

Ref: STL/SE/2023-2024/AGM Notice & Annual Report/30

Dated: 28th August, 2023

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

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

BSE Code: 541163; NSE: SANDHAR

Sub: Notice of the 31st Annual General Meeting along with the Annual Report for the Financial Year 2022-2023.

Dear Sir/Ma'am,

With reference to the captioned subject, we are submitting herewith the Notice of Annual General Meeting ("AGM") along with the Annual Report for the Financial Year 2022-2023, which is being sent to the shareholders by Electronic Mode.

The 31st Annual General Meeting of the Company will be held on Thursday, the 21st September, 2023 at 11:30 A.M. (IST) through Video Conferencing/Other Audio Visual means.

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

Events	Day and Date	Time (IST)
Relevant Date/Record Date/Cut-off date to vote on AGM Resolution	Thursday, 14 th September, 2023	NA
Book Closure Date for AGM and Final Dividend	Friday, 15 th September, 2023 to Thursday, 21 st September, 2023 (both days inclusive)	NA
Remote e-voting Start date and time	Monday, 18 th September, 2023	09:00 A.M.
Remote e-voting End date and time	Wednesday, 20 th September, 2023	05:00 P.M.
AGM date and time	Thursday, 21 st September, 2023	11:30 A.M.

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

Kindly take the same on record.

Thanking you,
Yours faithfully,

For SANDHAR TECHNOLOGIES LIMITED

Komal Malik
Company Secretary &
Compliance Officer

Encl.: As above

Sandhar Technologies Limited



Notice

Notice is hereby given that the 31ST Annual General Meeting (“AGM”) of the Members of Sandhar Technologies Limited (“the Company”) will be held on Thursday the 21st September, 2023 at 11:30 A.M. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the Financial Year ended the 31st March, 2023 together with the reports of the Board of Directors’ and Auditors’ thereon.

2) To declare a final dividend of Rs. 2.50 per equity share of Rs. 10/- each fully paid up for the year ended the 31st March, 2023.

3) To reappoint Directors, retiring by rotation:

To appoint a Director in place of Smt Monica Davar (DIN 00100875), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4) Ratification of remuneration payable to Cost Auditors viz. M/s Satija & Co for audit of cost records for the financial year 2023-2024.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), remuneration of M/s Satija & Co, Cost Accountants, New Delhi, having Firm Registration No. 004907, who was appointed as the Cost Auditors of the Company by the Board of Directors to conduct audit of the Cost Records of the Company for the financial year ending the 31st March, 2024, amounting to Rs. 1,25,000 (Rupees One Lakh Twenty-Five Thousand Only) per annum plus reimbursement of out of pocket expenses incurred by them in the course of aforesaid audit be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5) Appointment of Shri Vikrampati Singhania (DIN: 00040659) as Non-Executive, Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, and applicable provisions of

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Shri Vikrampati Singhania (DIN: 00040659), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 09, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1) (b) of the LODR Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto five consecutive years from the original date of appointment i.e. August 09, 2023 upto August 08, 2028 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

6) Reappointment of Smt Archana Kapoor (DIN: 01204170) as Non-Executive Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) as amended from time to time [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Smt Archana Kapoor (DIN: 01204170), who holds office as Independent Director up to November 04, 2023, be and is hereby reappointed as Independent Director, not liable to retire by rotation, for a second term of upto 5 (five) years with effect from November 05, 2023 up to November 04, 2028 (both days inclusive).

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

7) **Reappointment of Shri Bharat Anand (DIN: 02806475) as Non-Executive Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) as amended from time to time [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Shri Bharat Anand (DIN: 02806475), who holds office as Independent Director up to August 11, 2024, be and is hereby reappointed as Independent Director, not liable to retire by rotation, for a second term of upto 5 (five) years with effect from August 12, 2024 up to August 11, 2029 (both days inclusive).

RESOLVED FURTHER THAT the Board or any duly constituted committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

8) **To review and approve the variation, if any, in the remuneration of Shri Jayant Davar (DIN: 00100801), Co-Chairman and Managing Director of the Company in compliance with the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and applicable provision of the Companies Act, 2013 read with rules made thereunder (including any statutory modification or re-enactments thereof for the time being in force) and other applicable provisions, if any and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for payment of remuneration to Shri Jayant Davar (DIN:00100801), Co-Chairman and Managing Director of the Company, within the permissible limits and as per the terms and conditions approved by Special Resolution dated 23rd September, 2020, in excess of the limits prescribed under the Regulation 17 (6) (e) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 or any other rules or regulations as may be applicable from time to time, on account of variations in the profits of the Company in any financial year(s) during his remaining tenure as the Managing Director of the Company.

RESOLVED FURTHER THAT the total managerial remuneration payable to the executive director of the Company taken together in any financial year shall not exceed the limit of 5% of net profit and overall managerial

remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9) **Renewal of Payment of Commission to the Non-Executive Directors**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197, 198 of the Companies Act, 2013 (the “Act”) and other applicable provisions of the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being, in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company, be and is hereby accorded for the payment of Commission upto Rs. 2,00,000/- (Rupees Two Lacs only) per annum per Director, to the eligible Non- Executive Directors, not exceeding 1% (One percent) of the Net Profit of the Company, for a period of five years commencing from the Financial Year 2023-2024 upto and including Financial Year 2027-2028.

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board
For Sandhar Technologies Limited**

**Sd/-
KOMAL MALIK
Company Secretary &
Compliance Officer
Membership Number: 6430**

**Place: Gurugram
Dated: 09th August, 2023**

Registered Office:
B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@sandhar.in
Website: www.sandhargroup.com

NOTES:

- 1) The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular no. 20/2020 dated 5 May 2020, Circular no. 02/2021 dated 13 January 2021, Circular no. 19/2021 dated 08 December 2021, circular no. 21/2021 dated 14 December 2021, circular no. 2/2022 dated 05 May 2022 and circular no. 10/2022 dated December 28, 2022, in relation to "Clarification on holding of Annual General Meeting ("AGM") through video conferencing ("VC") or Other Audio Visual Means ("OAVM")" read with other Circulars, as may be applicable (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated 12 May 2020, Circular no. SEBI/ HO/ CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- 2) An Explanatory Statement setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standard, relating to Special Business to be transacted at the AGM, is annexed to the Notice.
- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 6) Institutional / Corporate Members are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution /Authorization letter etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting at least 48 hours before the AGM. The said resolution / authorization shall be sent to through e-mail on investors@sandhar.in
- 7) Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive).
- 8) Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') and Secretarial Standards-2 issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment / re-appointment at the AGM is attached as Annexure forming part of this Notice.
- 9) In conformity with the regulatory requirements, the notice of 31st AGM and Annual Report are being sent only through electronic mode to Members whose e-mail address is registered with the Company or with the Depositories. Members who have not registered their e-mail address are requested to register the same with their respective depository participant(s). In case of any assistance, the members are requested to write an email to investors@sandhar.in
- 10) Members may note that the Notice and Annual Report 2022-2023 will also be available on the Company's website www.sandhargroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Registrar <https://instavote.linkintime.co.in>.
- 11) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday September 14, 2023 i.e., the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the resolutions set forth in this Notice.
- 12) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request to Registrar. However, if he/she is already registered with Registrar for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- 13) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- 14) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 15) Members who are present in the meeting through VC/OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting. Vote once casted can't be changed subsequently.

- 16) The Members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- 17) The Company has appointed M/s K.K. Sachdeva & Associates, Practicing Company Secretaries,[FRN: I12002DE298700] to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
- 18) Since the AGM will be held through VC / OAVM, the Route Map, Attendance Slip and Proxy Form are not annexed in this Notice.
- 19) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, the terms and conditions of appointment of Independent Directors, along with all other documents as referred in this notice, will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to investors@sandhar.in
- 20) SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. None of the shares of the Company are held in physical form.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.
- 21) Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the AGM through e-mail on investors@sandhar.in. The same shall be replied by the Company suitably.
- 22) As per Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National/Regional/Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS/RTGS/NEFT/NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of Dividends or other cash benefits to the investors. In addition to this, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.
- 23) Therefore, Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.
- 24) Shareholders who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars etc. from the Company electronically.
- 25) Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Companies Act, 2013, are requested to send their request to investors@sandhar.in in the prescribed form.
- 26) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
- 27) Members may note that the Income Tax Act, 1961 ("Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after the 01st April, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to verify the correctness of the records (including residential status and PAN) and update the same with your depositories (where shares are held in dematerialized mode) and with the Company's RTA (where shares are held in physical mode). Also submit the following documents/declarations in accordance with the provisions of the Act.

For Resident Members, taxes shall be deducted at source under Section 194 of the Act, as follows:

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN or invalid PAN	20%

However, no tax shall be deducted on the dividend payable to a resident individual Member if the total dividend to be received by them during FY 2023-24 from the Company does not exceed Rs. 5,000, and also in cases where Members providing Form No 15G/Form 15H (applicable to an individual age of 60 years or more) subject to conditions specified in the Act and other applicable sections of the Act by email to investors@sandhar.in

Note:-If a shareholder holds multiple demat account having single PAN in that case if the aggregate amount of dividend of all the demat account exceeds Rs 5,000/- the TDS shall be deducted on the entire amount of dividend

Resident Members may also submit valid document as prescribed under the Act to claim a lower/Nil withholding tax. PAN is mandatory for Members while providing Form No.15G/15H or any other document as mentioned above. Resident Non-Individual Members (who are exempt from TDS under Section 194 of the Act or covered under Section 196 of the Act) are required to submit self-attested copy of the valid documentary evidence and declaration to avail such exemption under the Act.

Deduction of Tax at Higher rates in case of Non-filers (Specified Person) of returns (Section 206AB)

With effective from July 1, 2021, new section is introduced, and the tax shall be deductible at the higher rates prescribed under this provision if the following conditions are satisfied:

Deductee (shareholder) has not filed the return of income for the assessment year relevant to the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired; and the aggregate amount of tax deducted and collected at source is Rs.50,000 or more in the said previous year.

