during the financial year covered by our audit. No cash loss was incurred during the previous financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

SERVA ASSOCIATES FRN:000272N New Delhi Chartered Accountants

xix. 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 financial statements and 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 indicating that 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. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year

b. There is no unspent amount under sub-section (5) of section 135 of the companies act, therefore clause (xx)(b) is not applicable.

For Serva Associates
Chartered Accountants
Firm Registration Number: 000272N

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Nitin Jain
(Partner)
Membership Number: 506898
UDIN: 23506898BGRYDL4362

Place: Delhi
Date: 03 MAY 2023

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Balance Sheet As at 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	1,517.82	
Capital Work-In-Progress	4	1,720.88	-
Other Intangible Assets	5	3.62	
Right-of-use assets	6	2,072.65	-
Financial Assets			
- Other Financial Assets	7	134.97	-
Deferred Tax Assets	8	38.47	-
Other Non Current Assets	9	46.55	-
Total Non-Current Assets		**5,534.96**	**-**
Current Assets			
Inventories	10	98.88	-
Financial Assets	11		
- Cash And Cash Equivalents		51.31	1.23
- Trade Receivables		62.51	-
Other Current Assets	9	737.92	-
Total Current Assets		**950.62**	**1.23**
Total Assets		**6,485.58**	**1.23**
Equity And Liabilities			
Equity			
Equity Share Capital	12	625.00	1.00
Other Equity			
- Retained earnings	13	(127.96)	(0.13)
Total Equity		**497.04**	**0.87**
Liabilities			
Non Current Liabilities			
Financial Liabilities	14		
- Borrowings		1,581.53	-
-Other financial liabilities		1,839.86	-
Provisions	17	6.15	-
Total Non Current Liabilities		**3,427.54**	**-**
Current Liabilities			
Financial Liabilities	14		
- Borrowings		170.44	-
-Other financial liabilities		1,860.70	-
Trade Payables	15		
- Outstanding dues to micro and small enterprises		119.27	0.36
- Outstanding dues to parties other than micro and small enterprises		360.13	-
Other Current Liabilities	16	50.17	-
Provisions	17	0.29	-
Total Current Liabilities		**2,561.00**	**0.36**
Total Equity And Liabilities		**6,485.58**	**1.23**

The accompanying notes form an integral part of these financial statements
As per our Report of even date attached

For Serva Associates
Chartered Accountants
Firm's Registration Number: 000272N

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Nitin Jain
Partner
Membership Number: 506898

Place: New Delhi
Date : 03-05-2023

For and on behalf of Board of Directors of Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

(Narender Kumar Dogra)
Director
DIN 00100916

Place: Gurugram
Date : 03-05-2023

(Ajay Kumar Raghav)
Director
DIN 09380468

Place: Gurugram
Date : 03-05-2023

SANDHAR AUTO CASTINGS PVT. LTD.

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

Statement of Profit and Loss for the year ended 31 March 2023

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

	Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I	**Revenue**			
	Revenue from operations	18	55.82	-
	Other Income	19	3.78	0.45
	Total Income		**59.60**	**0.45**
II	**Expenses**			
	Employee Benefit Expense	21	39.01	-
	Finance costs	22	66.09	-
	Depreciation and amortization expense	23	75.87	-
	Other expenses	24	44.93	0.32
	Total Expenses		**225.90**	**0.32**
III	**(Loss)/profit before tax (I-II)**		**(166.30)**	**0.13**
IV	**Tax expense:**			
	(a) Current tax		-	-
	(b) Deferred tax	8	38.47	-
	Total tax expense (IV)		**38.47**	**-**
III	**Profit/ (loss) for the year (I-II)**		**(127.83)**	**0.13**
V	**Total comprehensive (loss)/income of the year, net of tax**		**(127.83)**	**0.13**
VI	**Earnings per share: (Face Value ₹ 10 per share)**	25		
	1) Basic (Amount in ₹)		(6.10)	1.35
	2) Dilluted (Amount in ₹)		(6.10)	1.35

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Serva Associates
Chartered Accountants
Firm's Registration Number: 000272N

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Nitin Jain
Partner
Membership Number: 506898

Place: New Delhi
Date : 03-05-2023

For and on behalf of Board of Directors of
Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

(Narender Kumar Dogra)
Director
DIN 00100916

Place: Gurugram
Date : 03-05-2023

(Ajay Kumar Raghav)
Director
DIN 09380468

Place:
Date : 03-05-2023

SANDHAR AUTO CASTINGS PVT. LTD.

