ANNUAL REPORT

(FINANCIAL YEAR-2023-24)

SANDHAR AUTOMOTIVE SYSTEMS PRIVATE LIMITED

B.R. GUPTA & CO.
CHARTERED ACCOUNTANTS
K-55, Connaught Circus, New Delhi-110001

Independent Auditor's Report

To The Members of Sandhar Automotive Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sandhar Automotive Systems Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the **Profit** (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

NEW DELHI
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

I. 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.

II. 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.

III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

IV. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

a) The Company does not have any pending litigations which would impact its financial position.

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

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d)

i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 37 to the accounts, 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, 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.

ii. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the Note 37 to the accounts, 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, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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iii. Based on such audit procedures that has 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 (i) & (ii) above, contain any material mis-statement.

iv. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

e) The Company has not declared or paid any dividend during the year.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Company has not paid remuneration to its directors during the current financial year. Accordingly, the provisions of and limit laid down under section 197 read with Schedule V of the Act are not applicable.

For B.R. Gupta & Co.
Chartered Accountants,
Firm Registration Number 008352N

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Disha Singla)
Partner
Membership Number 527653
UDIN: 24527653BKIQHR9008

Place of Signature: New Delhi
Date: 01.05.2024

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

The Annexure referred to in Paragraph 1 under 'Report on other legal and regulatory requirements' section of Independent Auditors Report to the members of the Company on the financial statements for the year ended March 31, 2024, we report that:

i) In respect of Property, Plant & Equipment:

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

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

b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and records examined by us, the company does not hold any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii) In respect of its inventory:

a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the Management is reasonable. According to the information and explanation given to us, no discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

b) According to the information and explanations given to us and the records examined by us, the Company has not been sanctioned working capital limits during the year in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

iii) The Company has granted advances in the nature of loans to its employees, in respect of which:

a) The Company has provided advances in the nature of loans to their employees and details of which are given below:

Particulars	Advances in the nature of loans (₹ in lakh)
A. Aggregate amount granted / provided to the employees during the year	Nil

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Particulars	Advances in the nature of loans (₹ in lakh)
B. Balance outstanding as at balance sheet date in respect of above	6.04

The Company has not made Investments in Companies, provided any loan or stood guarantee or provided security to any other entity during the year.

b) The terms and conditions of the above-mentioned advances in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of advances in the nature of loans, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.

d) In respect of advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loan or advance in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made during the year.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 & December, 2017 respectively to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii) (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues in respect of statutory dues referred to in sub-clause (vii)(a) above that have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

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ix) (a) In our opinion and according to the information and explanations given to us, the Company has no loans or other borrowings and not liable to pay any interest thereon to any lender as at reporting date.

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

(c) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable.

(d) According to the information and explanations given to us, the Company has not raised any funds on short-term basis. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable.

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

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

x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.

xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

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

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

xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us,, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards. Further in pursuance of section 177, Company is not required to form audit committee and accordingly the provisions of section 177 are not applicable.

xiv) (a) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provision contained in Section 138 of Companies Act 2013.

(b) The company did not have an internal audit system for the period under audit. Accordingly, provisions of clause 3 (xiv)(b) of the Order are not applicable.

R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, provisions of clause 3 (xvi)(b) of the order are not applicable.

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

(d) As per the information and explanations given to us, the Group does not have more than one CIC in the Group. Accordingly, the provisions of clause 3 (xvi) (d) of the Order are not applicable to the Company.

xvii) In our opinion and according to information and explanations given to us, the Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

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

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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) The provision of section 135 of Companies Act are not applicable to the company, accordingly the provision of clause (xx)(a) & (b) of the order are not applicable to the company.

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For B.R. Gupta & Co.
Chartered Accountants,
Firm Registration Number 008352N

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Disha Singla)
Partner
Membership No. 527653
UDIN: 24527653BKIQHR9008

Place of Signature: New Delhi
Date: 01.05.2024

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

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

We have audited the internal financial controls with reference to financial statements of **Sandhar Automotive Systems Private Limited ("the Company")** as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

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

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

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.R. Gupta & Co.
Chartered Accountants,
Firm Registration Number 008352N

B.R. GUPTA & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

(Disha Singla)
Partner
Membership Number 527653
UDIN: 24527653BKIQHR9008

Place of Signature: New Delhi
Date: 01.05.2024

Sandhar Automotive Systems Private Limited
Balance Sheet as at March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Particulars	Note No.	As At March 31, 2024	As At March 31, 2023
Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3	879.82	1,372.38
(b) Capital work-in-progress	3.1	105.09	13.35
(c) Other Intangible Assets	4	0.22	0.44
(d) Financial Assets			
(i) Investments	5	-	5.50
(ii) Other Financial Assets	6	29.09	29.86
(e) Deferred Tax Assets (net)	7	184.07	233.39
(f) Non-Current Tax Assets (Net)	8	4.29	0.96
Total Non-Current Assets		**1,202.58**	**1,655.88**
Current Assets			
(a) Inventories	10	793.14	744.12
(b) Financial Assets			
(i) Investments	11	149.98	-
(i) Trade Receivables	12	615.47	513.44
(ii) Cash and Cash Equivalents	13	164.10	66.44
(iii) Bank Balances other than (ii) above	13.1	150.00	-
(iv) Other Financial Assets	6	5.57	4.58
(c) Other Current Assets	9	305.80	475.72
Total Current Assets		**2,184.06**	**1,804.30**
Total Assets		**3,386.64**	**3,460.18**
Equity And Liabilities			
Equity			
(a) Equity Share Capital	14	3,099.63	3,099.63
(b) Other Equity	15	(888.03)	(1,078.73)
Total Equity		**2,211.60**	**2,020.90**
Liabilities			
Non-Current Liabilities			
(a) Provisions	16	35.39	23.43
Total Non-Current Liabilities		**35.39**	**23.43**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	17		
(A) Total outstanding Dues to Micro and Small Enterprises		253.88	206.91
(B) Total Outstanding Dues to other than Micro and Small Enterprises		677.12	1,145.60
(ii) Other Financial Liabilities	18	192.33	28.74
(b) Other Current Liabilities	19	15.07	33.64
(c) Provisions	16	1.25	0.96
Total Current Liabilities		**1,139.65**	**1,415.85**
Total Equity And Liabilities		**3,386.64**	**3,460.18**
Summary of material accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

B.R. GUPTA & CO. ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

(Disha Singla)
Partner
Membership Number 527653

For and on behalf of the Board of Directors of Sandhar Automotive Systems Private Limited

