ANNUAL REPORT

(2021-2022)

(Sandhar Engineering Private Limited)

B S R & Co. LLP

Chartered Accountants

B S R & Co. LLP
Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of Sandhar Engineering Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sandhar Engineering Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period 14 October 2021 to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the period 14 October 2021 to 31 March 2022.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

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

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 34(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

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

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 34(f) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

v. The Company has neither declared nor paid any dividend during the period.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W /W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:22095109AJBCPZ9150

Place: Gurugram
Date: 16 May 2022

Annexure A to the Independent Auditor's Report on the Financial statements of Sandhar Engineering Private Limited for the period 14 October 2021 to 31 March 2022

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

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

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

(ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b)According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. As per the management, since the Company has not availed any working capital limits during the period, therefore no quarterly stock statement has been required to be submitted during the period. We have not reported in this regard.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the period. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the period ended 31 March 2022. Accordingly, clause 3(ix)(e) and (f) is not applicable.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 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 period.

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

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

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

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

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

(xvii) The Company has incurred cash losses of Rs. 163.61 lakhs in the current financial period. Since, this is the first year of incorporation, hence, comparative details have not been reported in this regard.

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 22095109AJBCPZ9150

Place: Gurugram
Date: 16 May 2022

Annexure B to the Independent Auditor's report on the Financial Statements of Sandhar Engineering Private Limited for the period 14 October 2021 to 31 March 2022

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the Internal Financial Controls with reference to Financial Statements of Sandhar Engineering Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Financial Statements of the Company for the period 14 October 2021 to 31 March 2022.

In our opinion, the Company has, in all material respects, adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls were operating effectively as at 31 March 2022, based on the Internal Financial Controls 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of such Internal Financial Controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A Company's Internal Financial Controls 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 Controls with reference to Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls 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.

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

Shashank Agarwal
Partner
Membership number: 095109
ICAI UDIN: 22095109AJBCPZ9150

Place: Gurugram
Date: 16 May 2022

Sandhar Engineering Private Limited
Balance Sheet as at 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	As at 31 March 2022
Assets		
Non-current assets		
Capital work-in-progress	3A	2,914.31
Intangible assets under development	3A	3,895.16
Right-of-use assets	3B	1,334.56
Financial assets		
- Other financial assets	4D	184.15
Other non-current assets	5A	1,340.66
Total non-current assets		**9,668.84**
Current assets		
Inventories	6	31.37
Financial assets		
- Loans	4A	0.12
Cash and cash equivalents	4B	77.31
- Other bank balances	4C	167.60
Other current assets	5B,C	1,143.02
Total current assets		**1,419.42**
Total assets		**11,088.26**
Equity and liabilities		
Equity		
Equity share capital	7	3,500.00
Other equity	8	(163.61)
Total equity		**3,336.39**
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	9	5,429.27
- Lease liabilities	11	1,063.47
Provisions	13	9.26
Total non current liabilities		**6,502.00**
Current liabilities		
Financial liabilities		
- Trade payables	10	
• total outstanding dues of micro enterprises and small enterprises		11.18
• total outstanding dues of creditors other than micro enterprises and small enterprises		172.95
-Lease liabilities	11	231.88
- Other financial liabilities	11	814.98
Other current liabilities	12	18.50
Provisions	13	0.38
Total current liabilities		**1,249.87**
Total equity and liabilities		**11,088.26**
Significant accounting policies	2	

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

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 16 May 2022

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

Upendra Bhardwaj
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No.6430

Narender Kumar Dogra
Director
DIN: 00100916

Yatendra Singh Chauhan
Whole Time Director
DIN: 03555013

SANDHAR ENGINEERING PVT. LTD.