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Statement of Change in Equity for the year ended 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

A. Equity Share Capital

Balance at the Beginning of the Reporting Year 31 March 2022	Changes in Equity Share Capital during the Year	Balance at the End of the Reporting Year 31 March 2022
-	1.00	1.00
Balance at the Beginning of the Reporting Year 31 March 2023	**Changes in Equity Share Capital during the Year**	**Balance at the End of the Reporting Year 31 March 2023**
1.00	624.00	625.00

B. Other Equity

	Retained earnings	Total
Balance at the Year of the Reporting Year ended 31 March 2022	(0.26)	(0.26)
Changes during the year	0.13	0.13
Balance at the End of the Year Year ended 31 March 2022	**(0.13)**	**(0.13)**
Balance at the Beginning of the Reporting Year ended 31 March 2023	(0.13)	(0.13)
Changes during the Year	(127.83)	(127.83)
Balance at the End of the Reporting Year ended 31 March 2023	**(127.96)**	**(127.96)**

Summary of Significant Accounting Policies 2.1
The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Serva Associates
Chartered Accountants
Firm's Registration Number: 000272N

SERVA ASSOCIATES FRN:000272N New Delhi Chartered Accountants

Nitin Jain
Partner
Membership Number: 506898

Place: New Delhi
Date : 03-05-2023

For and on behalf of Board of Directors of
Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

(Narender Kumar Dogra)
Director
DIN 00100916

Place: Gurugram
Date : 03-05-2023

(Ajay Kumar Raghav)
Director
DIN 09380468

Place: Gurugram
Date : 03-05-2023

SANDHAR AUTO CASTINGS PVT. LTD.

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Cash Flow Statement for the year ended 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
I	**Cash Flows From Operating Activities**		
	(Loss)/profit before tax	(166.30)	0.13
	Adjustments for :		
	Depreciation and amortisation expenses	75.87	-
	Interest expense	66.09	-
	Interest income	(3.78)	(0.45)
	Operating (loss)/profit before working capital changes	**(28.12)**	**(0.32)**
	Adjustments for :		
	Increase/(Decrease) in Trade Payables	479.04	0.11
	Increase / (Decrease) in Financial Liabilities	40.77	-
	Increase / (Decrease) in Other Liabilities	50.45	-
	Decrease / (Increase) in Trade Receivables	(62.51)	-
	Decrease / (Increase) in Financial Asssets	(134.97)	-
	Decrease / (Increase) in Other Assets	(784.47)	-
	Decrease / (Increase) in inventories	(98.88)	-
	Cash used in operating activities	**(538.69)**	**(0.21)**
	Less : Income tax paid	-	-
	Net cash used in Operating Activities	**(538.69)**	**(0.21)**
II	**Cash Flows From Investing Activities**		
	Acquisition of property, plant & equipment Including CWIP	(1,689.26)	-
	Interest received	3.78	0.45
	Net cash Flow generated from Investing Activities	**(1,685.48)**	**0.45**
III	**Cash Flows From Financing Activities**		
	Proceeds From Issue of Share Capital	624.00	-
	Payment of lease liabilities	(72.42)	-
	Proceeds from long-term borrowings	1,758.12	-
	Finance cost paid	(35.45)	-
	Net cash flow generated from financing activities	**2,274.25**	**-**
	Net incraese in Cash & cash equivalents (I+II+III)	50.08	0.24
	Cash & cash equivalents as at end of the year	51.31	1.23
	Cash & cash equivalents as at the beginning of year	1.23	0.99
	Net Change In Cash & Cash Equivalents	**51.31**	**1.23**

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For Serva Associates
Chartered Accountants
Firm's Registration Number: 000272N

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Nitin Jain
Partner
Membership Number: 506898

Place: New Delhi
Date : 03-05-2023

For and on behalf of Board of Directors of
Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

(Narender Kumar Dogr
Director
DIN 00100916

Place: Gurugram
Date : 03-05-2023

(Ajay Kumar Raghav)
Director
DIN 09380468

Place: Gurugram
Date : 03-05-2023

SANDHAR AUTO CASTINGS PVT. LTD.

Note 1: Corporate Information

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited) is a Private Limited Company incorporated in India on 29 July 2020 under the Provision of Companies Act 2013. The Company is incorporated with the objective of manufacturing, service, import, export, trade, commercialize, promote, pack, repack, assemble, reassemble, design, modify, supply, buy, sell, alter, repair, overhaul, tune and otherwise to act as whole sale dealers of all kind of Gear Shifters and Parking Brakes for four wheeler segment and parts and other ancillary parts, equipment, devices and tools for sale to vehicle manufacturers, distributors, and dealers in India and abroad.

Note 2:

Statement of Compliance: In accrordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 29 July 2020, the date of incorporation.

Basis of Preparation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in ₹ and all values are rounded to the nearest Lacs upto two decimal places except otherwise stated.

Note 2.1: Significant accounting policies

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

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

Judgements:

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

Useful lives of property, plant and equipment

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

Estimates and Assumptions:

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

Recoverability of deferred taxes

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

b) **Current versus non-current classification**

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

Assets:

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

SANDHAR AUTO CASTINGS PVT. LTD.

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Notes to financial statements for the year ended 31 March 2023

c) **Property, Plant and Equipment**

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.
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.
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income.