(Ashish Vatsa)
Chief Executive Officer

(Naveen Kumar)
Chief Financial Officer

(Ajay Kumar Raghav)
Director
DIN: 09380468

(Yatendra Singh Chauhan)
Director
DIN: 03555013

Sandhar Automotive Systems Private Limited ★

(Sakshi Goyal)
Company Secretary
Membership No. 63137

Place of Signature: New Delhi
Date: - 1 MAY 2024

Sandhar Automotive Systems Private Limited
Statement of Profit and Loss for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from Operations	20	7,027.40	6,065.29
II	Other Income	21	15.78	1.89
III	**Total Income (I+II)**		**7,043.18**	**6,067.18**
IV	**Expenses**			
	(a) Cost of Materials Consumed	22	5,926.24	5,252.94
	(b) Changes in Inventories of Finished Goods and Work in Progress	23	(142.52)	15.71
	(c) Employee Benefits Expense	24	240.31	183.60
	(d) Finance Costs	25	0.83	2.18
	(e) Depreciation And Amortisation Expense	26	311.89	170.23
	(f) Other Expenses	27	466.09	320.44
	Total expenses		**6,802.84**	**5,945.10**
V	**Profit/ (loss) before tax (III-IV)**		**240.34**	**122.08**
VI	**Tax expense:**	7		
	(a) Current tax		-	0.33
	(b) Deferred tax		49.49	34.23
	(c) Income tax adjustment for earlier year		(0.33)	-
	Total tax expense/(benefit)		**49.16**	**34.56**
VII	**Profit/(Loss) for the year**		**191.18**	**87.52**
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit and Loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(0.64)	(1.90)
	(ii) Income tax on items that will not be reclassified subsequently to Profit & Loss		0.16	0.49
	Other Comprehensive Gain/(Loss)		**(0.48)**	**(1.41)**
IX	**Total Comprehensive Income/(Loss) for the year (IX+X)**		**190.70**	**86.11**
X	**Earnings/(loss) Per Share (face value ₹ 10 per share)**	28		
	1) Basic (amount in ₹)		0.62	0.28
	2) Diluted (amount in ₹)		0.62	0.28
	Summary of material accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

B.R. GUPTA & CO. CHARTERED ACCOUNTANTS NEW DELHI

(Disha Singla)
Partner
Membership Number 527653

For and on behalf of the Board of Directors of Sandhar Automotive Systems Private Limited

(Ashish Vatsa)
Chief Executive Officer

(Naveen Kumar)
Chief Financial Officer

(Ajay Kumar Raghav)
Director
DIN: 09380468

(Yatendra Singh Chauhan)
Director
DIN: 03555013

Sandhar Automotive Systems Private Limited

Sakshi

(Sakshi Goyal)
Company Secretary
Membership No. 63137

Place of Signature: New Delhi
Date: - 1 MAY 2024

Sandhar Automotive Systems Private Limited
Statement of Changes in Equity for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

A Equity Share Capital

	Amount
For the year ended March 31, 2024	
Equity shares of ₹10 each issued, subscribed and fully paid at 1 April, 2023	3,099.63
Changes during the year	-
At March 31, 2024	**3,099.63**
For the year ended 31 March, 2023	
Equity shares of ₹10 each issued, subscribed and fully paid at 1 April, 2022	3,099.63
Changes during the period	-
At March 31, 2023	**3,099.63**

B Other equity

For the year ended March 31, 2024

Description	Reserves and surplus	Total
Retained Earings :		
Balance as at March 31, 2023	**(1,078.73)**	(1,078.73)
Profit for the year	191.18	191.18
Remeasurement of defined benefit plan (net of tax)	(0.48)	(0.48)
Balance as at March 31, 2024	**(888.03)**	**(888.03)**

For the year ended March 31, 2023

Description	Reserves and surplus	Total
Retained Earings :		
Balance as at March 31, 2022	**(1,164.84)**	(1,164.84)
Loss for the year	87.52	87.52
Remeasurement of defined benefit plan (net of tax)	(1.41)	(1.41)
Balance as at March 31, 2023	**(1,078.73)**	**(1,078.73)**

Summary of material accounting policies 2.1

The accompanying notes are integral part of the financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Disha Singla)
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Director
DIN: 03555013

(Sakshi Goyal)
Company Secretary
Membership No. 63137

Place of Signature: New Delhi
Date: - 1 MAY 2024

Sandhar Automotive Systems Private Limited

Sandhar Automotive Systems Private Limited
Statement of Cash Flow for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit/(Loss) before tax	**240.34**	**122.08**
Adjustments for:		
Depreciation And Amortisation Expense	311.89	170.23
Finance Cost	0.83	2.18
Interest Income	(15.09)	(1.31)
Liabilities no longer required written back	(0.16)	-
Investment in subsidiary written off	5.50	-
Fair Value Loss on investments carried at fair value through profit or loss	0.02	-
Loss on sale of Property, Plant and Equipment (net)	128.57	24.08
Operating profit/(loss) before working capital changes	**671.90**	**317.26**
Movement in working capital		
Increase In Inventories	(49.02)	(112.74)
Increase In Trade Receivables	(102.03)	(73.96)
Increase In Other Current And Non-Current Financial Assets	3.08	(16.80)
Decrease/(Increase) In Other Current And Non-Current Assets	169.92	112.99
(Increase)/Decrease In Trade Payables	(421.36)	(246.15)
Decrease In Current And Non-Current Provisions	11.61	4.97
(Increase)/Decrease In Other Current And Non-Current Liabilites	20.93	(71.15)
Cash (used in)/generated from operating activities post working capital changes	**305.03**	**(85.57)**
Income tax paid (net)	(3.01)	(0.33)
Net cash (used in)/generated from operating activities (A)	**302.02**	**(85.90)**
Cash Flows From Investing Activities		
Purchase of Property, Plant And Equipment	(131.84)	(21.97)
Sale of Property, Plant And Equipment	92.43	128.53
Increase/(Decrease) in Creditors for Capital Expenditure	124.09	3.74
Investment in shares/ Mutual funds	(150.00)	(5.00)
Investment in Fixed Deposits	(150.00)	-
Interest Received From Deposits	11.79	1.31
Net cash flow generated from investing activities (B)	**(203.53)**	**106.61**
Cash Flows From Financing Activities		
Finance Costs Paid	(0.83)	(2.18)
Net cash used in financing activities (C)	**(0.83)**	**(2.18)**
Increase in cash and cash equivalents (A+B+C)	97.66	18.53
Cash and cash equivalents at the begining of the year	66.44	47.91
Cash and cash equivalents at the end of the year	**164.10**	**66.44**
Components of cash & Cash Equivalent		
With banks - on current account and deposits with banks	164.10	66.44
Total Cash and Cash equivalent (Note No. 12)	**164.10**	**66.44**

Summary of material accounting policies 2.1

The accompanying notes are integral part of the financial statements

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Disha Singla)
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DIN: 03555013

Sakshi

(Sakshi Goyal)
Company Secretary
Membership No. 63137

Sandhar Automotive Systems Private Limited

Place of Signature: New Delhi
Date: - 1 MAY 2024

Note 1: Corporate Information

Sandhar Automotive Systems Private Limited (incorporated originally as Sandhar Daewha Automotive Systems Private Limited on 20th January 2017) is a Private Limited Company incorporated under the Provision of Companies Act 2013.The name of Company has changed from Sandhar Daewha Automotive Systems Private Limited to Sandhar Automotive Systems Private Limited w.e.f. January 06, 2022.