Sandhar Engineering Private Limited
Statement of Profit and Loss for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

Particulars	Note	For the period from 14 October 2021 to 31 March 2022
REVENUE		
Other income	14	10.22
Total income (I)		**10.22**
EXPENSES		
Cost of raw materials and components consumed	15	-
Employee benefits expense	16	37.30
Finance costs	17	83.31
Depreciation and amortization expense	18	-
Other expenses	19	53.22
Total expenses (II)		**173.83**
Loss before tax (III) (I-II)		**(163.61)**
Tax expense:	21	
Current tax		-
Deferred tax		-
Total tax expense (IV)		-
Total Comprehensive Loss for the period (V =III - IV)		**(163.61)**
Earnings per equity share:		
(1) Basic-Par value of Rs. 10 per share	20	**(2.00)**
(2) Diluted-Par value of Rs. 10 per share		**(2.00)**

Significant accounting policies 2

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

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

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

Upendra Bhardwaj
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No.6430

Narender Kumar Dogra
Director
DIN: 00100916

Yatendra Singh Chauhan
Whole Time Director
DIN: 03555013

Place: Gurugram
Date: 16 May 2022

SANDHAR ENGINEERING PVT. LTD.

Sandhar Engineering Private Limited
Statement of changes in equity for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

A. Equity share capital:

Particulars	Note	Equity Shares No. of shares	Amount
Balance as at beginning of the period	7	-	-
Changes during the period		3,50,00,000	3,500.00
Balance as at 31 March 2022		**3,50,00,000**	**3,500.00**

B. Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at beginning of the period	-	-
Loss for the period	(163.61)	(163.61)
Other comprehensive income (net of tax)	-	-
Balance as at 31 March 2022	**(163.61)**	**(163.61)**

Notes:

1. Refer note 8 for nature and purpose of other equity

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

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 16 May 2022

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

Upendra Bhardwaj
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No.6430

Narender Kumar Dogra
Director
DIN: 00100916

Yatendra Singh Chauhan
Whole Time Director
DIN: 03555013

SANDHAR ENGINEERING PVT. LTD.

Sandhar Engineering Private Limited
Statement of Cash Flows for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

	Particulars	For the period from 14 October 2021 to 31 March 2022
A	**Cash flows from operating activities**	
1	**Loss before tax**	**(163.61)**
2	**Adjustments for :**	
	Interest expense	83.25
	Interest income	(3.06)
3	**Operating loss before working capital changes (1+2)**	**(83.42)**
4	**Movements in working capital:**	
	Increase in inventories	(31.37)
	Increase in financial assets	(181.43)
	Increase in other current assets	(1,143.02)
	Increase in trade payables	184.13
	Increase in current provisions	9.64
	Increase in provisions	0.38
	Increase in other current liabilities	18.50
	Total movement in working capital:	**(1,143.17)**
5	**Cash used in operations (3+4)**	**(1,226.59)**
6	**Income tax paid (net of refunds)**	-
7	**Net cash (used in)operating activities (5-6)**	**(1,226.59)**
B	**Cash flow from investing activities:**	
	Purchase of Property, plant and equipment, Capital work in progress, other intangible assets	(7,277.92)
	Investment in fixed deposits (having original maturity of more than 3 months)	(167.60)
	Interest received	0.22
	Net cash used in investing activities:	**(7,445.29)**
C	**Cash flow from financing activities:**	
	Repayment of long-term borrowings	(3,900.00)
	Proceeds from long-term borrowings	9,329.27
	Proceeds from issue of equity share capital	3,500.00
	Payment of lease liabilities	(117.44)
	Finance cost paid	(62.64)
	Net cash used in financing activities:	**8,749.19**
D	**Net increase in Cash and cash equivalents (A+B+C)**	**77.31**
E - 1	Cash and cash equivalents as at the beginning of period	-
E - 2	Cash and cash equivalents as at end of the period	**77.31**
	Cash and cash equivalents include :	
	Balances with banks:	
	– In current accounts	**4.76**
	– In cash credit accounts	**72.55**
	Cash on hand	-
	Cash and cash equivalents at the end of the period	**77.31**

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Statement of Cash Flows for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

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

Particulars	Non - current borrowings*
Opening balance as at beginning of the period	-
Cash flows during the period (net)	5,429.27
Closing balance as at 31 March 2022	**5,429.27**

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 9.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash Flows ".