Provided that the specified person shall not include

- i. a non-resident who does not have a permanent establishment in India or
- ii. a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by Central Government in the Official Gazette in this behalf.

Rate of TDS:

The tax shall be deducted at the higher of the following rates:

- Twice the rate specified in the relevant provision of the Act (Rate specified u/s 194 is 10%)
- Twice the rate or rates in force; or
- 5%

Members may also note that linking Aadhaar with PAN is mandatory. In case the Aadhaar is not linked with PAN, such Pan shall be deemed as Invalid & TDS will be deducted at a higher rate of 20% instead of the applicable rate.

FOR PERSON HOLDING SHARES ON BEHALF OF REGISTERED SHAREHOLDER OR ACTING AS CUSTODIAN (DECLARATION UNDER RULE 37BA OF IT RULES, 1962)

In case dividend income under the provisions of the Act is chargeable to tax in hands of any person (holding shares on behalf of registered shareholders or acting as a custodian) other than the Registered Shareholder, then, a declaration to that effect is required to be submitted in terms of section 199 of the Act read with Rule 37BA of the Income Tax Rules, 1962 (format attached herewith). On such submission, the Company will deduct tax in the name of such person, which would be due compliance of law on the part of the Company.

For Non-resident Members, taxes are required to be withheld in accordance with Section 195 and other applicable sections of the Act. For FPI/FII, TDS shall be at the rate of 20% (plus applicable surcharge and cess) as per Section 196D of the Act. For other non-resident Members, the TDS shall be at the rate of 20% (plus applicable surcharge and cess) or as per Section 90 of the Act. an option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, other non-resident Members will have to provide the following:

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the revenue authorities of the country of tax residence of such Member, valid as on date of payment of dividend.
- iii. Self-declaration in Form 10F (acknowledged copy duly filed with the Indian Income Tax Department)
- iv. Self-declaration by the Member of having no taxable presence or a fixed base/Permanent Establishment in India.
- v. Self-declaration of Beneficial ownership by the Member, and eligibility to claim treaty benefit, which is not impaired in any manner.
- vi. Any other documents as prescribed under the Act for lower withholding of taxes, if applicable duly attested by the shareholder.

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case of a non-resident shareholder or a non-resident FPI / FII, the higher rate of tax as mentioned in section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

- 28) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 29) The results declared along with the scrutinizer's report shall be placed on the website of the Company www.sandhargroup.com under the head "Investor Relations" immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited. The results shall also be displayed at the Registered as well Corporate Office of the Company.

30) Instructions for e-voting and joining the Annual General Meeting are as follows:

Instructions for Shareholders/Members to attend the Annual General Meeting InstaMeet (through VC/OAVM):

Shareholders/ Members will be provided with InstaMeet facility for attending the AGM through VC/OAVM wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
 - i. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - ii. **PAN:** Enter your 10-digit Permanent Account Number (PAN)
 - iii. **Mobile No.:** Enter your mobile number.
 - iv. **Email ID:** Enter your email id, as recorded with your DP/ Company.
2. Click "Go to Meeting"

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at e-mail: investors@sandhar.in in from September 18, 2023

at 09.00 am to September 20, 2023 at 5.00 pm.

The Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at e-mail : investors@sandhar.in. The same will be replied by the Company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members are allowed to use camera and are advised to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- b) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
- c) After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
- d) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
- e) Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

REMOTE E-VOTING

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Link Intime India Pvt. Limited ("LIPL"), Registrar and Share Transfer agent of the Company to facilitate remote e-voting

The remote e-voting period begins on 09:00 A.M., on

Monday, September 18, 2023 and will end at 05:00 P.M. (IST) on Wednesday, September 20, 2023. During this period, shareholders of the Company, holding shares in dematerialized form as on the Cut-off Date i.e. Thursday, September 14, 2023 may cast their votes electronically. The remote e-voting module shall be disabled by LIPL for voting after 05:00 p.m. (IST) on the Wednesday, September 20, 2023

The process and instructions for remote e-voting are as under:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ul style="list-style-type: none"> A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above <ul style="list-style-type: none"> Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click “confirm” (Your password is now generated). Click on ‘Login’ under ‘SHARE HOLDER’ tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - » It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - » For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - » During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/ demat account.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in> or may write to Mr. Rajiv Ranjan, Assistant Vice President - e-Voting, Link Intime India Private Limited at enotices@linkintime.co.in or call at 022 - 49186000.

**By Order of the Board
For Sandhar Technologies Limited**

Sd/-
KOMAL MALIK
Company Secretary & Compliance Officer
Membership Number: 6430

**Place: Gurugram
Dated: 09th August,2023**

Registered Office:
B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@sandhar.in
Website: www.sandhargroup.com

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No 4:**Ratification of remuneration payable to Cost Auditor viz. M/s Satija & Co., for audit of cost records for the financial year 2023-2024.**

The Board on the recommendation of Audit Committee approved the appointment and remuneration of M/s Satija & Co., the Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year ended the 31st March, 2024 at a remuneration of Rs. 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) and reimbursement of out of pocket expenses incurred during the course of audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing Ordinary Resolution as set out at Item No. 4 for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2024.

None of the Promoters, Directors, Key Managerial Personal(s) and their relatives (to the extent of their shareholding in the Company, if any) are in any way, concerned or interested, whether financially or otherwise in this resolution.

Item No 5:**Appointment of Shri Vikrampati Singhania (DIN: 00040659) Non-Executive, Independent Director of the Company.**

The Board of Directors, on the recommendation of Nomination & Remuneration Committee ("NRC") approved appointment of Shri Vikrampati Singhania (DIN: 00040659) as Additional Director (in the capacity of Independent Directors) of the Company, who shall hold office as such till this Annual General Meeting ("AGM"). Further, Board of Directors has recommended the appointment of Shri Vikrampati Singhania as Independent Directors for a term of five consecutive years i.e. upto August, 08, 2028 for approval of the Members of the Company.

In the opinion of the Board Shri Vikrampati Singhania fulfills the conditions specified in the Companies Act, 2013 (the "Act"), rules made thereunder and SEBI (Listing obligations and disclosure requirements) Regulations 2015 ("Listing Regulations") for appointment as Independent Directors of the Company and is independent of management of the Company.

Brief profile of Shri Vikrampati Singhania is as follows:

Shri Vikrampati Singhania, aged about 58 years is an eminent person in the Automotive Industry, Shri Singhania is a fourth-generation industrialist belonging to one of the largest Industrial Groups in India i.e. J.K. Organization. He has vast experience in managing various industries including Hybrid Seeds, Automotive Tyres, Industrial V-Belts & Oil Seals, Pharmaceuticals, Sugar, Insurance, Power, Clinical Research, etc.

Shri Singhania is a Director of J.K. Organisation, Managing Director of J.K. Fenner (India) Ltd, one the leading automotive parts manufacturing company in the country. He is also Managing Director of JK Agri Genetics Ltd, which produces and markets hybrid seeds. He was the Dy. Managing Director of JK Tyre & Industries Ltd. (one of the largest Tyre manufacturers in India) till January 2016.

Shri Vikrampati Singhania did his Master's Degree in Commerce from Kanpur University and his MBA from Fuqua School of Business, Duke University, USA.

Shri Vikrampati Singhania is a Member of Managing Committee of Associated Chambers of Commerce & Industry of India (ASSOCHAM) and Chairman (Northern Region) of Automotive Component Manufacturers Association of India (ACMA).

In terms of Regulation 25(8) of the Listing Regulations, Shri Singhania has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director without any external influence. Further, he is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013, not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered himself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

In terms of Section 149, 150, 160 and 152 read with Schedule IV and any other applicable provisions, if any of the Act and rules made thereunder and the Listing Regulations, Company has received a Notice in writing from a Member of the Company signifying his intention to propose the candidature of Shri Vikrampati Singhania for the office of Director of the Company, therefore it is proposed to appoint Shri Vikrampati Singhania as Independent Director for a term of five consecutive years from the original date of his appointment i.e. August, 09, 2023 upto August, 08, 2028.

Other disclosures and details of terms and conditions of reappointment of Shri Vikrampati Singhania as stipulated under Regulation 36 of the SEBI Listing Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure- I to this Explanatory Statement and should be taken and read as part thereof.

Except Shri Vikrampati Singhania and his relatives (to the extent of their shareholding in the Company, if any), none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No 6 & 7:**Reappointment of Smt Archana Capoor (DIN: 01204170) and Shri Bharat Anand (DIN:02806475) as Non-Executive Independent Directors of the Company.**

Smt Archana Capoor (DIN:01204170) and Shri Bharat Anand (DIN:02806475) were appointed as Independent Directors on the Board of Directors of your Company ("the Board") effective

05th November, 2018 and 12th August, 2019 respectively, for a first term of five consecutive years pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 by the Members at their Annual General Meeting held on 09th September, 2019. They hold office as Independent Directors of the Company up to 4th November, 2023 and 11th August, 2024 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act) respectively.

In terms of Section 149(10) read with Section 152 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company.

In compliance thereof, the approval of the Members for re-appointment of the said Independent Directors through Special Resolution is being sought at this Annual General Meeting prior to expiry of their respective first term.

The Company has received declarations from Smt Archana Capoor and Shri Bharat Anand confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations").

Smt Archana Capoor and Shri Bharat Anand are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to continue as Directors. They are not debarred from holding the office of a Director pursuant to any order of SEBI or any other such authority. They do not hold any equity shares by themselves or on beneficial basis for any other person in the Company as on date of this Notice.

Brief Profile of Smt Archana Capoor and Shri Bharat Anand are mentioned below:

"Smt Archana Capoor holds a Masters' degree in Business Administration with specialization in Finance and Market Research, University of Allahabad, UP (India). She has a versatile profile in different sectors such as Tourism, Banking & Finance and Social. She is an Independent Director of 5 listed Companies, 2 Public Company and since 2014 also a Member Secretary and Project Director of an NGO i.e. Indian Trust for Rural Heritage and Development (ITRHD). She has over 37 years of work experience in Finance and International Business."