The Company is primarily engaged in the business of manufacture, service, import, export, trade, promote, pack, repack, assemble, reassemble, design, modify, buy, sell, repair and otherwise to act as wholesale dealers of all kinds of automotive fuel pumps, filters, starter motors, wiper blades, accessories, emission controlling, engine combustion and calibration units, and other ancillary automotive modules & parts. The registered office of the Company is located at Sandhar Components Behrampur, Khasra No.1747/ 1218,11, Behrampur Road, Village Khandsa, Gurugram, Gurgaon, Haryana, India, 122001.

The financials statements for the year ended March 31, 2024 were approved by the Board of Directors on May 01, 2024.

Note 2: Statement of Compliance:

Statement of Compliance: In accordance 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 April 01, 2017.

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 on accrual and going concern basis except for certain financial instruments that are measured at fair value as required under relevant Ind AS. The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs upto two decimal places except otherwise stated.

Going Concern

The board of directors have considered the financial position of the Company as at March 31, 2024, the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are as below. The effective date for adoption of this amendment are from annual periods beginning on or after April 01, 2023:

- Amendment to Ind AS 1- Presentation of Financial Statements
- Amendment to Ind AS 8- Accounting Policies, Change in Accounting Estimates and Errors
- Amendment to Ind AS 12- Income Taxes

The Company has evaluated the amendment and there will not be any impact on its financial statements.

Note 2.1 : Material Accounting Policies

a) Use of estimates and judgements

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.

i) **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:

ii) **Estimates and Assumptions**

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

Income taxes

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

Recoverability of deferred taxes

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

Sandhar Automotive Systems Private Limited

NEW DELHI CHARTERED ACCOUNTANTS

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.

Defined benefit plans & other long term benefits

The present value of the gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur, the assessment of the existence, and potential quantum, of contingencies inherently involves exercise of significant judgements and the use of estimates regarding outcome of future events.

b) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

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 except in the following cases where useful life has been estimated by the Management :-

Assets	As per Schedule II	As per Management Assessment
Motor Vehicles	8 years	6 years
Servers & Networks	6 years	3 years
Tools	15 years	6 years

Depreciation is calculated on a pro-rata basis from the date of additions. On assets sold, discarded, etc. during the year, depreciation is provided up to the date of sale/discard. Assets costing up to ₹5,000 are fully depreciated in the year of acquisition. Further, the Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined 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 with finite useful lives are stated at cost less accumulated amortization and impairment loss, if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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

Sandhar Automotive Systems Private Limited

B.R. Gupta & Co. NEW DELHI CHARTERED ACCOUNTANTS

Sandhar Automotive Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2024

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) Revenue Recognition

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

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

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation.
For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

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

(i) Local Sales & Job Work :
Local Sales are to be recognized at the point of dispatch of goods to the customers & sales are reported net of trade discount and sales tax, and inclusive of packing charges.

(ii) Rendering of services :
Revenue from the Installation & Commissioning services and income from shared services is to be recognised by reference to the stage of completion. Stage of completion is measured by reference to cost incurred to date as a percentage of total estimated cost for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Other income: Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

h) Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

Right-of-use assets

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

Sandhar Automotive Systems Private Limited

NEW DELHI CHARTERED ACCOUNTANTS

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

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

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

i) **Inventories**

Inventories are valued at the lower of cost and net realizable value. The cost of raw material is determined on the basis of First-in-First-Out (FIFO) method.
- The cost of manufactured finished goods and work-in-progress includes raw material value determined on the basis of First-in-First-Out (FIFO) method and includes conversion and other costs incurred in bringing the inventories to their present location and condition.
- Stores & Consumables, Packing Materials, Tools & Dies are valued at lower of net realizable value or cost on the basis of First-in-First-Out (FIFO) Method.
- Stock in Transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.

j) **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.

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.

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 under 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.

k) **Provisions**

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.

Sandhar Automotive Systems Private Limited

B.R. Gupta & Co. Chartered Accountants New Delhi

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.

l) 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis i.e., realize the assets and settle the liabilities simultaneously.

m) 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:
The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it 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 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.

n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Sandhar Automotive Systems Private Limited

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Sandhar Automotive Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2024

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

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

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

o) <u>Taxes</u>

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).
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 is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 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.

Minimum Alternate Tax
Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

p) <u>Contingent Liabilities and Contingent Assets</u>

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.

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

Sandhar Automotive Systems Private Limited

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 3: Property, Plant and Equipment

Particulars	Leasehold improvement	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
Gross Carrying Value (Deemed Cost)							
As at April 01, 2022	**43.11**	**2,209.19**	**2.14**	**19.77**	**6.89**	**18.69**	**2,299.79**
Additions made during the year	-	3.82	-	-	-	4.49	8.31
Disposals/ adjustments during the year	-	271.17	-	-	-		271.17
As at March 31, 2023	**43.11**	**1,941.84**	**2.14**	**19.77**	**6.89**	**23.18**	**2,036.93**
Additions made during the year	-	29.81	3.24	0.67	-	6.40	40.12
Disposals/ adjustments during the year	-	398.71	-	-	-	-	398.71
As at March 31, 2024	**43.11**	**1,572.94**	**5.38**	**20.44**	**6.89**	**29.58**	**1,678.34**
Accumulated depreciation							
As at April 01, 2022	**43.11**	**535.10**	**1.64**	**11.62**	**4.59**	**17.81**	**613.87**
Depreciation charge for the year	-	163.09	0.08	3.72	1.15	1.23	169.26
Disposals/ adjustments during the year	-	118.58	-	-	-	-	118.58
As at March 31, 2023	**43.11**	**579.61**	**1.72**	**15.34**	**5.74**	**19.04**	**664.55**
Depreciation charge for the year	-	305.15	0.12	2.98	1.15	2.27	311.67
Disposals/ adjustments during the year	-	177.71	-	-	-	-	177.71
As at March 31, 2024	**43.11**	**707.05**	**1.84**	**18.32**	**6.89**	**21.31**	**798.51**
Net Carrying Value							
As at March 31, 2024	**0.00**	**865.89**	**3.54**	**2.12**	**-**	**8.27**	**879.82**
As at March 31, 2023	**0.00**	**1,362.23**	**0.43**	**4.43**	**1.15**	**4.14**	**1,372.38**