2. Refer note 2 for significant accounting policies.

The accompanying notes are forming part of these Standalone Financial Statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram

Date: 16 May 2022

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

Upendra Bhardwaj
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No.6430

Narender Kumar Dogra
Director
DIN: 00100916

Yatendra Singh Chauhan
Whole Time Director
DIN: 03555013

SANDHAR ENGINEERING PVT. LTD.

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

1. Corporate information

Sandhar Engineering Private Limited ('the Company') is a Private Limited Company domiciled in India. The Company is a subsidiary of Sandhar Technologies Limited. The Company was incorporated on 14 October 2021 under the provisions of the Companies Act, 2013, with its registered office located at Plot No.13, Sector-44, Gurugram, New Delhi 122002. The Company is engaged in the business of manufacturers, assembling of various Locking Devices, Electrical, Electronics, Mechanical, Automobile and Industrial parts and dealers in, hirers repairers, cleaners, storers and warehousers of all kinds of components, spare parts and accessories related to the above.

2. Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

(ii) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

(iii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liabilities	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

(iv) Use of estimates, judgements and assumptions

In preparation of the financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes:

- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 23
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2.2 (a)
- Leases – Note 2.2 (c)
- Estimated impairment of non-financial assets – Note 2.2 (d)
- Estimated impairment of financial assets – Note 2.2 (l)

- In assessing the recoverability of receivables including financial assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

conditions, the Company expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have a duration of twelve months.

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 Summary of significant accounting policies

a. Property, plant and equipment ('PPE')

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1(iv) regarding significant accounting judgements, estimates and assumptions.

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Subsequent expenditure

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

b. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee –
The Company applies a single recognition and measurement approach for all leases, except for short-term leases.

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

i) Right-of-use assets

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

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

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

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

ii) Lease liabilities

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

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

iii)Lease payments

Payments made under operating leases are generally recognized in the Standalone Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases- The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

c. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the statement of profit and loss are also recognized in OCI or the statement of profit and loss, respectively).

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

d. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The trânsaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the statement of profit and loss.

e. Income tax

Income tax expense comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

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

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

f. Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the business of designing and manufacture of electronic parts and accessories for automobiles segment. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further since there is no turnover therefore, disclosure relating to geographical segment is also not applicable.

g. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

h. Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

i. Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii. Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iv. Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured based on independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

j. Financial instruments

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

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

(i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:
- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at	These assets are subsequently measured at amortized cost using the effective

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

amortized cost	interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:
- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit – impaired includes the following observable data:
For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Statement of the Profit and Loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

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

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
b. Trade receivables that result from transactions that are within the scope of Ind AS 115
c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

k. Inventories

Inventories which includes raw materials, stores and spares and finished goods are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.

- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

l. Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

- the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

n. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o. Recent accounting pronouncements:

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

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

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

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

Note 3A: Capital Work in Progress and Intangible assets under development

Particulars	As at 31 March 2022
Capital work in progress (including capital goods in transit amounting to ₹252.85 lacs)	6,809.47
	6,809.47
Breakup of Capital Work in Progress is as follows:	
Plant and equipment	2,914.31
Intangible assets under development	3,895.16
	6,809.47

Capital Work In Progress Aging Schedule

As at 31 March 2022

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	6,809.47	-	-	-	6,809.47
Total	-	-	-	-	-

{This space has been left blank intentionally}

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

3B. Right-of-use asset*

Particulars	Leasehold Land	Total
Gross carrying value		
Balance as at 1 April 2021	-	-
Additions during the period	1,392.28	1,392.28
Balance as at 31 Mar 2022	**1,392.28**	**1,392.28**
Accumulated amortization		
Balance as at 1 April 2021	-	-
Depreciation charge for the period	57.72	57.72
Balance as at 31 Mar 2022	**57.72**	**57.72**
Net carrying amount		
As at 31 March 2022	**1,334.56**	**1,334.56**
As at 31 March 2021	-	-

* Refer note 27

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

4. **Financial assets**

	Particulars	As at 31 March 2022
A.	**Loans**	
	Other advances - Current	0.12
	Total loans	0.12
	Less: loss allowance	-
	Total loans	0.12
	Break up of total loans	
	(a) Unsecured, considered good	0.12
	Less: loss allowance	-
		0.12
	Current	0.12
	Non-current	-

	Particulars	As at 31 March 2022
B.	**Cash and cash equivalents**	
	Balances with banks:	
	– In current accounts	4.76
	– In cash credit Accounts	72.55
	Total Cash and cash equivalents	77.31

	Particulars	As at 31 March 2022
C.	**Other Bank balances**	
	Deposits with original maturity for more than 3 months but less than 12 months*	167.60
	Total other bank balances	167.60

*These depsoits are held as margin money with the banks for availing working capital facilities.