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

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

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

d) **Intangible assets**

Recognition and measurement

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

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses.

e) **Borrowing costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds.
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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) **Foreign currencies**

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

g) **Derivative (Forward contract)**

The company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

h) **Revenue Recognition**

Revenue to be recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue to be 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.

(iv) Other income: Other income comprises interest income which is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

SERVA ASSOCIATES ★ CA FRN:000272N New Delhi ★ Chartered Accountants

SANDHAR AUTO CASTINGS PVT. LTD. ★

i) **Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first in, first out basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Cost in case of Work-in-Progress and finished goods to be inclusive of allocable manufacturing overheads. The Provision for obsolescence to be made whenever necessary.

j) **Leases**

Finance lease

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019.

k) **Employee's Benefits**

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

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

Defined contribution plan

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

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

Defined benefit plan

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

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.
Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other Long Term Employee Benefits

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

SERVA ASSOCIATES Chartered Accountants

SANDHAR AUTO CASTINGS PVT. LTD.

l) **Provisions**

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

m) **Financial instruments**

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
-Debt instruments at amortised cost
-Debt instruments at fair value through other comprehensive income (FVTOCI)
-Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
-Equity instruments measured at fair value through other comprehensive income (FVTOCI)

De-recognition

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
-Financial liabilities at amortised cost
-Financial liabilities at fair value through profit and loss (FVTPL)

De-recognition

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

n) **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.
The Company to be follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it to be recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.
As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

SERVA ASSOCIATES CA FRN 000272N

SANDHAR AUTO CASTINGS PVT. LTD.

o) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

q) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Earnings per share (EPS)

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

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

t) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

Notes to the Financial Statements for the year ended 31 March 2023

(All amounts are in lakh ₹ unless otherwise stated)

Note 3: Property, Plant and Equipment

Particulars	Building	Plant and equipment	Office equipment	Computers	Total
Gross Carrying Value (Deemed Cost)					
Balance as at 1 April 2022	-	-	-	-	-
Additions made during the year	14.96	1,444.88	48.63	22.76	1,531.23
Disposals/ adjustments during the year					-
As at March 31, 2023	14.96	1,444.88	48.63	22.76	1,531.23
Accumulated depreciation					
Balance as at 1 April 2022	-	-	-	-	-
Depreciation charge for the year	0.21	12.07	0.50	0.63	13.41
Disposals/ adjustments during the year	-		-	-	-
As at March 31, 2023	0.21	12.07	0.50	0.63	13.41
Net Carrying Value					
As at March 31, 2023	14.75	1,432.81	48.12	22.14	1,517.82
As at March 31, 2022	-	-	-	-	-

SERVA ASSOCIATES ★ FRN:000272N New Delhi ★ Chartered Accountants

SANDHAR AUTO CASTINGS PVT. LTD. ★

(This space has been intentionally left blank)

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Notes to financial statements for the year ended 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Note 4 : The details of Capital work in progress is as follows:

	As at 31 March 2023	As at 31 March 2022
Capital work in progress	1,720.88	-
	1,720.88	**-**

Balance as at 31 March 2023

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	1,720.88	-	-	-	1,720.88
2	Project Temporarily suspended	-	-	-	-	-

(This space has been intentionally left blank)

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

Notes to the Financial Statements for the year ended 31 March 2023
(All amounts are in lakh ₹ unless otherwise stated)

Note 5: Intangible Assets

Particulars	Intangible Asset	Total
Gross Carrying Value (Deemed Cost)		
Balance as at 1 April 2022	-	-
Additions made during the year	3.68	3.68
Disposals/ adjustments during the year		-
As at March 31, 2023	**3.68**	**3.68**
Accumulated depreciation		
Balance as at 1 April 2022	-	-
Depreciation charge for the year	0.06	0.06
Disposals/ adjustments during the year	-	-
As at March 31, 2023	**0.06**	**0.06**
Net Carrying Value		
As at March 31, 2023	**3.62**	**3.62**
As at March 31, 2022	-	-

SERVA ASSOCIATES ★ Chartered Accountants ★ FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD. ★

(This space has been intentionally left blank)

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

6. (i) Right-of-use asset*

Particulars	Leasehold Land	Total
Gross carrying value		
Balance as at 1 April 2022	-	-
Additions during the year	2,135.05	2,135.05
Balance as at 31 March 2023	**2,135.05**	**2,135.05**
Accumulated amortization		
Balance as at 1 April 2022	-	-
Depreciation for the year	62.40	62.40
Balance as at 31 March 2023	**62.40**	**62.40**
Net carrying amount		
As at 31 March 2023	**2,072.65**	**2,072.65**
As at 31 March 2022	-	-

6. (ii) Lease liabilities

Particulars	Current	Non Current	Total
Balance as at 1 April 2022			-
Additions	-	2,135.05	2,135.05
Accretion of Interest	-	30.64	30.64
Payment of lease liabilities	-	72.42	72.42
Rent Concession	-	-	-
Deletions	-	-	-
Re-classification of non current to current	253.41	(253.41)	-
Balance as at 31 March 2023	**253.41**	**1,839.86**	**2,093.27**

* Refer note 31

SERVA ASSOCIATES ★ Chartered Accountants ★ FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD. ★

(This space has been intentionally left blank)

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Notes to financial statements for the year ended 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Note 7 : Other Financial Assets	As at 31 March 2023	As at 31 March 2022
Security Deposits	124.85	-
Bank deposit with original maturity of more than 12 months	10.00	-
Interest accrued on fixed deposits	0.12	
	134.97	-
Non Current	134.97	-
Current	-	-

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

Note : 8 Income Taxes

a) The major components of income tax expense for the years ended 31 March 2023.