Sandhar Automotive Systems Private Limited

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 3.1: Capital Work in Progress	**As At March 31, 2024**	**As At March 31, 2023**
Balance at the beginning of the year	13.35	-
Add: Addition made during the year	105.09	13.35
Less: (Disposals)/adjustments during the year	(13.35)	-
Balance at the end of the year	**105.09**	**13.35**

Breakup of Capital Work in Progress is as follows:

Plant and equipment	105.09	13.35
	105.09	**13.35**

Capital Work in Progress Aging Schedule

As at March 31, 2024

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	105.09	-	-	-	105.09
Projects temporarily suspended	-	-	-	-	-
Total	**105.09**	-	-	-	**105.09**

As at 31 March, 2023

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	13.35	-	-	-	13.35
Projects temporarily suspended	-	-	-	-	-
Total	**13.35**	-	-	-	**13.35**

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 4: Other Intangible Assets

Particulars	Software	Total
Gross Carrying Value (Deemed Cost)		
As at April 01, 2022	**5.28**	**5.28**
Additions made during the year	0.29	0.29
Disposals/ adjustments during the year	-	-
As at March 31, 2023	**5.57**	**5.57**
Additions made during the year	-	-
Disposals/ adjustments during the year	-	-
As at March 31, 2024	**5.57**	**5.57**
Amortisation		
As at April 01, 2022	**4.16**	**4.16**
Amortisation charge for the year	0.97	0.97
Disposals/ adjustments during the year	-	-
As at March 31, 2023	**5.13**	**5.13**
Amortisation charge for the year	0.22	0.22
Disposals/ adjustments during the year	-	-
As at March 31, 2024	**5.35**	**5.35**
Net Carrying Value		
As at March 31, 2024	**0.22**	**0.22**
As at March 31, 2023	**0.44**	**0.44**

Sandhar Automotive Systems Private Limited

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 5: Investments	As At March 31, 2024	As At March 31, 2023
Investments measured at cost		
In Equity share of Subsidary companies		
Unquoted Fully Paid - Up		
Nil (March 31, 2023: 55,000) shares of Sandhar Auto Electric Technologies Private Limited of FV ₹10 fully paid up*	-	5.50
Total	**-**	**5.50**

* The subsidiary has been struck off during the year ended March 31,2024.

Note:	As At March 31, 2024	As At March 31, 2023
a) Aggregate Value Disclosure		
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	-	5.50
Aggregate amount of impairment in value of unquoted investments	-	-
Aggregate value of unquoted investments (net of impairment)	-	5.50

b) Subsidiary Company being Sandhar Auto Electric Technologies Private Limited, has been struck-off during year ended March 31,2024, as per section 248 of Companies Act, 2013. The disclosure as per schedule III is as under:

Name of struck off Company	Nature of transactions with struckoff Company	Balance outstanding as at March 31,2024	Balance outstanding as at March 31,2023	Relationship with the Struck off company
Sandhar Auto Electric Technologies Private Limited	Investment in Subsidiary	-	5.50	Subsidiary Company
	Investment in Subsidiary written off	5.50	-	
	Other outstanding amount	-	-	

c) Information about subsidiaries

Name of Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest	
			As At March 31, 2024	As At March 31, 2023
Sandhar Auto Electric Technologies Private Limited	India	Manufacturing, assembling, installations, commissioning, supply and trading of parts/ components of Vehicles	Nil	100%

Sandhar Automotive Systems Private Limited

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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(All amounts are in lakh ₹ unless otherwise stated)

	Non-Current		Current	
Note 6: Other Financial Assets	**As At March 31, 2024**	**As At March 31, 2023**	**As At March 31, 2024**	**As At March 31, 2023**
Security Deposits	6.50	5.00	-	1.50
Bank deposit with original maturity of more than 12 months	14.25	14.25	-	-
Loan To Employees	2.50	6.04	3.54	3.08
Interest accrued on fixed deposits	5.84	4.57	2.03	-
	29.09	**29.86**	**5.57**	**4.58**

a) Fixed Deposits with a carrying amount of ₹14.25 (March 31, 2023 : ₹14.25) represents margin money against bank guarantees issued with Custom Authorities.

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Sandhar Automotive Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 7: Income Tax

The major components of income tax expense for the period/year ended March 31, 2024 and March 31, 2023 are:

Statement of Profit and Loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax Expenses:		
a) Current tax	-	0.33
b) Deferred tax	49.50	34.23
(c) Income tax adjustment for earlier year	(0.33)	-
Income tax benefit/(expense) reported in the Statement of Profit or Loss	49.17	34.56

Other Comprehensive Income (OCI) Section: Deferred tax related to items recognised in OCI during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred Tax Expenses/(Income) on Net loss/gain on remeasurements of defined benefit plans	0.16	0.49
Net amount charged to OCI	0.16	0.49

Deferred Tax Assets/ (Liability) (Net)

Particulars	As At March 31, 2024	As At March 31, 2023
Gross Deferred Tax Assets	210.88	364.20
Gross Deferred Tax Liabilities	26.82	130.81
Deferred Tax Assets/ (Liability) (Net) :	184.07	233.39

Movement in Deferred Tax Assets (Net)

Particulars	As At April 01, 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As At March 31, 2024
Deferred tax assets relates to the following:				
Provision For Compensated Absences	1.98	2.13	-	4.11
Provision For Gratuity	4.16	0.79	0.16	5.11
Provision For Labour Welfare Fund	0.02	0.00	-	0.02
Bonus Payable	1.00	(0.01)	-	0.99
Unabsorbed Depreciation And Business Losses	357.05	(156.40)	-	200.65
Deferred tax liability relates to the following:				
Property, Plant & Equipment And Intangible Assets	(130.81)	104.00	-	(26.81)
Others	-	(0.01)	-	(0.01)
Total	**233.39**	**(49.50)**	**0.16**	**184.07**

Movement in Deferred Tax Assets (Net)

Particulars	As At April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As At March 31, 2023
Deferred tax assets relates to the following:				
Provision for compensated absences	1.77	0.21	-	1.98
Provision for gratuity	3.47	0.20	0.49	4.16
Provision For Labour Welfare Fund	0.01	0.01	-	0.02
Bonus Payable	0.18	0.82	-	1.00
Unabsorbed depreciation and business losses	408.24	(51.20)	-	357.05
Deferred tax liability relates to the following:		-		
Property, plant & equipment and Intangible asset	(146.54)	15.73	-	(130.81)
Others	-	-	-	-
Total	**267.13**	**(34.23)**	**0.49**	**233.39**

Reconciliation of tax expense and the accounting profit multiplied by India's Domestic tax rate for March 31, 2024 and March 31, 2023