"Shri Bharat Anand is an Independent Director of our Company, Partner in the Corporate Department of Khaitan & Co. where he joined in 2009 with direct responsibility for the Firm's Corporate and M&A practice in Delhi and a Member of the Firm's National Executive Committee. Prior to joining Khaitan & Co, Shri Anand had a successful career at the London offices of Freshfields from 2001 until 2009. Shri Anand's practice spans a range of areas including Mergers and Acquisitions, Joint Ventures, Private Equity Transactions as well as being a Strategic Advisor on particularly complex or sensitive situations in India. He has a wide range of industry experience including Financial Services, Insurance, Renewable Energy, Telecom, Information Technology, Manufacturing and Consumer goods. He represents Financial

Sponsors, Founders and family offices on Control Deals, Growth Capital Investments, Joint Ventures and Exits. He has also advised Indian and foreign clients on disputes in India." Shri Bharat Anand holds Directorship of 3 Listed and 4 Unlisted Companies.

The Nomination and Remuneration Committee ("NRC") and the Board at their respective Meetings held on 09th August, 2023 taking into account their performance evaluation over the years as well as the declarations and consent received, the external business environment, the business knowledge, acumen, experience including proficiency, skills (including Management, Knowledge of Industry, Financial Sector Expertise) and the substantial contributions made by Smt Archana Capoor and Shri Bharat Anand during their respective tenures, formed an opinion that both, are persons of integrity and possess relevant expertise, skills, proficiency and experience to continue as Independent Directors of the Company.

The Board based on the recommendation of NRC, is of the view that continued association of Smt Archana Capoor and Shri Bharat Anand as Independent Directors of the Company would be of immense benefit and value to the Company.

Other disclosures and details of terms and conditions of reappointment of Smt Archana Capoor and Shri Bharat Anand as stipulated under Regulation 36 of the SEBI Listing Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure- I to this Explanatory Statement and should be taken and read as part thereof.

Save and except for Smt Archana Capoor and Shri Bharat Anand, and their respective relatives (to the extent of their shareholding in the Company, if any), none of the other Directors, KMPs of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 6 and 7 of the Notice.

The Board recommends the Special Resolutions as set out at Item Nos. 6 and 7 of the accompanying Notice for approval of the Members of the Company.

Item No 8:

To review and approve the variation, if any, in the remuneration of Shri Jayant Davar (DIN: 00100801), Co-Chairman and Managing Director of the Company in compliance with the limits prescribed under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Members of the Company at the 28th Annual General Meeting ('AGM') held on 23rd September, 2020, approved the appointment and remuneration payable to Shri Jayant Davar as Managing Director of the Company effective from 1st January, 2021 for a period of Five Years till 31st December, 2025.

Shri Jayant Davar, Managing Director and Co-Chairman of the Company, continues to draw the remuneration as approved by the Members at their meeting held on 23rd September 2020.

The Company has performed exceptionally well and has achieved new heights under the guidance of Shri Jayant Davar. Keeping in view the growth and expansion of the company in recent years and the near future, the company expects to record higher profits in near future.

As per Regulations 17 sub-regulation (6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"):

"The payment of any fees or compensation to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution, if:

- a) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or
- b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity."

On account of variation in the profits of the Company due to positive economic and market conditions, the remuneration payable to Shri Jayant Davar may exceed the limit specified in point (a) above as such remuneration includes a profit based commission upto 4% of the net profit per year.

Accordingly, the Board of Directors at their meeting held on 9th August, 2023, upon the recommendation of Nomination and Remuneration Committee, approved the proposal for payment of remuneration in terms of Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to Shri Jayant Davar, Co-Chairman and Managing Director.

However, the remuneration shall be within the limits (i.e. 4% of the net profit of the Company) as approved by the members at 28th Annual General Meeting of the company, notwithstanding the limits given under the Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

There is no change in term and conditions including remuneration of Shri Jayant Davar as Managing Director of the Company.

The terms and conditions for reappointment and remuneration payable to Shri Jayant Davar as Managing Director of the Company for a period of 5 years from 01st January, 2021 to 31st December, 2025 as approved by the shareholders at the 28th AGM, is provided at the link: <https://sandhargroup.com/uploads/Images/aggm-notice.pdf>

Except Shri Dharmendar Nath Davar, Shri Jayant Davar, Smt Monica Davar and Shri Neel Jay Davar, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The Board recommends the special resolution set out at Item No. 8 of the Notice for approval by the Members.

Item No. 9

Renewal of Payment of Commission to the Non- Executive Directors.

Members of the company at the 28th Annual General Meeting held on the 10th September, 2018 had approved the payment of commission to Non- Executive Directors for a period of five years commencing from the Financial Year beginning on 01st April, 2019.

The Company's Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation amongst others. The Company's Non-Executive Directors have been shaping and steering the long term strategy and make invaluable contributions towards Sandhar group level strategy, monitoring of risk management and compliances.

In line with the recommendations of Nomination and Remuneration Committee and the Board of Directors of the company made at their respective meetings held on 09th August, 2023 has recommended renewal of the Commission payable to Non-Executive Directors of the Company, upto Rs. 2,00,000/- (Rupees Two Lacs only) per annum per Director but not exceeding 1% (one percent) of the net profits of the Company calculated in accordance with the provisions of the Act, effective from the financial year 2023-24 upto the financial year 2027-28. The payment of such remuneration shall be in addition to the sitting fees for attending Board/Committee meetings.

Accordingly, the Board recommends the resolution set forth in Item No. 9 relating to payment of commission to Non-Executive Directors, at an amount not exceeding 1% of the net profit of the Company, by way of Ordinary Resolution.

Except the Key Managerial Personnel of the Company and their relatives, all Directors along with their relatives, are deemed to be concerned or interested, financially or otherwise, in this resolution to the extent of remuneration/commission or fees that may be received by them.

**By Order of the Board
For Sandhar Technologies Limited**

Sd/-
KOMAL MALIK
Company Secretary & Compliance Officer
Membership Number: 6430

**Place: Gurugram
Dated: 09th August, 2023**

Registered Office:
B-6/20 L.S.C. Safdarjung Enclave,
New Delhi-110029
CIN: L74999DL1987PLC029553
Phone: 0124-4518900
Fax: 0124-4518912
Email: investors@sandhar.in
Website: www.sandhargroup.com

ANNEXURE-I

Brief resume of director seeking Appointment/Re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment/ re-appointment at the AGM.

Name of the Director	Monica Davar	Archana Capoor	Bharat Anand
Date of Birth	07/09/1965	17/09/1958	13/07/1976
Age	58	65	47
Date of Appointment/ Reappointment	24/10/1987	Reappointment w.e.f. 05/11/2023	Reappointment w.e.f. 12/08/2024
Relationship with Directors and Key Managerial Personnel	Daughter-in-law of Shri D N Davar, Chairman and Non- Executive Director Wife of Shri Jayant Davar, Co-Chairman and Managing Director Mother of Shri Neel Jay Davar, Non-Executive Director.	Smt Archana Capoor is not related to any of the Directors of the Company.	Shri Bharat Anand is not related to any of the Directors of the Company.
Qualification(s)	Pre-University studies in Commerce Stream	Masters' degree in Business Administration with Specialization in Finance and Market Research, University of Allahabad, UP (India)	<ul style="list-style-type: none"> • Solicitor, England & Wales • B.A. (Law), Jesus College, Cambridge University • B.A. (Hons.) Economics, Hans Raj College, Delhi University • Executive Education Programme on Leadership in Law Firms' at Harvard Law School, 2013.
Expertise in specific Functional Area	26 years of experience in the auto components sector	She has 37 years of work experience in Finance, Legal & International Business	M&A, Joint ventures, and Venture Capital transactions.
Board Membership of listed Companies	1. Sandhar Technologies Limited	1. RSWM Limited 2. Maral Overseas Limited 3. S Chand & Company Limited 4. Birla Cable Limited 5. Sandhar Technologies Limited	1. Sandhar Technologies Limited 2. Syrma SGS Technology Limited 3. JK Paper Limited
Committees of the Board (Sandhar Technologies Limited)	1. Corporate Social Responsibility Committee 2. Risk Management Committee 3. Finance and Strategy Committee	1. Audit Committee 2. Nomination and Remuneration Committee. 3. Share Transfer & Allotment Committee.	Nil
Number of Shares held in the Company as on June 30, 2023	26,22,930	0	0

Brief resume of director seeking Appointment/Re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment/ re-appointment at the AGM

1.	Name	Shri Vikrampati Singhania
2.	Age	58 Years
3.	Date of appointment on the Board	09th August, 2023
4.	Qualifications	Master's Degree in Commerce from Kanpur University and MBA from Fuqua School of Business, Duke University, USA.
5.	Brief Resume including experience	Shri Vikrampati Singhania is an eminent person in the Automotive industry, Shri Singhania is a fourth-generation industrialist belonging to one of the largest industrial groups in India i.e. J.K. Organization. He has been involved in managing various industries including Hybrid Seeds, Automotive Tyres, Industrial V-Belts & Oil Seals, Pharmaceuticals, Sugar, Insurance, Power, Clinical Research, etc.
6.	Relationship with other Directors/Key Managerial Personnel	Shri Vikrampati Singhania is not related to any of the Directors of the Company.
7.	Other Directorship	1. JK Agri Genetics Limited 2. Transportation Corporation of India Limited 3. Lumax Industries Limited 4. J.K. Fenner (India) Limited 5. Automotive Component Manufactures Association of India
8.	Chairmanship/ Membership of Committees in Companies in which position of Directors is held	JK Agri Genetics Limited - Stakeholder Relationship Committee
9.	No. of equity shares held in the Company (as on 09 August, 2023)	NILL
10.	Remuneration last drawn	NA
11.	Remuneration proposed to be paid	NA
12.	Number of meetings of the Board attended during the Financial Year (2022-23)	NA
13.	Terms and conditions of appointment or re-appointment.	Non-Executive Independent Director, not liable to retire by rotation.