Tax expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	-	-
Deferred tax	(38.47)	-
Income tax expense reported in the statement of profit or loss	(38.47)	-

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023.

	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before tax from continuing operations	(166.30)	0.13
Accounting profit before income tax		
At India's statutory income tax rate of 25.17%	(41.87)	0.03
Permanent disallowance	3.40	(0.03)
At the income tax rate of 25.17%	**(38.47)**	-
Income tax expense reported in the statement of profit and loss	(38.47)	-
	(0.00)	-

c) Deferred tax:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax assets relates to the following:		
Carry forward tax loss and Unabsorbed depreciation	50.58	-
Employee Benefits	1.62	-
Other temporary differences	7.32	
Right of Use and lease liabilities	5.19	-
Preliminary expenses	0.01	-
	64.72	-
Deferred tax liability		
Property, Plant and equipment and intangible assets	26.25	
	26.25	-
Total Deferred Tax Assets/(liabilities) (Net)	**38.47**	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and

Note 9 : Other Current & Non current Assets	As at 31 March 2023	As at 31 March 2022
Balance With Statutory/Government Authorities	533.03	-
Prepaid Expenses	68.50	-
Advance to Employees	0.25	-
Other Advance	23.89	-
Capital Advance	153.10	-
TDS Recoverable	5.70	-
	784.47	-
Non Current	46.55	-
Current	737.92	-

SERVA ASSOCIATES ★ CA FRN:000272N New Delhi ★ Chartered Accountants

SANDHAR AUTO CASTINGS PVT. LTD. ★

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

Note 10 : Inventories	**As at 31 March 2023**	**As at 31 March 2022**
Raw materials (at cost)	3.77	-
Stores and spares (at cost)	95.11	-
	98.88	-
Provision for inventory obsolescence	-	-
Total inventories at the lower of cost and net realisable value	**98.88**	-

Note 11 : Financial Assets

11A. Cash And Cash Equivalents	**As at 31 March 2023**	**As at 31 March 2022**
Balances with Banks:		
On Current Accounts	51.31	1.23
	51.31	1.23

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As at 31 March 2023	**As at 31 March 2022**
Balances with Banks:-		
On Current Accounts	51.31	1.23
	51.31	1.23

11B. Trade Receivables	**As at 31 March 2023**	**As at 31 March 2022**
Trade Receivables Considered Good- Unsecured	62.51	-
	62.51	-

b) Trade Receivables ageing schedule as on March 31, 2023

Particulars	**Outstanding for following periods from due date of payment**					**Total**
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	62.51	-	-	-	-	62.51
(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	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-
Net Trade receivables	-	-	-	-	-	-

SERVA ASSOCIATES ★ FRN:000272N New Delhi ★ Chartered Accountants

[This page has been left blank intentionally]

SANDHAR AUTO CASTINGS PVT. LTD. ★

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

Note 12 : Share Capital	As at 31 March 2023	As at 31 March 2022
Authorised Share Capital		
10,000,000 equity shares of Rs. 10 each**	1,000.00	1.00
	1,000.00	**1.00**
Issued, subscribed and fully paid up		
62,50,000 equity shares of Rs 10 each**	625.00	1.00
	625.00	**1.00**

a) **Reconciliation of authorised, issued and subscribed share capital:**

i. Reconciliation of authorised share capital as at year end :

	As at 31 March 2023		As at 31 March 2022	
	No. of shares**	(Amount)	No. of shares**	(Amount)
Balance at the Beginning of the Reporting Year	10,000	1.00	-	-
Issued during the Year	99,90,000	999.00	10,000	1.00
Balance at the End of the Reporting Year	**1,00,00,000**	**1,000.00**	**10,000**	**1.00**

ii. Reconciliation of issued and subscribed share capital as at year end :

	As at 31 March 2023		As at 31 March 2022	
	No. of shares**	(Amount)	No. of shares**	(Amount)
Balance at the Beginning of the Reporting Year	10,000	1.00	-	-
Issued during the year	62,40,000	624.00	10,000	1.00
Balance at the End of the Reporting Year	**62,50,000**	**625.00**	**10,000**	**1.00**

b. **Terms/rights attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Details of shareholder holding more than 5 percent shares in the company**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares**	% holding	No. of shares**	% holding
Sandhar Technologies Limited#	62,50,000	100.00%	10,000	100.00%

Mr. Jayant Davar hold 1 share as a nominee shareholder

Details of shares held by promoters
As at 31 March 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Sandhar Technologies Limited Equity shares of ₹10 each fully paid	10,000	62,40,000	62,50,000	100.00%	100.00%
		10,000	**62,40,000**	**62,50,000**	**100.00%**	**100.00%**

* Mr. Jayant Davar is holding share in the capacity of nominee shareholder.