Sandhar Automotive Systems Private Limited

B.R. GUPTA & CO. CHARTERED ACCOUNTANTS NEW DELHI

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit/(loss) before tax	240.34	122.08
Applicable tax rate	25.168%	25.168%
Expected tax expense [A]	60.49	30.72
Adjustments in respect of current income tax of previous years	0.33	-
Investment in subsidiary written off	1.38	-
- Others- (Including change in tax rate adjustment)	(13.04)	3.84
Total adjustments [B]	(11.33)	3.84
Actual tax expense [C=A+B]	**49.16**	**34.56**
Total tax incidence	49.16	34.56
Tax expense recognized in Statement of Profit & Loss [D]	49.16	34.56

The applicable tax rate is the rate applicable to domestic Company – March 31, 2024 : 25.17% (March 31, 2023 : 25.17%)

Sandhar Automotive Systems Private Limited

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

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Sandhar Automotive Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 8: Non-Current Tax Assets (Net)	As At March 31, 2024	As At March 31, 2023
Advance income-tax (Net of provision for income tax ₹Nil lakh (March 31,2023 : ₹ 0.33 lakh))	4.29	0.96
	4.29	0.96

Note 9: Other Current Assets	Current	
	As At March 31, 2024	As At March 31, 2023
(Unsecured, considered good, unless otherwise stated)		
Advances to Vendors	8.26	12.54
Balances With Government Authorities (Considered Good)	292.20	458.36
Balances With Government Authorities (Considered Doubtful)	14.61	14.61
Less: Provision for doubtul balances	(14.61)	(14.61)
Prepaid Expenses	3.50	4.24
Advance To Employees	1.84	0.58
	305.80	475.72

Note 10: Inventories	As At March 31, 2024	As At March 31, 2023
Raw Materials	384.49	478.33
Finished Goods	408.00	265.48
Stores & Spares	0.65	0.31
	793.14	744.12

a) For mode of valuation Refer Accounting Policy on Inventory Valuation in Note 2.1

Note 11: Current Investments	As At March 31, 2024	As At March 31, 2023
(Carried at fair value through profit or loss)		
Non Trade Investments - Quoted		
Investment in Mutual funds		
12054.416 Units (March 31, 2023: Nil) ICICI Prudential Large & Mid Cap Fund - Growth	99.98	-
7870.680 Units (March 31, 2023: Nil) ICICI Prudential Multi-Asset Fund - Growth	50.00	-
	149.98	-
a) Aggregate Value Disclosure		
Aggregate book value of quoted investments	149.98	-
Aggregate market value of quoted investments	149.98	-

Note 12: Trade Receivables	As At March 31, 2024	As At March 31, 2023
Considered Good - Unsecured	615.47	513.44
Credit Impaired - Unsecured	-	-
	615.47	513.44

a) Trade Receivables ageing schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	188.66	426.78	0.01	0.02	-		615.47
(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	188.66	426.78	0.01	0.02	-	-	615.47

Sandhar Automotive Systems Private Limited

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Trade Receivables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	513.42	0.02	-	-	-	513.44
(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	-	513.42	0.02	-	-	-	513.44

b) Trade Receivables are non interest bearing and generally on terms of 30-45 days.
c) No trade or other receivables are due from directors and other officers of the company either severally or jointly with any other persons.

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 13: Cash and Cash Equivalents	**As At March 31, 2024**	**As At March 31, 2023**
Balances With Banks		
- Current Accounts	164.10	66.44
	164.10	**66.44**

Note 13.1 : Bank Balance Other Than Cash and Cash Equivalents	**Non Current**		**Current**	
	As At March 31, 2024	**As At March 31, 2023**	**As At March 31, 2024**	**As At March 31, 2023**
Bank deposit with original maturity of more than 3 months, but less than 12 months	-	-	150.00	-
Bank deposits having remaining maturity of more than 12 months	14.25	14.25	-	-
	14.25	**14.25**	**150.00**	-
Amount disclosed under "Other Financial Assets" **(Refer note 6)**	(14.25)	(14.25)	-	-
	-	-	**150.00**	-

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 14: Equity Share Capital	As At March 31, 2024	As At March 31, 2023
Authorised		
32,000,000 (March 31, 2023 : 32,000,000) Equity Share of ₹ 10 each*	3,200.00	3,200.00
	3,200.00	**3,200.00**
Issued, subscribed and fully paid up		
30,996,286 (March 31, 2023 : 30,996,286) Equity Share of `₹ 10 each*	3,099.63	3,099.63
	3,099.63	**3,099.63**

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

i) **Reconciliation of authorised share capital at the beginning of the year and at the end of year**

Particulars	No of shares*	Amount
Balance as at April 01, 2022	**32,000,000**	**3,200.00**
Changes during the year	-	-
Balance as at March 31, 2023	**32,000,000**	**3,200.00**
Changes during the period	-	-
Balance as at March 31, 2024	**32,000,000**	**3,200.00**

ii) **Reconciliation of issued and subscribed share capital at the beginning and at the end of year**

Particulars	No of shares*	Amount
Balance as at April 01, 2022	**30,996,286**	**3,099.63**
Issued during the year	-	-
Balance as at March 31, 2023	**30,996,286**	**3,099.63**
Issued during the period	-	-
Balance as at March 31, 2024	**30,996,286**	**3,099.63**

b) **Terms/Rights attached to the equity shares**
The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of Equity shares is entitled to one vote per share. 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. During current year ended March 31, 2024, no dividend has been declared or paid.

c) **Number of shares held by each shareholder holding more than 5% Shares In the Company**

Particulars	As At March 31, 2024		As At March 31, 2023	
	No of shares*	% Holding	No of shares*	% Holding
Sandhar Technologies Limited # Equity shares of ₹10 each fully paid	30,996,286	100.00%	30,996,286	100.00%

d) **Details of shares held by promoters**

As at March 31, 2024

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	30,996,286	-	30,996,286	100.00%	0.00%
Total		**30,996,286**	-	**30,996,286**		

As at March 31, 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	30,996,286	-	30,996,286	100.00%	0.00%
Total		**30,996,286**	-	**30,996,286**		-

* Number of Shares are given in absolute numbers.
\# Including one share held by nominee shareholder.

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(All amounts are in lakh ₹ unless otherwise stated)

Note 15: Other Equity	As At March 31, 2024	As At March 31, 2023
Retained Earnings		
Balance at the beginning of the year	(1,078.73)	(1,164.84)
Add: Profit / (Loss) for the year as per statement of Profit and Loss	190.70	86.11
Balance at the end of the year	**(888.03)**	**(1,078.73)**

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

b) **Nature and purpose of other reserves**

Retained Earnings: All the profits or losses made by the Company are transferred to retained earnings from Statement of Profit and Loss.