	Particulars	As at 31 March 2022
D.	**Other financial assets**	
	Security deposits - Non current	184.15
	Total other financial assets	184.15
	Current	-
	Non-current	184.15
	Total financial assets (A+B+C+D)	429.18
	Break up of financial assets carried at amortised cost	
	Security Deposits	184.15
	Total financial assets carried at amortised cost	184.15

5. **Other assets**

	Particulars	As at 31 March 2022
	Other non - current assets	
A.	**Capital advances**	
	(Unsecured and considered good, unless otherwise stated)	
	Unsecured, considered good.	1,340.66
	Doubtful	-
	Total capital advances	1,340.66
	Less: Provision for doubtful capital advances	-
	Total net capital advances	1,340.66
	Total other non - current assets	1,340.66

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

Other current assets

B.	**Prepaid expenses**	
	Prepaid expenses	4.31
		4.31
C.	**Balance with statutory / government authorities**	
	(Unsecured and considered good, unless otherwise stated)	
	Unsecured, considered good	1,138.71
	Doubtful	-
	Others	-
	Total balance with statutory / government authorities	**1,138.71**
	Less:Provision for doubtfule balances	-
	Total net balance with statutory / government authorities	**1,138.71**
	Total other current assets (B+C)	**1,143.02**
	Current	**1,143.02**
	Non-current	**1,340.66**

6. **Inventories**
(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2022
Raw materials {includes goods in transit of Rs. NIL}	18.91
Stores and spares	12.46
	31.37
Provision for inventory obsolescence	-
Total inventories at the lower of cost and net realisable value	**31.37**

7. **Share capital**

Particulars	As at 31 March 2022
A. Authorised share capital	
5,00,00,000 lacs equity shares of Rs.10 each	5,000.00
	5,000.00

B. Issued, subscribed and fully paid equity share capital

Particulars	As at 31 March 2022
3,50,00,000 equity shares of Rs. 10 each fully paid up	3,500.00
	3,500.00

Rights, preferences and restrictions attached to equity shares

The company has a single classs of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

The Company has not issued any bonus shares, any shares for consideration other than cash and have not bought back any shares.

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

Particulars	As at 31 March 2022	
	Number	Rs. in Lacs
Balance as at the beginning of the period	-	-
Equity shares issued during the period	3,50,00,000	3,500.00
Balance as on 31 March 2022	**3,50,00,000**	**3,500.00**

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

D. Details of shareholders holding more than 5% shares in the company

Particulars	No. of shares*	% of shareholding
Sandhar Technologies Limited	3,50,00,000	100%

* Number of Shares are given in absolute numbers

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

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Sandhar Technologies Limited Equity shares of ₹10 each fully paid	-	3,50,00,000	3,50,00,000	100%	100%
Total	-	3,50,00,000	3,50,00,000	100%	100%

8. Other equity

Particulars	As at 31 March 2022
Retained earnings	
Balance at the beginning of the period	-
Add: Loss for the period	(163.61)
Balance at the end of the period	(163.61)
Total of other equity	(163.61)

Nature and purpose of other equity

Retained earnings

Retained earnings represent loss for the period ended 31 March 2022.