DRIVING FUTURE WITH
INNOVATION
& **SUSTAINABILITY**

C O N T E N T S

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CREATING A LANDSCAPE OF ECO-CONSCIOUS MOBILITY

Sandhar Technologies, a leading automotive components and systems manufacturing company dedicated to sustainable mobility and innovation. With a deep commitment to shaping the future of transportation, we take pride in our role as a leading provider of customer-centric solutions for Original Equipment Manufacturers (OEMs) worldwide.





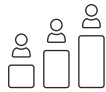
WHERE EFFICIENCY MEETS **INNOVATION**

Our commitment to continuous improvement and innovation extends beyond our products; it shapes our entire business ecosystem. We engage in collaborative partnerships and open dialogue with customers, suppliers, and industry stakeholders, leveraging their insights to drive positive change and develop transformative solutions.

At Sandhar, we view every challenge as an opportunity for growth and innovation. By embracing change and nurturing a forward-thinking mindset, we empower ourselves to deliver excellence, drive progress, and shape the future of the automotive industry.



Business Opportunities for **SANDHAR**



Demography

Increase in consumers and capital goods consumption



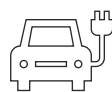
Globalization

Increasing resources and energy consumption



Digitization

Increase in consumers and capital goods consumption



Electric Vehicles

Increasing demand for electric consumption goods

Insights

Company History

FROM HUMBLE BEGINNINGS **TO GLOBAL SUCCESS**

Established in 1987, the company has evolved into a renowned global manufacturer of innovative products and solutions for the automotive sector. With a rich history of over three decades Sandhar has established its name as a leading automotive supplier. It is known for quality products and an unshakeable reputation that builds upon the core business values of innovation and sustainability.



Vision

To be the Most Preferred Choice of Global Stakeholders.



Mission

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



The Values

What moves us?

Growth. Motivation. Better Life.

- S** Spirit of Accomplishment
- A** Appropriate Attitude
- N** Never Dying Passion for Excellence
- D** Dynamic
- H** Honest
- A** Accountable
- R** Reliable



Our **Business Edge**

EXPERIENCE **PERFECTION**

Sandhar offers a comprehensive range of cutting-edge automotive solutions, meticulously designed to elevate safety, performance, and user experience. Every product in our portfolio is engineered to lead the way in the automotive industry, providing enhanced safety, efficiency and unparalleled driving experience.



PRODUCT RANGE



AUTOMOTIVE DIVISION

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



COMPONENTS DIVISION

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





AUTOMACH DIVISION

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



CABINS AND FABRICATION DIVISION

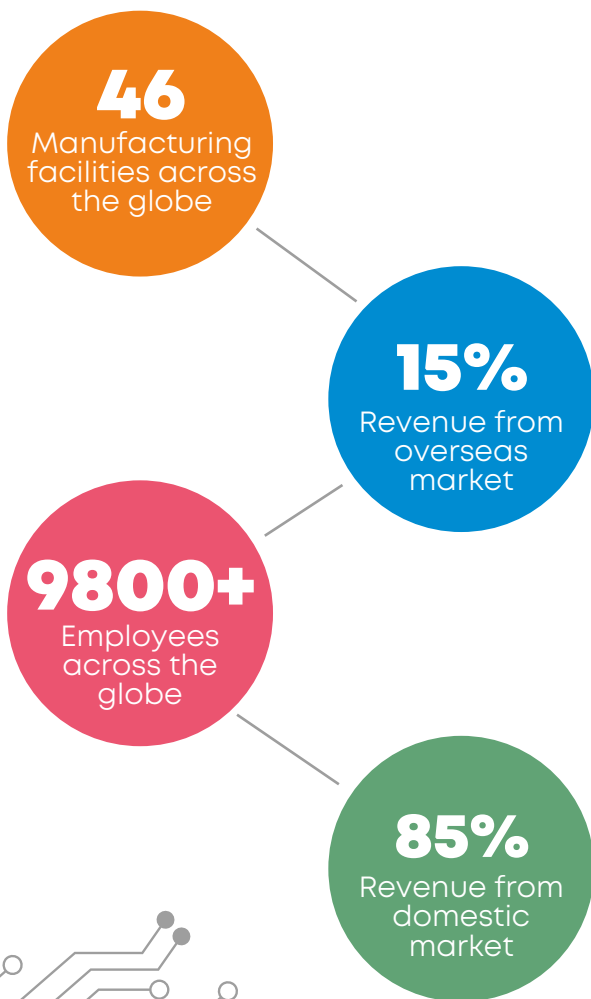
For off-highway vehicle segment, we offer a diverse range of products that are high quality and cost effective consisting of precision steel metal components used in wheel loaders, cranes, tractors, hoe loaders, and excavators.

EXCELLENCE BEYOND BORDERS

Across the nation and the world.

Sandhar Technologies Limited is a leading automotive supplier with a rich history of over three decades in the industry. Established in 1987, the company has evolved into a renowned global manufacturer of innovative products and solutions for the automotive sector.

Sandhar Technologies Limited, since its inception, has been at the forefront of promoting sustainable solutions that create value for all stakeholders. Aligned with the government's vision of 'Atmanirbhar Bharat', we are committed to fostering innovation for growth and development in the automotive sector.



Technical Collaborations & JVs

Japan
South Korea
Taiwan

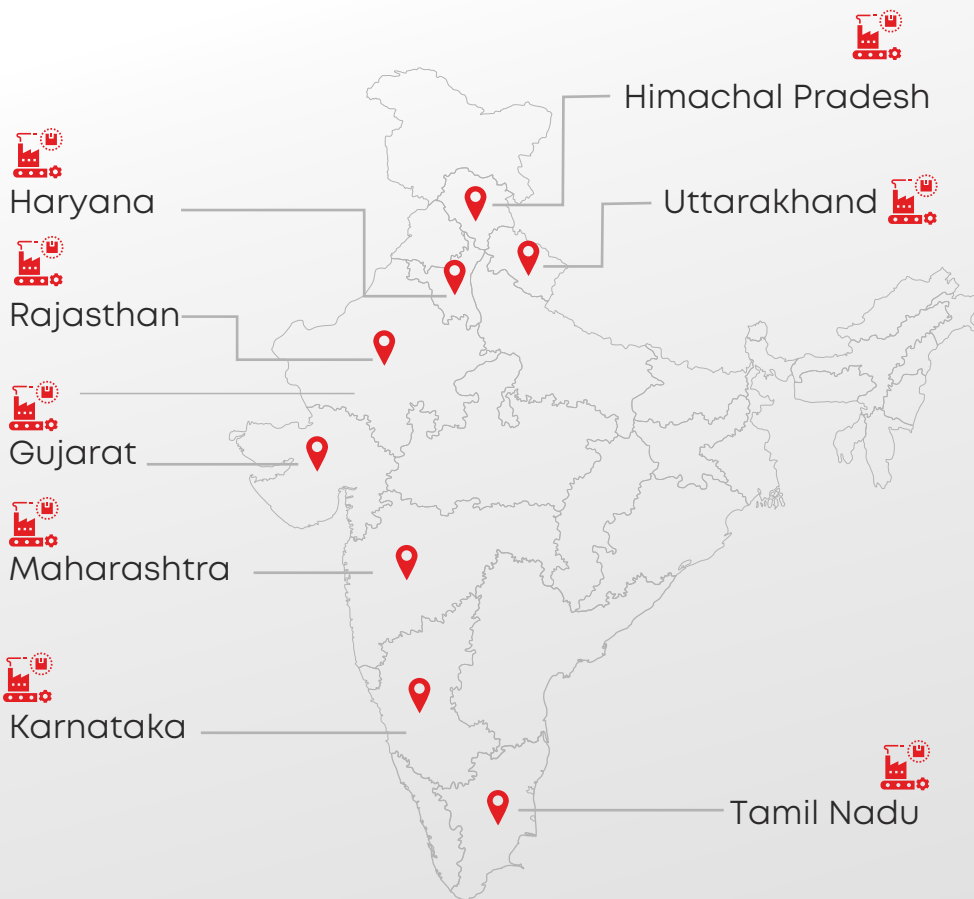
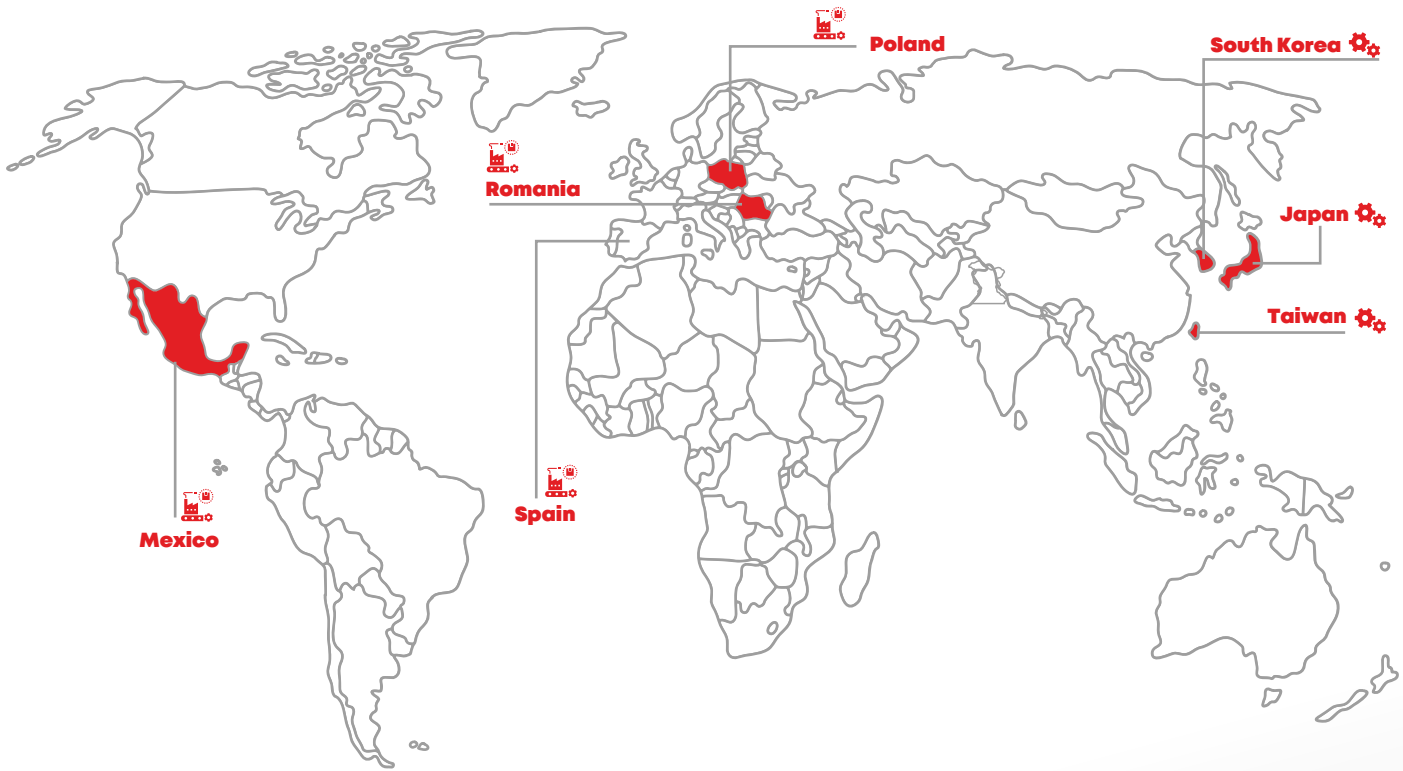
Manufacturing Facilities