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(All amounts are in lakh ₹ unless otherwise stated)

Note 16: Provisions

	Non Current		Current	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Provision for Employee Benefits (Refer Note 32)				
- Compensated Absenses	15.59	7.39	0.76	0.48
- Gratuity	19.80	16.04	0.49	0.48
	35.39	**23.43**	**1.25**	**0.96**

Note 17: Trade Payables

	As At March 31, 2024	As At March 31, 2023
- Outstanding Dues to Micro and Small Enterprises	253.88	206.91
- Outstanding Dues to Parties other than Micro And Small Enterprises	677.12	1,145.60
	931.00	**1,352.51**

a) Trade Payables are non-interest bearing and are normally settled on 90-day terms except for SME's (if any) which are settled within 45 days.

b) Amount includes dues to related parties (refer note 29)

c) The company's exposure to market and liquidity risk related to trade payables is disclosed in note 35.

d) As per Schedule III of the Companies Act, 2013 and as certified by the Management, the amount due to Micro & Small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	249.88	203.71
ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.83	1.31
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	3.17	1.89

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

e) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

Trade Payables ageing schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	
(i) Micro & Small Enterprises	247.37	3.11	3.40	-	-	-	253.88
(ii) Other than Micro & Small Enterprises	378.08	272.13	-	0.08	12.19	14.64	677.12
(iii) Disputed dues — Micro & Small Enterprises	-	-	-	-	-	-	-
(iv) Disputed dues — Other than Micro & Small Enterprises	-	-	-	-	-	-	-

Trade Payables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	
(i) Micro & Small Enterprises	151.88	55.02	-	-	-	-	206.91
(ii) Other than Micro & Small Enterprises	418.56	706.71	0.08	11.66	0.75	7.84	1,145.60
(iii) Disputed dues — Micro & Small Enterprises	-	-	-		-		-
(iv) Disputed dues — Other than Micro & Small Enterprises	-	-	-	-	-		-

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(All amounts are in lakh ₹ unless otherwise stated)

Note 18: Other Current Financial Liabilities	As At March 31, 2024	As At March 31, 2023
Security deposits payable	64.50	25.00
Creditors for capital goods	127.83	3.74
	192.33	**28.74**

Note 19: Other Current Liabilities	As At March 31, 2024	As At March 31, 2023
Statutory dues	8.66	7.68
Advance from customers	6.41	25.96
	15.07	**33.64**

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Note 20: Revenue From Operations	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Product	7,023.21	6,062.04
Other Operating Revenues		
Sale of Scrap	4.19	3.26
	7,027.40	**6,065.29**

a) Performance Obligation

- Revenue is recognised upon transfer of control of products to the customers.
During the year, the Company has not entered into long term contracts with customers and accordingly disclsoure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Company.

b) Disaggregation of Revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Company. These revenues are revenues which have been recognised at point in time. The Company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue by geography		
- Within India	6,995.97	6,062.04
- Outside India	27.24	-
	7,023.21	**6,062.04**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue customer wise		
- Related party	-	181.26
- Non-related party	7,023.21	5,880.78
	7,023.21	**6,062.04**

c) Revenue recognised in relation to contract liabilities:
Ind AS 115 requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period. Same has been disclosed as below:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance of contract liabilities	25.96	0.69
Amount of revenue recognised against opening contract liabilities	(25.49)	(0.69)
Addition in balance of contract liabilities for current year	5.95	25.96
Closing balance of contract liabilities	**6.42**	**25.96**

d) Assets and liabilities related to contracts with customers	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract assets related to sale of goods	-	-
Contract liabilities related to sale of goods		
- Advance from customers	6.41	25.96

e) Reconciliation of Revenue from operations with contracted price	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted Price	7,023.21	6,062.04
Less: Discounts and Other Schemes	-	-
	7,023.21	**6,062.04**

f) Trade Receivables and Contract Balances
For Trade Receivables, refer Note No. 12.
Further, the Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;
- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2024.

Note 21: Other Income	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on		
- Bank deposits	4.34	1.31
- Income tax refund	0.28	-
- Others	10.75	-
Liabilities no longer required written back	0.16	-
Miscellaneous Income	0.25	0.58
	15.78	**1.89**

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Notes to Financial Statements for the year ended March 31, 2024

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Note 22: Cost of Materials Consumed	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year	478.33	350.19
Add: Purchases	5,832.40	5,381.08
Less: Inventory at the end of the year	(384.49)	(478.33)
	5,926.24	5,252.94

Note 23: Changes in Inventories of Finished Goods and Work-in-Progress	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock		
Finished goods	265.48	281.19
	265.48	281.19
Closing stock		
Finished goods	408.00	265.48
	408.00	265.48
	(142.52)	15.71

Note 24: Employee Benefits Expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages And Bonus	188.25	150.35
Contribution To Provident And Other Funds (Refer Note 32)	13.53	12.43
Gratuity Expense (Refer Note 32)	5.25	3.92
Compensated Absences (Refer Note 32)	11.70	3.85
Staff Welfare Expenses	21.58	13.05
	240.31	183.60

Note 25: Finance Cost	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Cost		
- Interest on Custom Duty (EPCG)	-	0.87
- Interest to Others	0.83	1.31
	0.83	2.18

Note 26: Depreciation and Amortisation Expense	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation Of Property, Plant And Equipment	311.67	169.26
Amortisation Of Intangible Assets	0.22	0.97
	311.89	170.23

Note 27: Other Expenses		For the year ended March 31, 2024	For the year ended March 31, 2023
Packing Material Consumed		34.96	33.16
Stores & Spares Consumed		1.21	2.15
Power & Fuel		5.79	8.75
Advertising and business promotion		5.49	4.99
Repairs & Maintenance - Plant And Machinery		7.25	5.01
- Others		12.15	12.59
Debts written off		-	0.96
Contract service charges		116.79	76.84
Rent & Hire Charges		52.32	51.98
Rates & Taxes		0.91	0.36
Provision for doubtful balances		-	14.61
Security Service Charges		14.39	12.88
Insurance		4.69	4.69
Travelling & Conveyance		36.53	31.27
Legal & Professional Fees		26.63	20.89
Payment To Auditors (Refer Note 'a' below)		1.38	1.55
Loss On Foreign Exchange Fluctuations		0.00	-
Loss on sale of Property, Plant and Equipment (net)		128.57	24.08
Fair Value Loss on investments carried at fair value through profit or loss		0.02	-
Investment in Subsidiary written off :			
Investment written off	0.50	5.50	
Less: Provision for diminution in investment	(0.50)	-	-
Bank Charges		0.06	0.19
Freight and Forwarding		0.59	1.72
Miscellaneous Expenses		10.87	11.76
		466.09	320.44