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Sandhar Technologies Limited Equity shares of ₹10 each fully paid	10,000	-	10,000	100.00%	-
		10,000	-	**10,000**	**100.00%**	-

* Mr. Jayant Davar is holding share in the capacity of nominee shareholder.
** Number of Shares are given in absolute numbers.

SERVA ASSOCIATES ★ Chartered Accountants ★ FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

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

Note 13 : Other equity (Refer Note 'a')

	As at 31 March 2023	As at 31 March 2022
Retained Earnings		
Opening Balance	(0.13)	(0.26)
Add: (Loss)/profit during the period transfer from statement of profit & loss	(127.83)	0.13
Total	**(127.96)**	**(0.13)**

Note:
a) For movement during the year in other equity, refer "Statement of Change in Equity".

Note 14 : Financial Liabilities

	As at 31 March 2023	As at 31 March 2022
14A : Borrowings		
A. Term Loans		
Indian rupee loan from others (secured) (refer note A)	1,686.97	-
Total borrowings	**1,686.97**	**-**
Current	105.44	
Non Current	1,581.53	-
B. Loans from Related parties	65.00	-
Total current borrowings	**65.00**	**-**

Terms of borrowings:

(A) Term loan from Bajaj Finserv Ltd Indian rupee Loan of Rs. 16,86,96,877.37 carries interest rate of 7.10% p.a. The loan is repayable in 16 quarterly instalments of Rs. 1,05,43,554.83 from January, 2024. Loan is secured by exclusive charge over movable fixed assets of company funded under the facility with Minimum FACR of 1.25X and Corporate Guarantee of Sandhar technologies Limited (Holding company)

(B) The Company has taken an unsecured loan from Sandhar Technologies Limited (Holding Company) of Rs. 65,00,000 at an annual rate of interest of 8%. The said loan is repayable on demand and with an option to convert into equity to the lender. However as at 31st March 2023 the likelyhood of such conversion is NIL.

14B: Other Financial Liabilities

	As at 31 March 2023	As at 31 March 2022
Payables for capital goods	1,566.52	-
Payable to employees	40.77	-
	1,607.29	**-**
Finance lease obligation - non current	1,839.86	-
Finance lease obligation - current	253.41	-
	2,093.27	**-**
Current	1,860.70	-
Non-current	1,839.86	-

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

[This page has been left blank intentionally]

SANDHAR AUTO CASTINGS PVT. LTD.

Note 15 : Trade Payable	As at 31 March 2023	As at 31 March 2022
- Outstanding dues to micro and small enterprises	119.27	0.36
- Outstanding dues to parties other than micro and small enterprises (refer note (a) below)	360.13	-
	479.40	0.36

(a) This includes accounts payable to related party of Rs.136.67 Lakhs for business support services.

Trade Payables ageing schedule as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.36	118.91	-	-	-	119.27
(ii) Others	62.99	297.14	-	-	-	360.13
(iii) Disputed dues — MSME	-		-	-	-	-
(iv) Disputed dues — Others	-		-	-	-	-

Trade Payables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.18	0.18	-	-	-	0.36
(ii) Others	-		-	-	-	-
(iii) Disputed dues — MSME	-		-	-	-	-
(iv) Disputed dues — Others	-		-	-	-	-

Note 16 : Other Current Liabilities	As at 31 March 2023	As at 31 March 2022
Statutory Dues	50.17	-
	50.17	-

Note 17 : Provisions	As at 31 March 2023	As at 31 March 2022
Provision for Employee Benefits		
Compensated Absences	1.67	-
Gratuity	4.77	-
	6.44	-
Current	0.29	-
Non-current	6.15	-

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

[This page has been left blank intentionally]

SANDHAR AUTO CASTINGS PVT. LTD.

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)
Notes to financial statements for the year ended 31 March 2023
(Rupees in lakhs, except share data, per share data and unless otherwise stated)

Note 18 : Revenue from Operations	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Sale of services	54.91	-
Other operating revenue		
Scrap sale	0.91	-
	55.82	**-**

Note 19 : Other Income	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Other income	-	0.45
Interest earned from Fixed deposit	0.12	
Interest income on security deposits mearsured at amortised cost	3.66	-
	3.78	0.45

Note 20 : Cost of raw material consumed	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Inventory at the beginning of the year	-	-
Add: Purchases during the year	3.77	-
	3.77	-
Less: Inventory at the end of the year	3.77	-
	(0.00)	-

Note 21 : Employee Benefit Expense	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Salaries, Wages and Bonus	30.96	-
Contribution to provident and other funds	1.37	-
Gratuity Expenses	4.77	
Staff Welfare	1.91	-
	39.01	-

Note 22 : Finance Cost	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Interest on lease liabilities	30.64	-
Interest paid on Term Loan	29.10	-
Interest paid to Others *	6.10	-
Interest Paid to MSME	0.25	
	66.09	**-**

* Includes Interest paid to Sandhar Technologies Limited (Holding Company) amount of Rs.1.57 lacs at an annual rate of interest of 8%.