Overseas

Romania
Poland
Mexico
Spain

India

Uttarakhand
Haryana
Maharashtra
Gujarat
Tamil Nadu
Himachal Pradesh
Rajasthan
Karnataka



PROGRESSING STEADILY

With Innovation and Sustainability

Innovation and sustainability is in our DNA, driving us to lead the way in automotive advancements, while caring about the environment at the same time.

Our focus on eco-conscious and effective product solutions enable us to shape the future of the industry and revolutionise mobility. Our unwavering commitment to being at the cutting edge of automotive innovation empowers us to create revolutionary products and solutions that redefine the driving experience.



...IN A RESPONSIBLE MANNER.



Climate Change

Reduced CO₂ emission, use of renewable energies



Regulatory Compliance

Compliant product and services meeting quality standards



Finite Resources

Efficient resource utilization and energy consumption



Increasing connectivity

Intelligent products and holistic solutions

Strategies Adopted



Invest in emerging trends

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



Build scale

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



Product portfolio

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



Consumers

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



Value created

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



OUR PATRONS

At Sandhar Technologies Limited, understanding our customers' needs and expectations is at the core of our business philosophy. We take a customer-centric approach, while actively engaging with our clients to gain valuable insights into their requirements.



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

2/3 Wheeler



4-Wheeler.....



CV & OHV



2 Wheelers EVs.....



EVs Commercial Vehicles.....





Dear Stakeholders,

Our journey at Sandhar, stands as a proof of our shared values and unwavering commitment, propelling us from a humble beginning to a prominent force, in the automotive industry. Each step has been fuelled by a constant drive for excellence and an unyielding dedication to advancement.

The Indian Automotive Industry stands on the brink of a transformative era, experiencing strong metamorphosis, driven by the rise of electric vehicles (EVs) and the growing focus on sustainability. Sandhar is committed to foreshadowing and leading in this transformation. Further, keeping with the evolving business landscape, we are pleased to report our significant growth.



CHAIRMAN'S MESSAGE

Sandhar achieved a substantial revenue growth in 2022-23 and expects this momentum to continue in the coming years. With the completion of new projects and commencement of commercial production, along with the various initiatives for cost control and savings, the company expects to see improvement in the consolidated margins. Our company is on the path of enormous boom and we hope to move forward, even more aggressively, to 'Growth, Motivation and Better life'.

In line with our commitment to innovation, several new projects have seen the commencement of mass production. Our sheet metal plants in Nalagarh, Halol, and Attibele are operational, while production has also started in machining for casting projects at Mysore and Hosur locations. These high-value-add projects, although initially incurring development and commissioning costs, hold the promise of elevated margins.

In the realm of electric vehicles, we have made significant strides. Three product lines, including DC-DC converters (isolated and non-isolated), EV chargers, and motor controllers, are in advanced stages of development, with approvals and validations underway. Notably, we have established Sandhar Auto Electric Solutions Private Limited to further our presence in the EV sector, with plans for trial runs in the fourth quarter of this financial year and technical collaborations already in progress.

Moving forward, our strategic focus remains centred on reducing debt, enhancing operational efficiency, cost reduction, prudent control of new capital expenditures, and maximizing the utilization of existing capital investments. This commitment underscores our dedication to continued growth and sustainability.

Our responsibility extends not solely to our stakeholders but also to the planet we cohabit. Sandhar Technologies remains resolute in embedding sustainable practices throughout our value chain, starting from raw material sourcing and culminating in the delivery of end products. Our commitment goes beyond regulations, embodying a proactive stance in minimising our ecological footprint while maximising positive societal contributions.

Sandhar is firmly poised and committed to its mission and a vision of diversification of product portfolio, expanding the customer base and increasing content per vehicle.

I sincerely thank all our stakeholders across our value chain for their dedication, trust and confidence in Sandhar Technologies Limited.

Thank you for your continued support.

D. N. Davar
Chairman

PROFILE OF BOARD OF DIRECTORS



1



2



3



4



5



6



7



8



9



10

1

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

2

Shri. Jayant Davar is the Co-Chairman & Managing Director and the Founder Director & Promoter of our Company. Shri. Davar holds a bachelor's degree in Mechanical Engineering from Thapar Institute of Engineering & Technology, Patiala and has been conferred with the distinguished Alumnus Award by his Engineering College, Thapar Institute of Engineering and Technology (TIET)-Patiala. Shri. Davar is also an alumni of Harvard Business School, Boston. Shri. Davar has a rich experience of over four decades in the auto component sector and is actively involved with several professional bodies. He is on the Board of several leading Companies and Educational Institutions. Shri. Davar is presently Member of Advisory Committee of FraunhoferGesellschaft, Germany and Advisor to Automotive Component Manufacturers Association (ACMA), He is Member-Executive Committee in National Council, Confederation of Indian Industry (CII).

3

Smt. Monica Davar is a Non-Independent, Non-Executive Director of our Company. Smt. Davar was appointed as a Director in 1987. She completed her pre-university studies in the Commerce stream. She has over 24 years of experience in the auto components sector.



4

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

5

Smt. Archana Capoor is an Independent Director of our Company from November, 2018. Smt. Capoor holds a Masters' degree in Business Administration with specialization in Finance and Market Research, University of Allahabad, UP (India). She has a versatile profile in different sectors such as Tourism, Banking & Finance and Social. She is an Independent Director of 5 listed Companies, 2 Public Company and since 2014 also a Member Secretary and Project Director of an NGO i.e. Indian Trust for Rural Heritage and Development (ITRHD). She has over 37 years of work experience in Finance and International Business.

6

Shri. Vimal Mahendru is an Independent Director of our Company. He is also the International Electrotechnical Commission (IEC, www.iec.ch) Vice President and Chair of the IEC Standardization Management Board. Additionally, he is a member of the ISO Technical Management Board and IEC Special Envoy for UN SDGs. He has been a member of the IEC Standardization Management Board (IEC SMB) since 2015 and the Chair of the IEC Systems Committee for Direct Current (IEC SyC LVDC) since 2017.

Shri. Mahendru is passionate about building a sustainable future for all through the effective proliferation of technologies. He is very well recognized worldwide for his work on sustainability and the UN SDGs and is a recipient of the prestigious Lord Kelvin Medal for his service to the global technological industry.

Besides, he is also a member of the National Executive Council of the Indian Electrical and Electronics Manufacturers' Association (IEEMA). He has over 33 years of diverse experience in various functions in the manufacturing industry and has gained a high level of expertise in cross-cultural management, consensus building, and strategy. His proven strengths include excellent communication skills, a wide network of people across the global technology community and deep insights into emerging technologies and harnessing these for global good.

7

Shri. Arjun Sharma is an Independent Director of the Company. A commerce graduate from the University of Delhi, he is the Chairman and the Managing Director of Select Holiday Resorts Private Limited and Director on the Board of Nexus Select Mall Management Pvt. Ltd. (manager of Nexus Select Trust). During his career of 39 years, he incubated and successfully led businesses in Tourism and Hospitality which includes two resorts i.e., Heritage Village Resort & Spa Manesar, Gurgaon and Heritage Village Resort & Spa, Goa, Sita Travels (now owned by Thomas Cook), Le Passage to India (now owned by TUI). He was also the Chairman and Director of Select Infrastructure Pvt. Ltd. which built Select CityWalk Mall. He is also a partner in Vardan Agrotech LLP which is engaged in Hydroponics. He has been a council member of the World Travel & Tourism Council, India Initiative ("WTTCCI") since its inception in the year 2000 and served as the Chairman of WTTCCI for the year 2010.

8

Shri. Bharat Anand is an Independent Director of our Company, is a Partner in the Corporate Department of Khaitan & Co. where he joined in 2009 with direct responsibility for the Firm's Corporate and M&A practice in Delhi and is a Member of the Firm's National Executive Committee. Prior to joining Khaitan & Co, he had a successful career at the London offices of Freshfields from 2001 until 2009. Shri. Anand's practice spans a range of areas including Mergers and Acquisitions, Joint Ventures, Private Equity Transactions as well as being a Strategic Advisor on particularly complex or sensitive situations in India. He has a wide range of industry experience including Financial Services, Insurance, Renewable Energy, Telecom, Information Technology, Manufacturing and Consumer goods. He represents Financial Sponsors, Founders and family offices on Control Deals, Growth Capital Investments, Joint Ventures and Exits. He has also advised Indian and foreign clients on disputes in India.