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Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

a) Details of payment made to auditors is as follows:	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
Statutory audit	0.90	0.90
Tax Audit	0.40	0.40
Other services	0.08	0.25
	1.38	1.55

Note 28: Earnings Per Share

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss)/profit attributables to the equity holders	191.18	87.52
Number of equity shares*	30,996,286	30,996,286
Weighted average number of shares used in basic earnings per share*	30,996,286	30,996,286
Weighted average number of shares used in diluted earnings per share*	30,996,286	30,996,286
Basic earnings per share (in ₹) (face value ₹ 10 per share)	0.62	0.28
Diluted earnings per share (in ₹) (face value ₹ 10 per share)	0.62	0.28

*No. of shares and nominal values are in absolute figures

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 29: Disclosure of Related Party Transactions

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

Holding Company
Sandhar Technologies Limited

Wholly Owned Subsidary
Sandhar Auto Electric Technologies Private Limited (Struck Off Company)
Sandhar Autotech Private Limited (Struck Off Company)

Enterprise over which Holding Company has Joint control
Sandhar Amkin Industries Private Limited

Key Management Personnel (KMP)
Mr. Ajay Kumar Raghav (Director) (w.e.f 06.06.2022)
Mr. Yatendra Singh Chauhan (Director) (w.e.f 20.06.2017)
Mr. Ashish Vatsa (Chief Executive Officer) (w.e.f 01.02.2022)
Mr. Naveen Kumar (Chief Financial Officer) w.e.f February 01, 2022
Ms. Sakshi Goyal (Company Secretary) w.e.f October 27, 2021
Mr. Rajesh Agarwal (Director) (upto 06.06.2022)

b) Transactions during the year with related parties

S. No.	Particulars	Holding Company Mar 31, 2024	Holding Company Mar 31, 2023	Enterprise over which Holding Company has control Mar 31, 2024	Enterprise over which Holding Company has control Mar 31, 2023	Wholly Owned Subsidary Mar 31, 2024	Wholly Owned Subsidary Mar 31, 2023	Key Management Personnel (KMP) Mar 31, 2024	Key Management Personnel (KMP) Mar 31, 2023
1	**Investments during the year**								
	Sandhar Auto Electric Technologies Private Limited	-	-	-	-	-	5.00	-	-
2	**Investments written off during the year**								
	Sandhar Auto Electric Technologies Private Limited	-	-	-	-	5.50	-	-	-
	Sandhar Autotech Private Limited	-	-	-	-	-	0.50	-	-
	Sandhar Autotech Private Limited (reversal of provision for diminution in investment)	-	-	-	-	-	(0.50)	-	-
3	**Sale of Products***								
	Sandhar Technologies Limited	-	181.26	-	-	-	-	-	-
4	**Purchase of Raw Material***								
	Sandhar Technologies Limited	4,746.33	4,584.10	-	-	-	-	-	-
5	**Purchase of Fixed Assets***								
	Sandhar Technologies Limited	124.01	-	-	-	-	-	-	-
6	**Rent charges***								
	Sandhar Technologies Limited	60.63	60.63	-	-	-	-	-	-
7	**Expenses for IT & Business support services ***								
	Sandhar Technologies Limited	15.44	20.89	-	-	-	-	-	-
8	**Remuneration paid (Including reimbursement if any)****								
	Mr. Naveen Kumar	-	-	-	-	-	-	21.60	16.42
	Ms.Sakshi Goyal	-	-	-	-	-	-	5.62	4.86
	Ms. Ashish Vatsa	-	-	-	-	-	-	24.89	23.89

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(All amounts are in lakh ₹ unless otherwise stated)

* Includes Goods and Service Tax

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

c) Outstanding Balances with related parties

S. No.	Particulars	Holding Company Mar 31, 2024	Holding Company Mar 31, 2023	Enterprise over which Holding Company has control Mar 31, 2024	Enterprise over which Holding Company has control Mar 31, 2023	Wholly Owned Subsidary Mar 31, 2024	Wholly Owned Subsidary Mar 31, 2023	Key Management Personnel (KMP) Mar 31, 2024	Key Management Personnel (KMP) Mar 31, 2023
1	**Trade Payables**								
	Sandhar Technologies Limited	748.69	1,107.69	-	-	-	-	-	-
	Ms Sakshi Goyal	-	-	-	-	-	-	0.43	-
	Mr. Naveen Kumar	-	-	-	-	-	-	1.30	-
	Mr. Ashish Vatsa	-	-	-	-	-	-	1.51	-

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.

Note 30: 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 Ic ₹ Nil (March 31, 2023 :₹ Nil)

b) Contingent Liabilities

There are no claims against the company which are not acknowledged as debt as on March 31, 2024 and March 31, 2023.

Note 31: Segment Reporting

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

ii) The Company is in business of wholesale of automotive fuel pumps, filters, starter motors, wiper blades, accessories, emission controlling, engine combustion and calibration units, and other ancillary automotive modules & parts etc. The Management monitors the operating results and projections of the Company for the purpose of making decisions about resource allocation and future performance assessment.

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

iv) Major Customer: Two customers contributed 10% or more to the Company's revenue for the year ended March 31, 2024.

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(All amounts are in lakh ₹ unless otherwise stated)

Note 32: Employee Benefits

I) Defined Contribution Plans

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund & Other Funds*	13.21	12.10
Employer's Contribution to Employee State Insurance	0.32	0.33

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

II) 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 :-

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 acturial valuvation as per the projected unit credit method in accordance with Ind As 19.

Movement of defined benefit obligation :

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

	Gratuity (Unfunded)
Present value of obligation	
April 01, 2023	**16.52**
Current service cost	4.03
Interest expense/ (income)	1.22
Total amount recognised in profit or loss ended March 31,2024	**5.25**
Remeasurements	
Loss due to change in financial assumptions	2.60
Loss/(Gain) due to experience	(1.95)
Total amount recognised in OCI	**0.65**
Benefits Paid	-2.13
As at March 31, 2024	**20.29**
Present value of obligation	
April 01, 2022	10.71
Current service cost	3.14
Interest expense/ (income)	0.77
Total amount recognised in profit or loss ended March 31,2023	**3.91**
Remeasurements	
Gain due to change in financial assumptions	1.82
Loss due to experience	0.08
Gain due to change in demographic assumptions	-
Total amount recognised in OCI	**1.90**
Benefits Paid	-
As at March 31, 2023	**16.52**

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

	Gratuity (Unfunded)	
	2023-24	**2022-23**
i) Service Cost	4.03	3.14
ii) Interest Cost	1.22	0.77
iii) Remeasurements	-	-
	5.25	**3.92**

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

	Gratuity (Unfunded)	
	2023-24	**2022-23**
Other Comprehensive Income (OCI)	0.64	1.90