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

Note 23 : Depreciation & Amortization Costs	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Depreciation on right of use assets	62.40	-
Depreciation Of Property, Plant And Equipment	13.41	
Amortisation Of Intangible Assets	0.06	
	75.87	**-**

Note 24 : Other Expenses	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Consumption of Stores and Spares	1.53	-
Power & Fuel	14.39	-
Repairs & Maintenance - Plant & Machinery	0.62	-
-Others	4.12	-
Rent & Hire Charges	0.30	-
Rates and taxes	1.80	0.13
Security Service Charges	1.57	-
Insurance	1.19	-
Travelling and Conveyance	0.87	-
Freight and forwarding charges	0.81	-
Auditor's Remuneration (Refer below)	0.40	0.18
Legal and Professional Fees	11.75	-
Miscellaneous Expenses	5.58	0.01
	44.93	**0.32**

a) Details of payment made to auditors is as follow:

Payment to Auditors

- Statutory Audit	0.40	0.18
	0.40	**0.18**

Note 25 : Earnings Per Share (EPS)	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Net (Loss)/profit after tax as per Statement of profit and loss	(127.83)	0.13
Weighted average number of equity shares for basic and diluted EPS (in numbers)	20,94,027	10,000
Basic/Diluted Earnings per share (in Rupees)	**(6.10)**	**1.35**

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

[This page has been left blank intentionally]

SANDHAR AUTO CASTINGS PVT. LTD.

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

Note 26 : Related party transactions

a) List of related parties

Name of Related Party	Nature of relationship
Sandhar Technologies Limited	Holding Company
Sandhar Daeshin Auto Systems Private Limited	JV under control of Holding company

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Sandhar Technologies Limited	Holding Company	Allotment of equity share capital	624.00	-
		Interest on Loan	1.57	
		Rent	0.35	
		Loans & Advances from Related	65.00	-
		Business support service provided	165.42	
Sandhar Daeshin Auto Systems Private Limited	JV under control of Holding company	Allotment of equity share capital	-	-
		Rent	-	0.45
		Expense incurred on behalf of Daeshin	-	0.10

Name of Related Party	Relationship	Nature of Transaction	As at 31 March 2023	As at 31 March 2022
Sandhar Technologies Limited	Holding Company	Investment in equity share capital	625.00	1.00
		Trade Payables	136.67	
		Borrowings	65.00	

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

[This page has been left blank intentionally]

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

27. Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the year	119.27	0.36
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
(c)The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	-	-
- Interest paid	-	-
- Payment to Suppliers	-	-
(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.	-	-
(e) Amount of Interest accrued and remaining unpaid at the end of the year	-	-
(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.	-	-

SERVA ASSOCIATES ★ Chartered Accountants ★ FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD. ★

[This page has been left blank intentionally]

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

Note 28 : 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:

a) Fair value of financial assets:

	Carrying values	Fair values	Carrying values	Fair values
	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Financial assets measured at amortised cost				
Cash and cash equivalents* (Refer Note 3)	51.31	51.31	1.23	1.23
Trade receivables	62.51	62.51	-	-
Bank deposits having remaining maturity of more than 12 months	10.00	10.00	-	-
Interest accrued on fixed deposits	0.12	0.12	-	-
Security Deposits	124.85	124.85	-	-
	248.79	**248.79**	**1.23**	**1.23**

b) Fair value of financial liabilities:

	Carrying values	Fair values	Carrying values	Fair values
	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Financial liabilities measured at amortised cost				
Trade Payable* (Refer Note 8)	479.40	479.40	0.36	0.36
Borrowings	1,751.97	1,751.97	-	-
Other financial liabilities (including lease liability)	3,700.55	3,700.55	-	-
Total	**5,931.92**	**5,931.92**	**0.36**	**0.36**

*Management has assessed that cash and cash equivalents, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

c) Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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:

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

SERVA ASSOCIATES ★ Chartered Accountants ★ FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

[This page has been left blank intentionally]

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

Note 29 : Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023

Particulars	As at 31 March 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	As At 31 March 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost								
Cash and cash equivalents*	51.31	-	-	51.31	1.23	-	-	1.23
Trade receivables	62.51	-	-	62.51	-	-	-	-
Bank deposits having remaining maturity of more than 12 months	10.00	-	-	10.00	-	-	-	-
Interest accrued on fixed deposits	0.12	-	-	0.12	-	-	-	-
Security Deposits	124.85	-	-	124.85	-	-	-	-
Total	**248.79**	**-**	**-**	**248.79**	**1.23**	**-**	**-**	**1.23**