9. Borrowings

Particulars	As at 31 March 2022
Non-current borrowings	
Term Loans	
Indian rupee loan from banks (secured) (refer note refer note A,B)	5,429.27
Total non-current borrowings	5,429.27
Secured	5,429.27
Unsecured	-

Particulars	As at 31 March 2022
Terms of borrowings:	
(A) Term Loan from Federal Bank (refer note (i) below)	4,974.24
(B) Term Loan from Kotak Mahindra Bank (refer note (ii) below)	455.03

Term loan from banks referred to above to the extent of :

i) **Rs. 4,974.24 lakhs** were secured by way of first pari-passu charge over entire fixed assets, present and future of the Company. Second pari-passu charge on entire Current Assets, present and future of the borrower.The interst rate of loan is 5.75% and loan is repayable over a period of 60 months (including 12 months moratorium) and thereafter equal quarterly principal repayments

ii) **Rs. 455.03 lakhs** were secured by way of first pari-passu charge on immovable properties, being land and building situated at Mysore unit. First pari passu hypothetication charge on all existing and future current assets and moveable fixed assets of the Company. at 5.60% p.a. The loan is repayable over a period of 60 months (including 12 months moratorium) and thereafter equal quarterly principal repayments.

10. Trade payables

Particulars	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	11.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	172.95
Total trade payables	184.13

B S R & Co. LLP Gurugram

Sandhar Engineering Pvt. Ltd.

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	11.18	-	-	-	11.18
(ii) Others	172.95	-	-	-	172.95
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

Terms and conditions of the above financial liabilities:

For explanation on the Company's credit risk management processes, refer to note 31.

11. Other financial liabilities

Particulars	As at 31 March 2022
Financial liabilities at amortised cost	
Payables for capital goods	814.87
Lease liabilities - non current*	1,063.47
Lease liabilities - current*	231.88
Interest accrued but not due on borrowings	0.10
Total financial liabilities at amortised cost	2,110.33
Current	1,046.86
Non-current	1,063.47

* refer note 27

12. Other current liabilities

Particulars	As at 31 March 2022
Other payables:	
Statutory dues	18.50
Total	18.50
Current	18.50
Non-current	-

13. Provisions

Particulars	As at 31 March 2022
Provision for employee benefits	
Provision for Gratuity (refer note 30)	1.44
Provision for leave encashments	8.20
Total employee defined benefit liabiliteis	9.64
Current	0.38
Non-current	9.26

(This space is intentionally left blank)

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

14. Other income

Particulars	For the period from 14 October 2021 to 31 March 2022
Other non-operating income	
Interest from bank	0.22
Interest income on security deposits measured at amortised cost	2.83
Other miscellaneous income	7.17
	10.22

15. Cost of raw material consumed

Raw material consumed

Particulars	For the period from 14 October 2021 to 31 March 2022
Inventory at the beginning of the period	-
Add: Purchases during the period	18.91
	18.91
Less: Inventory at the end of the period	18.91
Cost of raw material and components consumed	-

16. Employee benefits expense

Particulars	For the period from 14 October 2021 to 31 March 2022
Salaries, wages and bonus	34.50
Contribution to provident and other funds	1.36
Gratuity expense (refer note 23)	1.44
	37.30

17. Finance costs

Particulars	For the period from 14 October 2021 to 31 March 2022
Interest to banks on	
- Term loan	44.70
Interest to others*	18.04
Bank charges	0.06
Interest on lease liabilities (refer note 27)	20.51
Total finance costs	**83.31**

* Amount paid to related party (refer note 25)

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

18. Depreciation and amortization expense

Particulars	For the period from 14 October 2021 to 31 March 2022
Depreciation on right of use assets	57.72
	57.72
Less: Depreciation capitalized during the period	**57.72**
	-

19. Other expenses

Particulars	For the period from 14 October 2021 to 31 March 2022
Rates and taxes	39.17
Legal and professional charges	0.16
Travelling and conveyance	0.26
Payment to auditor*	2.00
Testing and development expenses	3.25
Miscellaneous expenses	8.38
Total other expenses	**53.22**

*** Payment to auditors :**

Particulars	For the period from 14 October 2021 to 31 March 2022
As auditor:	
- Audit fees	**2.00**
In other capacity	
- Reimbursement of expenses	-
Total	**2.00**

20. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the period from 14 October 2021 to 31 March 2022
Profit attributable to equity holders of the Company	**(163.61)**
Number of equity shares (Number of shares in Lacs)	350.00
Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted) (Number of shares in Lacs)	81.92
Earning Per Share (Basic and Diluted) (Rs.)	**(2.00)**
Face value per share (Rs.)	**10**

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share:		
Balance as at beginning of the period	-	-
Issued during the period (Number of shares in lacs)	3,50,00,000	81,91,781
Balance as at 31 March 2022	3,50,00,000	81,91,781

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

21. Income Tax

Particulars	For the period from 14 October 2021 to 31 March 2022
(a) The major components of income tax expense for the period ended 31 March 2022 :	
Income tax recognized in statement of profit and loss	
Current income tax:	
Current tax	-
Deferred tax:	
Relating to origination and reversal of temporary differences	-
Income tax expense reported in the statement of profit or loss	-

Particulars	For the period from 14 October 2021 to 31 March 2022
(b) Reconciliation of effective tax rate	
Reconciliation between average effective tax rate and applicable tax rate for the period ended 31 March 2022 :	
Loss for the year	(163.61)
Statutory tax rate	25.17%
Income tax expense at the statutory rate	(41.18)
Tax impact of deductible/ non-deductible expenses	
- Others	41.18
Net deferred tax assets/(liabilities)	-

(This space is intentionally left blank)

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

Sandhar Engineering Private Limited
Notes to the Financial Statements for the period from 14 October 2021 to 31 March 2022
(Rupees in lacs, except share data, per share data and unless otherwise stated)

22. Ratio

Ratio	Numerator	Denominator	For the period from 14 October 2021 to 31 March 2022
Current ratio	Total current assets	Total current liabilities	1.14
Debt-equity ratio	Total Debt	Shareholder's equity	1.95
Debt service coverage ratio	Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans+Loss on sale of PPE	Total amount of interest , lease payments & principle repayments of loan payable or paid during the period	(0.40)
Return on equity ratio	Net profit after tax*100	Average Shareholder's equity	-9.81%
Inventory turnover ratio	Cost of goods sold	(Opening inventory+closing inventory)/2	-
Trade receivables turnover ratio	Total Net Revenue	Average Account Receivables (Opening+Closing)/2	-
Trade payables turnover ratio	Total Purchases	Average Account Payables (Opening+Closing)/2	-
Net Capital turnover ratio	Total Net Revenue from operations	Working capital (Current Assets-Current liabilities)	-
Net Profit ratio	Net Profit after tax*100	Net Revenue from operations	0.00%
Return on capital employed	Earning Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	(0.02)
Return on Investment	Interest income	Average Investment	0.13%

** Since the Company was incorporated during the current year, disclosures for reason for variance in ratios is not required.*

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

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

23. Gratuity and other post-employment benefit plans

A. Defined benefit plan (Non Funded)

The Company has a defined benefit gratuity plan for its employees, governed by the Payment of Gratuity Act, 1972. Every employee who has rendered at least five years of continuous service gets a gratuity on departure at the rate of fifteen days of last drawn salary for each completed year of service or part thereof in excess of 6 months. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Particulars	For the period from 14 October 2021 to 31 March 2022
Liability for gratuity	1.44
Plan asset for gratuity	-
Net defined benefit liability:	1.44

II. Reconciliation of present value of defined benefit obligation:

Particulars	For the period from 14 October 2021 to 31 March 2022
Balance at the beginning of the year	-
Current service cost	1.44
Interest cost	-
Benefits paid	-
Past Service Cost including curtailment Gains/Losses	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	-
Balance at the end of the year	1.44

III. Reconciliation of fair value of plan assets:

Particulars	For the period from 14 October 2021 to 31 March 2022
Balance at the beginning of the year	-
Actual return on plan asset	-
Contribution paid into the plan	-
Benefits paid	-
Actuarial (gain)/loss on plan assets recognized in other comprehensive income	-
Closing fair value of plan asset	-

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

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

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

Particulars	For the period from 14 October 2021 to 31 March 2022
Current service cost	1.44
Past service cost	-
Interest cost	-
Expense recognized in the Statement of Profit and Loss	**1.44**