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f) Actuarial Assumptions

The significant acturial assumptions were as follows :

	As At March 31, 2024	As At March 31, 2023
Discount rate	7.23%	7.38%
Salary growth rate	7.00%	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%	10.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	1.00%	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, 2024 is as shown below:

	Change in assumption		Impact on defined benefit obligation			
			Increase by		Decrease by	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Gratuity						
Discount rate	0.50%	0.50%	(1.43)	(1.12)	1.58	1.23
Salary growth rate	0.50%	0.50%	1.17	1.24	(1.12)	(1.14)

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

The expected maturity analysis of gratuity is as follows :

	As At March 31, 2024	As At March 31, 2023
Less than a year	0.49	0.48
Between 1-2 years	0.46	0.42
Between 2-3 years	0.54	0.41
Between 3-4 years	0.54	0.40
Between 4-5 years	0.53	0.38
Beyond 5 years	17.73	14.42
Total	**20.29**	**16.52**

III) Other Long Term Benefits :

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. Expenses for long term compensated absences amount to Rs. 9.84 Lakh (March 31,2023 : Rs.2.44 Lakhs)

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Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 33: Fair Value Hierarchy

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

a) recognised and measured at fair value, and

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Quantitative disclosures fair value measurement hierarchy for assets as at May 31, 2024:

		Fair value measurement using		
	Carrying Amount/ Amortised Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at Amortised Cost				
Bank deposits having remaining maturity of more than 12 months	14.25	-	-	-
Interest accrued on fixed deposits	7.87	-	-	-
Investment in Mutual Funds	149.98	149.98	-	-
Trade receivables	615.47	-	-	-
Investment in wholly owned subsidary	0.00	-	-	-
Cash and cash equivalents	164.10	-	-	-
Bank Balances other than Cash and cash equivalents	150.00	-	-	-
Security Deposits	6.50	-	-	-
Loan To Employees	6.04	-	-	-
Total	**1114.21**	**149.98**	**0.00**	**0.00**

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2024:

		Fair value measurement using		
	Carrying Amount/ Amortised Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities at Amortised Cost				
Trade payables	931.00	-	-	-
Other financial liabilities	192.33	-	-	-
Total	**1,123.33**	-	-	-

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

		Fair value measurement using		
	Carrying Amount/ Amortised Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at Amortised Cost				
Bank deposits having remaining maturity of more than 12 months	14.25	-	-	-
Interest accrued on fixed deposits	4.57	-	-	-
Investment in Mutual Funds	0.00	-	-	-
Trade receivables	513.44	-	-	-
Investment in wholly owned subsidary	5.50	-	-	-
Cash and cash equivalents	66.44	-	-	-
Bank Balances other than Cash and cash equivalents	0.00	-	-	-
Security Deposits	6.50	-	-	-
Loan To Employees	9.12	-	-	-
Total	**619.82**	-	-	-

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

		Fair value measurement using		
	Carrying Amount/ Amortised Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities at Amortised Cost				
Trade payables	1,352.51	-	-	1,352.51
Other financial liabilities	28.74	-	-	28.74
Total	**1,381.25**	-	-	**1,381.25**

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The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as quotes from brokers or as available in public domain, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended March 31, 2024 and March 31, 2023.

Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.
For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fair values.

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(All amounts are in lakh ₹ unless otherwise stated)

Note 34: Financial Risk Management Objectives And Policies

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

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

(I) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowings from Related party and other other borrowings are Nil as at reporting date, there is no volatility involved in respect of interest payout and hence interest rate sensitivity is not given.

b) Foreign currency risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. The Company is not exposed to foreign currency risk as on March 31, 2024.

(II) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities, primarily trade receivables, which has outstanding balance of ₹ 615.47 as at March 31, 2024 (March 31, 2023: ₹ 513.44). The customer credit risk is managed by Company as per established policy, procedures and control relating to customer credit risk management.

- Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.
- Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(III) Liquidity risk

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

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

	Less than 1 year	1 to 5 years	> 5 years	Total
At March 31, 2024				
Trade payables	931.00	-	-	931.00
Other financial liabilities	192.33	-	-	192.33
	1,123.33	-	-	**1,123.33**
As at March 31, 2023				
Trade payables	1,352.51	-	-	1,352.51
Other financial liabilities	28.74	-	-	28.74
	1,381.25	-	-	**1,381.25**

Note 35: Capital Management

The Company's capital includes issued share capital and all other distributable reserves .The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any non-current borrowings and all its capital needs are met by capital or shareholders only.

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Sandhar Automotive Systems Private Limited
Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 36: Ratio Analysis

Description	Numerator	Denomirator	As At March 31, 2024	As At March 31, 2023	% change	Reason for variance*
Current ratio	Current Assets	Current Liabilities	1.92	1.27	50.38%	Positive ratio Due to Improved Creditors Turnover Ratio.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.00%	0.00%	0.00%	Not Applicable
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal Repayments	603.73	208.40	-189.70%	Increase in net profit during the year as compared to last year has resulted in change in ratio.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	9.03%	4.42%	4.61%	-
Inventory Turnover ratio	Revenue	Average Inventory	9.14	8.81	3.66%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	12.44	12.72	-2.21%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.11	3.65	40.03%	The increase in revenue during the year has resulted in increase in ratio.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	6.72	15.61	56.91%	The movement in ratio is mainly due to increase in Working Capital.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	2.72%	1.44%	1.28%	--
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	10.90%	6.15%	4.76%	--
Return on Investment	Interest (Finance Income)	Investment	-	-	-	Ratio is not Applicable

* Reasons are explained for variance in which % of change is more than 25% as compared to previous year.

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Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in lakh ₹ unless otherwise stated)

Note 37:
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, direclty or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Note 38: Other Statutory Information
No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
(c) Registration of charges or satisfaction with Registrar of Companies
(d) Relating to borrowed funds:
  i) Wilful defaulter
  ii) Utilisation of borrowed funds & share premium
  iii) Borrowings obtained on the basis of security of current assets
  iv) Discrepancy in utilisation of borrowings

Note 39: The company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial years, other than as mentioned in Note-5.

Note 40: In view of the management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet as at March 31, 2024.

Note 41: Figures have been rounded off to the nearest lakhs except otherwise stated.

For and on behalf of the Board of Directors
Sandhar Automotive Systems Private Limited

(Ashish Vatsa)
Chief Executive Officer

(Naveen Kumar)
Chief Financial Officer

(Ajay Kumar Raghav)
Director
DIN: 09380468

(Yatendra Singh Chauhan)
Director
DIN: 03555013

Sakshi

(Sakshi Goyal)
Company Secretary
Membership No. 63137

Place of Signature : New Delhi
Date: - 1 MAY 2024

B.R. GUPTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Sandhar Automotive Systems Private Limited