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2023

Particulars	As at 31 March 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	As At 31 March 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost								
Trade Payable*	479.40	-	-	479.40	0.36	-	-	0.36
Borrowings	1,751.97	-	-	1,751.97	-	-	-	-
Other financial liabilities (including lease liabilities)	3,700.55	-	-	3,700.55	-	-	-	-
	5,931.92	**-**	**-**	**5,931.92**	**0.36**	**-**	**-**	**0.36**

* Management has assessed that cash and cash equivalents, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

[This page has been left blank intentionally]

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

Note 30 : Financial risk management objectives and policies

The board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.
The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

i) 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 is not exposed to interest risk.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign 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).

Company is not exposed to foreign currency sensitivity because Company does not have any outstanding foreign currency exposure as on 31 March 2023

A. Credit Risk
There is no significant credit risk associated the Company, as the Company has not commenced its commercial operation and as such Company does not have any Trade Receivables.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	479.40	-	-	-	479.40
Borrowings	-	65.00	105.44	1,581.53	-	1,751.97
Other financial liabilities		1,707.89	303.28	2,199.76	-	4,210.93
Total	**-**	**2,252.29**	**408.72**	**3,781.29**	**-**	**6,442.31**

As at 31 March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	-	0.36	-	-	0.36
Total	**-**	**-**	**0.36**	-	-	0.36

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

Note 31 : Leases

a) Company as a Leasee

The company has leases for Office & Factory buildings. With the exeption of short term leases and leases for low value underlying assets, each lease is reflected on the balance sheet as a right of use assets and a lease liability. The company has presented its right of use assets in balance sheet seprarately from other assets.

Each lease generally impose restriction that unless there is a contractual right for the company to sublease the assets to another party, the right of use assets can only be used by the company. The company is Prohibited from selling or pledging the underlying assets as security. Further, the company is required to pay maintainance fees in accordance with lease contracts.

(I) Lease Liabilities

Particulars	**As on 31st March 2023**	**As on 31st March 2022**
Current	253.41	-
Non Current	1,839.86	-

(ii) Amount recognised in statement of profit or loss

Lease liability included in the balance sheet	**As on 31st March 2023**	**As on 31st March 2022**
Depreciation on right use assets	62.40	-
Interest on lease liabilities (Included in interest expenses)	30.64	-
Expenses relating short term leases	0.30	-
Net Impact on statement of Profit and loss	**93.34**	-

(iii) Amount recognised in cash flow statement

Particulars	**As on 31st March 2023**	**As on 31st March 2022**
Payment of lease liabilities- Payment and Interest	72.42	-

(iv) Payments associated with short term leases of equipment and vehicles and all leases of low value assets are recognsied in a straight line method basis as an expense in Statement of Profit and loss. Short term leases are leases with a lease term of 12 months or less, low value assets comprise small items of office furniture

(v) Maturity of Lease liabilities

Future minimum lease liabilities are as follows:

31 March 2023	**Minimum lease Payments due**				
	Less then 1 Year	**1-2 Years**	**2-3 Years**	**More then 3 years**	**Total**
Lease Payments	403.63	417.19	434.20	1,348.37	2,603.39

31 March 2022	**Minimum lease Payments due**				
	Less then 1 Year	**1-2 Years**	**2-3 Years**	**More then 3 years**	**Total**
Lease Payments	-	-	-	-	-

Note 32 : Commitments and contingencies

a) Capital commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have been provided for in the financial statmements, amounts to ₹ 1586.62 lakhs (March 31, 2022 : NIL)

b) Contingent liabilities

There are no Contingent liabilities outstanding as at 31 March 2023

Note 33:

i) Earnings in foreign exchange - NIL

ii) Expenditure in foreign currency - NIL

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

[This page has been left blank intentionally]

(All amounts are in lakhs ₹ unless otherwise stated)

Note 34: Employee Benefits

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund & Other Funds*	1.30	-
Employer's Contribution to Employee State Insurance	0.07	-

* Contribution to Provident Fund during previous year ended March 31, 2019 debited to Statement of Profit & Loss was ` 4.29 and ` 2.58 was transferred to Capital Work in Progress.
The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

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

i) Gratuity
The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset or liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method in accordance with Ind As 19.

ii) Leave Encashment
The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 60 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement,withdrawal of scheme, resignation by employee and upon death of employee.