V. Remeasurement recognised in other comprehensive income (OCI)

Particulars	For the period from 14 October 2021 to 31 March 2022
Actuarial gain / (loss) on Defined Benefit Obligation	-
Return on Plan Assets excluding interest income	-
Amount recognised in the Other Comprehensive Income	-

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

Particulars	For the period from 14 October 2021 to 31 March 2022
Actuarial gain/(loss) due to demographic assumption change	-
Actuarial gain/(loss) due to financial assumption change	-
Actuarial gain/(loss) due to experience adjustment	-
Amount recognised in the Other Comprehensive Income	-

The principal assumptions used in determining gratuity and compensated absences are as follows:

(a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

gParticulars	As at 31 March 2022
Discount rate	7.22%
Inflation rate	5.00%
Expected rate of return on assets	NIL

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

(b) Demographic assumptions

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Particulars	As at 31 March 2022
Mortality table	IALM (2012 - 14)
Retirement Age	58
Attrition Rate	
Up to 30 years	10%
From 31 to 44 years	3%
Above 44 years	1%

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Particulars	As at 31 March 2022	
	Increase	**Decrease**
Discount rate (0.5% movement)	(0.06)	0.07
Expected rate of future salary increase (0.5% movement)	0.07	(0.07)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Gratuity expense expected to be incurred in the next year is Rs. 7.38 Lacs.

Expected maturity analysis:

Particulars	As at 31 March 2022
Less than 1 year	-
1-2 years	-
2-5 years	-
More than 5 years	-

Other long-term employee benefits:

During the year ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to Rs. 8.20 Lacs. The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

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

24. Capital Commitments (to the extent not provided for) and contingent liabilities

Capital Commitments

Particulars	31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,583.66

Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the company not acknowledged as debts	Nil	Nil

25. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Holding Company	Sandhar Technologies Limited
Fellow Subsidiary Companies	Sandhar Tooling Private Limited
	Sandhar Technologies Barcelona S.L.
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (subsidiary w.e.f. 28 December 2021)
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (subsidiary w.e.f. 1 October 2021)
Joint Ventures of Holding Company	Sandhar Han Sung Technologies Private Limited
	Jinyoung Sandhar Mechatronics Private Limited
	Sandhar Amkin Industries Private Limited
	Sandhar Whetron Electronics Private Limited
	Kwangsung Sandhar Technologies Private Limited
	Sandhar Han Shin Auto Technologies Private Limited
	Winnercom Sandhar Technologies Private Limited
	Sandhar Ecco Green Energy Private Limited (under voluntary liquidation)

B S R & Co. LLP Gurugram

Sandhar Engineering Pvt. Ltd.

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

Key Managerial Personnel	Mr. Narender Kumar Dogra (Director) (Appointed w.e.f. 14th October 2021)
	Mr. Yatendra Singh Chauhan (Director) (Appointed w.e.f. 14th October 2021)
	Mr. Upendra Bhardwaj (Chief Financial Officer)
	Ms. Komal Malik (Company Secretary)

T1he following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Nature of transaction	Name of related party	Relationship	For the period from 14 October 2021 to 31 March 2022
Allotment of equity share capital	Sandhar Technologies Limited	Holding Company	3500.00
Loan Received	Sandhar Technologies Limited	Holding Company	3900.00
Interest on Loan Paid	Sandhar Technologies Limited	Holding Company	18.04
Purchase of Property, plant and equipments	Sandhar Technologies Limited	Holding Company	39.04
Purchase of Materials	Sandhar Technologies Limited	Holding Company	30.24
Service Received	Sandhar Technologies Limited	Holding Company	106.63
Reimbursement of expenses	Sandhar Technologies Limited	Holding Company	144.96
Purchase of Property, plant and equipment's	Sandhar Tooling Pvt. Limited	Fellow Subsidiary Company	94.40
Reimbursement of expenses	Mr. Yatendra Singh Chauhan	Director	1.70
Remuneration Paid	Mr. Yatendra Singh Chauhan	Director	15.12