He is ranked by both Chambers (Asia Pacific and UK) as a "Band 1 Lawyer" for M&A work in Delhi and is recognised as a Global Leader by "Who's Who Legal" for M&A and Governance issues. He plays an active role in leading industry associations in India. He is Co-Chair of FICCI's Committee on Stressed Assets and a Member of CII's Committee on Transparency and Governance. He studied law at Jesus College, Cambridge and is an alumnus of St. Columba's School. He is a dual qualified lawyer (India and England Wales).

9

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

10

Shri. Sandeep Dinodia is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director in February 2022. Shri. Dinodia graduated in Commerce from Shriram College of Commerce and completed his L.L.B from Delhi University in 1986. He is the Fellow Member of the Institute of Chartered Accountants of India, since 1984. As a Senior Partner of S. R Dinodia & Co LLP, Chartered Accountants since 1984, he has rich experience of over thirty-five years in the fields of Assurance/Auditing, Financial Consulting and Taxation.

Shri. Dinodia serves on the Board of Directors of many renowned public listed Companies as an Independent Director, offering invaluable guidance to them on good Corporate Governance, helping them strengthen their compliance issues with the myriad of applicable laws and he also provides them valuable guidance to enable them to grow, diversify, and prosper.



CREATING A SUSTAINABLE BUSINESS WORLD

Sandhar Technologies' unwavering focus on sustainability and corporate social responsibility sets it apart in the industry. The company integrates eco-friendly practices across its operations, minimising its environmental impact and promoting sustainable manufacturing processes.



CSR activities

Additionally, Sandhar actively engages in various community development initiatives, demonstrating its commitment to social responsibility. By prioritising sustainability and corporate citizenship, Sandhar establishes itself as a responsible and ethical player, contributing positively to the environment and society at large.



Our focus areas



Promoting Gender Equality and Empowerment of Women



Promoting Rural Sports



Environment Protection



Healthcare



Education

CORPORATE INFORMATION

FOR THE FINANCIAL YEAR 2022-23.

Board of Directors

Shri. Dharmendar Nath Davar

Chairman, Non-Executive & Non Independent Director

Shri. Jayant Davar

Co-Chairman & Managing Director

Shri. Arvind Kapur

Non-Executive, Independent Director

Smt. Archana Capoor

Non-Executive, Independent Director

Shri. Vimal Mahendru

Non-Executive, Independent Director

Shri. Bharat Anand

Non-Executive, Independent Director

Shri. Arjun Sharma

Non-Executive, Independent Director

Shri. Sandeep Dinodia

Non-Executive & Non-Independent Director

Smt. Monica Davar

Non-Executive & Non Independent Director

Shri. Neel Jay Davar

Non-Executive & Non-Independent Director

Shri. Mohan Lal Bhagat

Non-Executive, Independent Director (Upto 10th November 2022)

Chief Financial Officer

Shri. Yashpal Jain

Audit Committee

Smt. Archana Capoor

Chairman

Shri. Arvind Kapur

Member

Shri. Sandeep Dinodia

Member

Nomination & Remuneration Committee

Shri. Vimal Mahendru

Chairman

Smt. Archana Capoor

Member

Shri. Arjun Sharma

Member

Stakeholders' Relationship Committee

Shri. Arjun Sharma

Chairman

Shri. Jayant Davar

Member

Shri. Arvind Kapur

Member

Risk Management Committee

Shri. Dharmendar Nath Davar

Chairman

Shri. Arvind Kapur

Member

Shri. Sandeep Dinodia

Member

Smt. Monica Davar

Member

Corporate Social Responsibility Committee

Shri. Jayant Davar

Chairman

Shri. Arvind Kapur

Member

Smt. Monica Davar

Member

Finance Committee

Shri. Dharmendar Nath Davar

Chairman

Shri. Jayant Davar

Member

Shri. Arvind Kapur

Member

Shri. Vimal Mahendru

Member

Share Transfer & Allotment Committee

Shri. Jayant Davar

Chairman

Smt. Archana Capoor

Member

Shri. Vimal Mahendru

Member

Compliance Officer

Smt. Komal Malik

Plot No. 13, Sector 44,
Gurgaon - 122001, Haryana - India
Tel No: 0124-4518900
Fax No: 0124-4518912
Email: investors@sandhar.in

Corporate Identity Number

L74999DL1987PLC029553

Bankers/Financial Institutions

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

Registered Office

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

Corporate Office

Plot No 13, Sector 44 Gurgaon-122002
E-mail investors@sandhar.in

Registrar & Share Transfer Agent

M/s Link Intime India Private Limited
C-101, 1st floor 247 Park L B S Marg,
Vikhroli (West) Mumbai 400 083
Tel: +91 22 4918 6270;
Fax: +91 22 4918 6060
Investor Grievance e-mail:
rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

DIRECTORS' REPORT

DEAR SHAREHOLDERS

The Directors of the Company take pleasure in presenting the 31st Annual Report on the business and operations of the Company together with Financial Statements for the Financial Year ended the 31st March, 2023.

OPERATIONS - FINANCIALS

The summarized standalone and consolidated financial results of the Company for the Financial Year ended the 31st March, 2023 as compared to the previous year are as under:

(Rs. in Lacs)

Corresponding figures for the previous year have been regrouped / recast wherever necessary to correspond to current year / year Classification	Standalone		Consolidated	
	Financial Year		Financial Year	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue and other Income (Net of GST)	2,40,976.20	1,94,616.64	2,92,140.02	2,33,068.34
EBITDA as per Financial Statement	21,694.56	17,111.04	26,157.94	21,300.95
Less: Financial Expenses	(1,550.96)	(942.75)	(3,577.90)	(1,771.03)
Profit before Exceptional Items, Depreciation & Tax	20,143.60	16,168.28	22,580.03	19,529.92
Less: Depreciation	(8,444.27)	(7,426.26)	(12,152.35)	(10,003.23)
Profit Before Exceptional Items and Tax Provisions	11,699.33	8,742.03	10,427.68	9,526.69
Less: Share of loss in jointly controlled entities	-	-	(280.81)	(1,271.59)
Less: Exceptional items	(304.33)	(110.36)	(110.47)	(110.86)
Less: Tax Provisions	(3,017.08)	(2,488.99)	(2,680.74)	(2,551.31)
Net Profit After Tax Provisions	8,377.92	6,142.68	7,355.66	5,592.93
Add: Other Comprehensive Income/(Expense)	(133.73)	(220.43)	210.88	489.85
Less: Profit attributable to Non-controlling interest	-	-	(59.19)	(18.07)
Less: Appropriations:				
Dividend	(1,354.29)	(601.91)	(1,357.30)	(607.93)
Adjustment on account of conversion of Joint Venture into Subsidiary	-	-	1.00	(0.13)
Balance carried forward in Balance Sheet	6,889.90	5,320.34	6151.05	5,456.65

INDUSTRY UPDATE

The Indian automobile industry is setting out on a journey with hopes for a sustained growth momentum in 2023, having witnessed a strong comeback from the COVID-led downturn this year.

While the passenger vehicles (PV) segment is set for record sales in 2023 despite the lingering effects of supply chain constraints and semiconductor shortages, the two-wheeler space is yet to see sustained sales buoyancy after having suffered for most of the year.

The three-wheelers and commercial vehicles segments have also witnessed good growth in 2022-2023 compared to 2021-2022, albeit on a low base of last year, which was affected by the second wave of COVID-19 and manufacturers will be keen to carry forward the momentum.

As per the industry observers, 2023-2024 will also see acceleration in adoption of electric vehicles, which has already started taking root in 2022-2023, especially in the two-wheelers segment.

Besides, rising interest rates and not so bright global economic situation and its impact on India in the days to come are some of the factors which are keeping the industry in a cautious mode.

STATE OF COMPANY'S AFFAIRS

Detailed discussion on the state of affairs of the Company has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section forming part of the Annual Report.

Further, during the year under review, there was no change in the nature of business of the Company.

AMOUNT TRANSFERRED TO RESERVE

During the Period under review, the Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

DIVIDEND

The Board of Directors at their meeting held on 25th May, 2023, recommended payment of Rs. 2.50 (Rupees two and fifty paise only) per equity share of Rs. 10 (Rupees ten only) each as final dividend for the Financial Year 2022-2023. The payment of Final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website at https://sandhargroup.com/uploads/Investor/dividend-distribution-policy_new.pdf

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 (the "Act"), Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements ("CFS") of the Company for the Financial Year 2022-23, together with the Auditors' Report forms part of the Annual Report. In accordance with Section 136 and other applicable provisions of the Act, the Audited Financial Statements and related information of the Company and the separate Financial Statements of each of the Subsidiary Companies, are available on the Company's website at <https://sandhargroup.com>.

The Board of Directors reviewed the affairs of the subsidiaries in accordance with Section 129(3) of the Act. Consolidated Financial Statement together with the Auditor's Report form part of the Annual Report.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 7,000.00 Lacs divided into 6800.00 Lacs Equity Shares of Rs. 10/- (Rupees ten only) each and 2.00 Lacs Preference Shares of Rs. 100/- (Rupees hundred only) each.

The Paid up Capital of the Company is Rs. 6,019.07 Lacs divided into 601.91 Lacs Equity Shares of Rs. 10/- (Rupees ten only) each.

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

Further, the Company has not bought back any of its securities during the year under review.

SUBSIDIARIES AND JOINT VENTURES

During the year under review, no new Subsidiary or Joint Venture Company has been incorporated.