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

Present value of obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
April 01, 2022	-	-
Current service cost	4.77	1.67
Interest expense/ (income)	-	-
Total amount recognised in profit or loss	**4.77**	**1.67**
Remeasurements		
Total amount recognised in OCI	-	-
Benefits Paid	-	-
March 31, 2023	**4.77**	**1.67**

d) Net Defined Benefit Cost/(Income) Included in the Statement of Profit & Loss

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	**2021-22**	**2022-23**	**2021-22**
i) Service Cost	4.77	-	1.67	-
	4.77	**-**	**1.67**	**-**

[This space has been left blank intentionally]

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

(All amounts are in lakhs ₹ unless otherwise stated)

e) Amount included on account of measurement in Gratuity Valuation - OCI

	Gratuity (Unfunded)	
	2022-23	2021-22
Other Comprehensive Income (OCI)	-	-

f) Actuarial Assumptions
The significant acturial assumptions were as follows :

	March 31, 2023	March 31, 2022
Discount rate	7.38%	-
Salary growth rate	6.00%	-
Mortality	Indian assured lives mortality (2012-14) (modified) Ultimate	Indian assured lives mortality (2012-14) (modified) Ultimate
Withdrawal rate		
Upto 30 Years	10.00%	-
From 31 to 44 years	3.00%	-
Above 44 years	1.00%	-

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

g) Sensitivity analysis
A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

	Change in assumption		Impact on defined benefit obligation			
			Increase by		Decrease by	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Gratuity						
Discount rate	0.50%	-	(0.36)	-	0.40	-
Salary growth rate	0.50%	-	0.40	-	(0.37)	-
Leave Encashment						
Discount rate	0.50%	-	(0.12)	-	0.13	-
Salary growth rate	0.50%	-	0.13	-	(0.12)	-

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

h) Defined benefit liability

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
The expected maturity analysis of undiscounted gratuity is as follows :	As At March 31, 2023	As At March 31, 2022	As At March 31, 2023	As At March 31, 2022
Less than a year	0.09	-	0.14	-
Between 1-2 years	0.07	-	0.06	-
Between 2-3 years	0.07	-	0.05	-
Between 3-4 years	0.07	-	0.05	-
Between 4-5 years	0.14	-	0.05	-
Between 5-6 years	0.13	-	0.04	-
Beyond 6 years	4.20	-	1.28	-
Total	**4.77**	**-**	**1.67**	**-**

SERVA ASSOCIATES * Chartered Accountants * FRN:000272N New Delhi

[This space has been left blank intentionally]

SANDHAR AUTO CASTINGS PVT. LTD.

35. Ratios

Ratio	Numerator	Denominator	For the year ended 31 March 2023	For the year ended 31 March 2022	% Variance	Reason for variance(Mandatorily required if variance exceeds 25%)
Current ratio	Total current assets	Total current liabilities	0.37	3.45	-89.25%	That the company has started commercial operations during the year and hence the previous year comparitives are not applicable.
Debt-equity ratio	Total Debt	Shareholder's equity	3.52	-	-	
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 payable or paid during the period	0.10	-	0.00%	
Return on equity ratio	Net profit after tax*100	Average Shareholder's equity	-51.35%	16.81%	-405.51%	
Inventory turnover ratio	Cost of goods sold	(Opening inventory+closing inventory)/2	-	-	0.00%	
Trade receivables turnover ratio	Total Net Revenue	Average Account Receivables (Opening+Closing)/2	1.11	-	0.00%	
Trade payables turnover ratio	Total Purchases	Average Account Payables (Opening+Closing)/2	-	-	0.00%	
Net Capital turnover ratio	Total Net Revenue from operations	Working capital (Current Assets-Current liabilities)	(0.03)	-	0.00%	
Net Profit ratio	Net Profit after tax*100	Net Revenue from operations	-232.82%	0.00%	0.00%	
Return on capital employed	Earning Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	(0.33)	0.16	-315.80%	
Return on Investment	Net Operating Income(EBIT)	Average Operating Assets (Current Assets)	(0.35)	0.12	-386.14%	

[This page has been left blank intentionally]

SERVA ASSOCIATES Chartered Accountants FRN:000272N New Delhi

SANDHAR AUTO CASTINGS PVT. LTD.

Note 36 : Other information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company did not have any transactions with Companies struck off.

(iii) The Company does not have any 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 respective financial years / period.

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

(viii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

(ix) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

(x) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The Company does not have any working capital loan and it is not filing any statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan.

(xii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 37:

Previous year figures have been re-grouped/re-classified wherever considered necessary, so as to conform with those of current year.

As per our Report of even date attached

For Serva Associates

Chartered Accountants

Firm's Registration Number: 000272N

SERVA ASSOCIATES CA FRN:000272N New Delhi Chartered Accountants

Nitin Jain
Partner
Membership Number: 506898

Place: New Delhi
Date : 03-05-2023

For and on behalf of Board of Directors of

Sandhar Auto Castings Private Limited (Formerly Known as Sandhar Daeshin Technologies Private Limited)

(Narender Kumar Dogra)
Director
DIN 00100916
Place: Gurugram
Date : 03-05-2023

(Ajay Kumar Raghav)
Director
DIN 09380468
Place: Gurugram
Date : 03-05-2023

SANDHAR AUTO CASTINGS PVT. LTD.