Nature of Balances outstanding	Name of related party	Relationship	Balance as at 31 March 2022
Trade payable	Sandhar Technologies Limited	Holding Company	15.77
Trade payable	Sandhar Tooling Pvt. Limited	Subsidiary of Holding Company	22.40

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

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

26. Financial Instruments- Fair Values

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

	Particulars	Carrying value As at 31 March 2022	Fair value As at 31 March 2022
	Financial assets		
A.	**Amortised Cost:**		
	Security deposit	184.15	184.15
	Total	**184.15**	**184.15**

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as, trade payables, cash and cash equivalents, other bank balances, other financial assets, other financial liabilities etc.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
Long-term fixed-rate and variable-rate Receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Discount rates used in determining fair value:

The interest rates used to discount estimated future cash flows, where applicable, are based on the discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

27. Leases

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

BSR & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

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

(ii) Impact of Ind AS 116 on the statement of profit and loss:

Particulars	**For the period from 14 October 2021 to 31 March 2022**
Interest on lease liabilities	20.51
Depreciation of Right-of-use assets (refer note 18)	-
Impact on the statement of profit and loss for the year*	**20.51**

(iii) Amount recognised in the statement of cash flows:

Particulars	**For the period from 14 October 2021 to 31 March 2022**
Recognition of finance lease liabilities due to Ind AS 116	117.44

28. Fair value hierarchy

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Finance Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

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

A. Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at Amortised cost for which fair values are disclosed (refer note 26):				
Security deposit	184.15	-	-	184.15

During the year ended 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

29. Segment Reporting

The Company is engaged in the business of manufacturing and assembling of automotive components. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards.

The operating segment of the Company is identified to be "Electronic parts and accessories" as the CODM reviews business performance at an overall Company level as one segment. Further since there is no export turnover therefore, disclosure relating to geographical segment is also not applicable.

Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard - 108 Operating Segment have not been provided in the financial statements.

30. Capital management

The Company's capital management objectives are:
The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity.

The Company is having Rs. 5,429.27 lakhs borrowing as at 31 March 2022.

B S R & Co. LLP Gurugram

SANDHAR ENGINEERING PVT. LTD.

31. Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest risk.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Details of unhedged foreign currency exposures:

	As at 31 March 2022	
Particulars	**Amount In Foreign Currency**	**Amount in Rs**
Trade Payables (USD)	1.40	106.31

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

Particulars	Year end rates
	As at 31 March 2022
INR/ USD	75.79

Sensitivity Analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Company's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the USD and EUR would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP GURUGRAM Chartered Accountants

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

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure USD	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2022	INR/USD Increases by 1 %	Trade Payables	75.79	0.758	1.40	(1.06)	(0.79)
	INR/USD Decreases by 1 %		75.79	(0.758)	1.40	1.06	0.79

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities.

Credit risk from balances with banks and financial institutions is managed by the corporate finance department in accordance with the Company's policy.

C. Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2022	0- 1 year	1- 5 year	More than 5 year
Trade Payable	184.13	184.13	-	-
Other Financial Liabilities	814.26	814.26	-	-
Total	**999.10**	**999.10**	-	-

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

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

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	As at 31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the year	11.18
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-
(c)The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	-
- Interest paid	-
- Payment to Suppliers	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
(e) Amount of Interest accrued and remaining unpaid at the end of the year	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-

33. The company has assessed the impact that may result from COVID 19 on its liquidity position, carrying amounts of tangible assets, investments, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has considered internal and external information available till the date of approval these financial statements and has assessed its situation.

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

34. Additional Information:

a. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
b. The Company do not have any transactions with companies struck off.
c. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
d. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

SANDHAR ENGINEERING PVT. LTD.

B S R & Co. LLP Gurugram

e. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

h. The Company is not declared as a willful defaulter by any bank of financial institution or other lender.

35. The Company was incorporated during the year. Hence, the comparative figures have not been reported in the financial statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 16 May 2022

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

Upendra Bhardwaj
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No.6430

Narendra Kumar Dogra
Director
DIN: 00100916

Yatendra Singh Chauhan
Whole Time Director
DIN: 03555013

SANDHAR ENGINEERING PVT. LTD.