The Group consist of following Subsidiaries and Joint Ventures:

Subsidiaries:

- i. Sandhar Technologies Barcelona S.L (overseas Subsidiaries)
- ii. Sandhar Engineering Private Limited
- iii. Sandhar Tooling Private Limited
- iv. Sandhar Automotive Systems Private Limited¹
- v. Sandhar Auto Castings Private Limited²
- vi. Sandhar Auto Electric Solutions Private Limited

Step down subsidiaries:

- i. Sandhar Technologies de Mexico, S de RL de CV³
- ii. Sandhar Technologies, Poland, Sp. Zoo³
- iii. Sandhar Technologies Ro SRL (Romania)³
- iv. Sandhar Auto Electric Technologies Private Limited⁴

Joint Ventures:

- i. Sandhar Han Sung Technologies Private Limited
- ii. Jinyoung Sandhar Mechatronics Private Limited
- iii. Sandhar Amkin Industries Private Limited⁵
- iv. Kwangsung Sandhar Technologies Private Limited
Kwangsung Sandhar Automotive Systems Private Limited (Subsidiary of Kwangsung Sandhar Technologies Private Limited)
- v. Sandhar Whetron Electronics Private Limited
- vi. Winnercom Sandhar Technologies Private Limited
- vii. Sandhar Han Shin Auto Technologies Private Limited
- viii. Sandhar Han Shin Automotive Private Limited⁶

Notes:

1. Sandhar Automotive Systems Private Limited was formerly known as Sandhar Daewha Automotive Systems Private Limited.
2. Sandhar Auto Castings Private Limited was formerly known as Sandhar Daeshin Technologies Limited.
3. Sandhar Technologies, Poland, SP. Zoo, Sandhar Technologies de Mexico S de RL de CV and Sandhar Technologies Ro SRL(Romania) are the subsidiaries of Sandhar Technologies Barcelona S.L.
4. Sandhar Auto Electric Technologies Private Limited (formerly known as Daewha India Private Limited) is the subsidiary of Sandhar Automotive Systems Private Limited.
5. Sandhar Amkin Industries Private Limited is treated as Joint Venture Company for the purpose of preparation of financial statements as required under Ind-AS. However, the Shareholding of Sandhar Technologies Limited in this Company exceeds 50%, therefore, as per the provisions of Companies Act, 2013, it is treated as Subsidiary.

6. Sandhar Han Shin Automotive Private Limited is under process of Striking off.
7. During the Financial Year 2022-2023:
 - i. Sandhar ECCO Green Energy Private Limited was Liquidated in accordance with Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 9 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, vide National Company Law Tribunal's ("NCLT"), New Delhi Bench (Court-V) order dated 10th February, 2023.
 - ii. The applications made to Registrar of Companies, Delhi and Haryana for striking off of Sandhar Strategic Systems Private Limited (*Wholly Owned Subsidiary of Sandhar Technologies Limited*), Sandhar Daeshin Auto Systems Private Limited (*Joint Venture of Sandhar Technologies Limited*) and Sandhar Autotech Private Limited (*Step-down Subsidiary of Sandhar Technologies Limited*) were approved during the year w.e.f. 18th October 2022, 18th October 2022, 11th January 2023, respectively. In effect and in accordance with sub-section (5) of Section 248 of the Act, the Companies had been struck off from the Register of Companies.

A separate statement containing the salient features of Financial Statements of Subsidiaries, Joint Ventures of the Company in the prescribed Form AOC-1 forms a part of Consolidated Financial Statement, in compliance with Section 129(3) and other applicable provisions, if any, of the Act read with the Rules issued thereunder.

Further, pursuant to the provisions of Section 136 of the Act the Financial Statements of the company, Consolidated Financial Statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the company at www.sandhargroup.com.

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

CAPEX AND LIQUIDITY

During the Fiscal Year, Company spent Rs. 9,593.88 Lacs on Capex and Investments in Subsidiaries and Joint Ventures. Despite this significant spent, the Company was able to keep the gross debt level stable during the year.

Cash and Cash Equivalents at the Consolidated level as at the 31st March, 2023 was Rs. 651.23 Lacs vis-à-vis Rs. 410.39 Lacs in the previous Fiscal Year.

DEPOSITS

The Company has not accepted any deposits, thus far, within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

As per Section 134(3)(g) of the Act, particulars of Loans, Guarantees and Investments made during the Financial Year 2022-2023, under the provisions of Section 186 of the Act, along with the details of purpose for which the loan or guarantee or security was proposed to be utilised by the recipient of the loan or guarantee or security, are provided in Note no. 33 of the Financial Statements.

The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

RELATED PARTY TRANSACTION

In line with the provisions of Section 188(1) of the Act and Listing Regulations, all Related Party contracts/arrangements/ transactions entered by the Company during the Financial Year has been in the ordinary course of business and on arm's length basis, with Audit Committee having a domain role.

Also, during the Financial Year, the Company has not entered any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable for the Financial Year 2022-23 and hence does not form part of the report.

The SEBI vide amendments to the Listing Regulations had introduced substantial changes in the related party transaction framework, inter alia, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties effective 1st April, 2022 or unless otherwise specified in the amendment.

The Board of Directors on recommendations of the Audit Committee approved the revised "Policy for determination of materiality of and dealing with Related Party Transactions" and the Related Party framework of the Company to align it with the amendments notified by SEBI.

The Company's Policy on dealing with and materiality of Related Party Transactions is available on the website of the Company at https://sandhargroup.com/uploads/Governance/sandahr_policy-for-determination-of-materiality-of-and-dealing-with-related-party-transaction-1.pdf.

Related Party Transactions were disclosed to the Board on regular basis. Details of Related Party Transactions may be referred to in Note No. 32 of the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENT

In accordance with the Section 134(3)(i) of the Act, there were no significant or material changes in the operations, commitment, affecting the financial position of the Company which have occurred between the end of Financial Year 2022-2023 and date of this Report.

IN-HOUSE R & D DIVISION

Sandhar Centre for Innovative & Development is a purpose driven team bringing about consistent breakthroughs in product innovation besides strongly partnering with all other internal stakeholders to create value for the overall organization with an aim to provide unique solutions to the consumers and development of cutting-edge technologies.

INFORMATION TECHNOLOGY

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

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

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

CORPORATE GOVERNANCE

Sandhar' philosophy of Corporate Governance is built on a foundation of sound business ethics, fairness, and trust in dealing with all stakeholders.

The Company's affairs are managed in a fair and transparent manner. This is vital to continue to gain and retain the trust of its stakeholders. The Company believes that Corporate Governance is the bedrock for fostering a state-of-the-art and future ready organisation delivering and sustainable growth.

In dealing with external stakeholders, the Company believes in maintaining complete transparency with timely exchange of information. The leadership in the Company sets the tone through their actions and this ensures that the organisation remains true to its culture and values in letter and spirit.

Detailed compliances with the provisions of the Listing Regulations and the Act for the year 2022-2023 are given in Corporate Governance Report, which is attached and forms part of this report. The Certificate from M/s K.K. Sachdeva & Associates, Practicing Company Secretary, confirming the compliance of Corporate Governance norms is attached thereto.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

As on 31st March, 2023, the composition of the Board and Key Managerial Personnel(s) is as follow:

Category of the Director(s)/KMP	Name of the Director(s) KMP
Non-Executive & Non Independent Directors	Shri. Dharmendar Nath Davar (Chairman)
	Smt. Monica Davar
	Shri. Neel Jay Davar
	Shri. Sandeep Dinodia ⁱ
Executive Director	Shri. Jayant Davar (Co-Chairman & Managing Director)
Non-Executive Independent Directors	Shri. Arvind Kapur
	Smt. Archana Capoor
	Shri. Vimal Mahendru
	Shri. Bharat Anand
	Shri. Arjun Sharma
	Shri. Mohan Lal Bhagat ⁱⁱ
Key Managerial Personnel (KMP)	Shri. Yashpal Jain, Chief Financial Officer
	Smt. Komal Malik, Company Secretary and Compliance Officer

CHANGE IN DIRECTORS & KMP

- Shri. Sandeep Dinodia (DIN: 00005395) was appointed as Additional Director (Non-Executive & Non Independent Director) w.e.f. 02nd February, 2022 and thereafter regularised at the 17th Extra-Ordinary General Meeting held on the 28th April, 2022.
- Shri. Mohan Lal Bhagat (DIN: 00699750), Non-Executive Independent Director resigned from the Board w.e.f the 10th day of November, 2022 due to his busy schedule and travel plans. There was no other material reason(s) for his resignation except those disclosed in the resignation letter.

All the Non-Executive Independent Directors are qualified to be appointed/continued as such under the relevant provisions of the Act read with the rules made thereunder and Listing Regulations, and shall not be subject to determination for retirement by rotation. In the opinion of the Board, all the Independent Directors possess requisite integrity, expertise and experience and are independent of the Management.

RETIREMENT OF DIRECTORS BY ROTATION

In accordance with the provision of Section 152 of the Companies Act, 2013 and the Article of Association of the Company, Smt. Monica Davar (DIN: 00100875), Non-Executive & Non Independent Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice of 31st Annual General Meeting.

MEETINGS OF THE BOARD

Regular meetings of the Board were held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee meetings proposed to be held in the upcoming quarter(s) was circulated to the Directors in advance to enable them plan

their schedule for effective participation in the meetings. Due to business exigencies, the Board also passed some resolutions by circulation as required from time to time.

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

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

During the year under review, 4 (four) Board Meetings were held and the gap between the meetings was as per the period prescribed under the Act and Listing Regulations.

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	18th May, 2022	11	9
2.	03rd August, 2022	11	11
3.	10th November, 2022	11	9
4.	09th February, 2023	10	7

Additionally, several Committee meetings were held during the Financial Year.

All recommendations of Audit Committee have been accepted by the Board during the Financial Year 2022-2023.

The detailed information on the meetings of the Committees are included in the Report on Corporate Governance, which forms part of this Annual Report.

ANNUAL GENERAL MEETING

All the members of the Board, except Shri. Mohan Lal Bhagat, attended the last Annual General Meeting ("AGM") of the Company held on 22nd September, 2022 through Video Conference (VC)/ Other Audio Visual Means (OAVM).

NOMINATION AND REMUNERATION POLICY

In terms of Listing Regulations and Act, the Company has in place Nomination & Remuneration Policy. The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under sub-section (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of

performance of Board as a whole, Committees of the Board, individual Directors including the Chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

The same is available on the website of the Company at https://sandhargroup.com/uploads/Investor/nomination-and-remuneration-policy_new.pdf.

During the Financial Year under review, various policies pertaining to Appointment, Remuneration, Evaluation of Directors, Key Managerial Personnel and Senior Management/ other Employees were clubbed and replaced with Nomination and Remuneration Policy.

DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director as per the provisions of Section 149(7) of the Act read with Regulation 25(8) of Listing Regulations, that they meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

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

In the opinion of the Board all the Independent Director are person of integrity and possess requisite qualification/ skill/ expertise required for their roles and they are independent of the Management.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

In terms of requirement of Regulation 25 of Listing Regulations and Schedule IV of the Act, the Independent Directors of the Company met separately on the 17th February 2023, without the attendance of any Non-Independent Director and member of management to carry out the evaluation of performance of Non-Independent Directors (including the Chairman), the entire Board, the quality, quantity and timelines of the flow of Information between the Management and Board.

PERFORMANCE EVALUATION OF THE BOARD

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees.

The Company has a structured assessment process for evaluation of performance of the Board, its Committees and individual performance of each Director including the Chairperson. The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, the Chairman of the Company after taking into account

the views of other Non Executive Directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The outcome of the evaluation was presented to the Board of Directors of the Company.

COMMITTEES OF THE BOARD

The Board has constituted 7 (seven) committees in order to comply with the statutory guidelines and for the purpose of operational feasibility so as to assist the Board in discharging its duties and responsibilities. The committees report to the Board on their activities on periodic basis and the minutes of the committee meetings are provided to all Board members. These committees are:

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

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

During the Financial Year under review, all the recommendations of Committees have been accepted by the Board of Directors.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Trading Regulations"), the Company has adopted a "Code of Conduct for Prohibition of Insider Trading", which consist of 4 (four) parts mentioned below:

- a. Code of Conduct for prohibition of Insider Trading;
- b. Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information;
- c. Policy for determination of Legitimate purpose; and
- d. Policy on procedure of enquiry in case of leak of Unpublished Price Sensitive Information.

The management undertake various measures, inter-alia, trainings, regular communications to create awareness on Prevention of Insider Trading as per Code of Conduct for Prohibition of Insider Trading and the SEBI Insider Trading Regulations.

The Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information are drawn up on the principle that the Company's directors and employees owe a fiduciary duty, amongst others, to the shareholders of the Company to place the interest of shareholders above their own and conduct their personal securities transactions in a manner that does not give rise to any

conflict of interest. These codes lays down the mechanism for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") to the investor community by the Company to enable them make informed investment decisions with regard to its securities.

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

The Code of Conduct for prohibition of Insider Trading and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information have been uploaded on the Company's website at <https://sandhargroup.com/uploads/Investor/5a-draft-code-of-conduct-for-pit.pdf>.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts for the year ended the 31st March, 2023, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the 31st March, 2023 and of the Profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual Accounts on a going concern basis;
5. The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Control are adequate and operating effectively; and
6. The Directors have devised Proper systems has been devised to ensure compliance with the provisions of all the applicable laws.

POLICIES OF THE COMPANY

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

Some of the key policies and their respective web links till date are as follows:

S. No.	Name & Web Link
1.	Code of Conduct for Directors and Senior Management https://sandhargroup.com/uploads/Investor/policy-on-code-of-conduct-for-bod-senior-mgt_new.pdf
2.	Nomination and Remuneration Policy https://sandhargroup.com/uploads/Investor/nomination-and-remuneration-policy_new.pdf
3.	Determination of Materiality and Dealing with Related Party Transactions https://sandhargroup.com/uploads/Governance/sandahr_policy-for-determination-of-materiality-of-and-dealing-with-related-party-transaction-1.pdf
4.	Whistle Blower Policy https://sandhargroup.com/uploads/Investor/whistle-blower-policy.pdf
5.	Independent Director Policy https://sandhargroup.com/assets/img/investors/Independent-Director-Policy.pdf
6.	Policy on determining Material Subsidiaries https://sandhargroup.com/uploads/Investor/policy-for-determining-material-subsidiaries.pdf
7.	Code of Conduct for Prohibition of Insider Trading https://sandhargroup.com/uploads/Investor/5a-draft-code-of-conduct-for-pit.pdf
8.	Corporate Social Responsibility Policy https://sandhargroup.com/uploads/Investor/csr-policy_08022023new.pdf
9.	Policy for preservation of Documents and Archival of Documents https://sandhargroup.com/uploads/Investor/policy-on-preservation-archival-of-doc_new.pdf
10.	Policy on familiarisation of Independent Directors https://sandhargroup.com/uploads/Investor/familiarization-for-independent-directors_08022023new.pdf
11.	Policy for Determination of Materiality of Events https://sandhargroup.com/uploads/Investor/policy-on-determination-of-materiality-of-events.pdf
12.	Dividend Distribution Policy https://sandhargroup.com/uploads/Governance/policy-on-dividend-distribution.pdf
13.	Policy on Risk Management https://sandhargroup.com/uploads/Investor/policy-on-risk-management_new.pdf
14.	Board Diversity Policy https://sandhargroup.com/uploads/Investor/board-diversity-policy_03022023_new.pdf

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

RISK MANAGEMENT

Risk management is integral to the Company's strategy and for the achievement of the long-term goals.

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Risk Management Committee of the Company has been entrusted by the Board with the responsibility to formulate and monitor the Risk Management Policy and Framework. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The Company also has in place a duly approved Risk Management Policy.

The Company emphasizes on the risks that threaten the achievement of business objectives. The Company has adopted the mechanism for periodic assessment to identify, analyze, and mitigate the risks.

The Risk Management Policy of the Company is available on the website of the Company at https://sandhargroup.com/uploads/Investor/policy-on-risk-management_new.pdf

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents and presentations to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board Meetings on business and performance updates of the Company.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

With a view to familiarize the Independent Directors with the Company's operations, as required under Regulation 25(7) of the Listing Regulations, the Company held familiarization programmes for the Independent Directors on an ongoing and continuous basis.

The details of the familiarization programmes held for the Independent Directors is placed on the website of the Company at https://sandhargroup.com/uploads/Investor/stl_familiarisation-programme_fy-2022-23-1.pdf.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has implemented Vigil Mechanism / Whistle Blower policy and the oversight of the same is with Audit Committee of the Company. The policy inter-alia provides that any Directors, Employees, Stakeholders who observe any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics, policies, improper practices or alleged wrongful conduct in the Company may report the same to Chairman of the Audit Committee or directly to the Managing Director of the Company, as the case may be.

The detailed procedure is provided in the policy and the same is available on official website of the Company at following link: https://sandhargroup.com/uploads/Investor/whistle-blower-policy_new.pdf

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

During the Financial Year under review, the Internal Complaints Committee received no complaint of sexual harassment.

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITOR

M/s. BSR & Co. LLP, Chartered Accountants (Firm's Registration No. 101248W/W-00022), were re-appointed as the Statutory Auditors for the period of five years commencing from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting to be held in year 2027.

The Auditors' Reports for the Financial Year 2022-2023 including report on Internal Financial Controls, are self-explanatory and does not carry any observation/qualification/ adverse remarks etc. or infirmity in the Company's affairs.

SECRETARIAL AUDITORS

As required u/s 204 of the Act and rules hereunder, M/s K.K Sachdeva & Associates, Practicing Company Secretaries shall be re-appointed as the Secretarial Auditors of the Company to conduct Secretarial Audits for the Financial Year 2023-24.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the Financial Year ended 31st March, 2023 is set out in **Annexure-I** to this report. The Secretarial Audit Reports is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

INTERNAL AUDITORS

The Board on the recommendation of Audit Committee approved the appointment of M/s GSA & Associates, LLP, Chartered Accountants, Internal Auditors (Firm's Registration No. 000257N/N500339), for conducting the Internal Audit of the Company for the Financial Year 2023-2024.

COST AUDITORS

The cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as required by the Company were made and maintained by the Company for Financial Year 2022-23.

Further, based on the recommendations of the Audit Committee, the Board has approved the re-appointment of M/s. Satija & Co., as the Cost Auditors of the Company for the Financial Year 2023-24. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, Member's ratification

for the remuneration payable to M/s. Satija & Co., Cost Auditors shall be placed at the ensuing AGM.

INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) read with Rule 5(3) of the aforesaid Rules forms part of this Report. However, in terms of second proviso of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Sandhar, CSR encompasses much more than social outreach programmes. Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development. In accordance with the requirements of Section 135 of the Act, the Company has constituted a CSR Committee. The composition of the CSR Committee is provided in the Report on CSR Activities and Corporate Governance Report, which forms part of this Report.

The Corporate Social Responsibility Policy ("CSR Policy") adopted by Board is available on the Company's website at https://sandhargroup.com/uploads/Investor/csr-policy_08022023new.pdf The Policy recognizes that Corporate Social Responsibility is a commitment to support initiatives that measurably improve the lives of underprivileged.

The Policy lays emphasis on transparent monitoring mechanism for ensuring implementation of the projects undertaken/ proposed to be undertaken by the Company in accordance with the overall objective of the CSR policy.

A detailed report on CSR initiative of the Company in prescribed format forms part of this Report as **Annexure III**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTFLOW AND R&D

The information pertaining to conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow and Research & Development activities carried on by the Company pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure IV**.

INVESTOR EDUCATION & PROTECTION FUND

The Company was listed w.e.f. 02nd April, 2018, Since, the Company has not completed 7 Years from its Listing, the provisions of Section 124 & 125 of the Companies Act, 2013 with relation to transfer of amounts and shares to the Investors Education & Protection Fund ("IEPF") is not applicable to the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Securities and Exchange Board of India ('SEBI') vide Circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ("BRSR"). BRSR is a significant step towards giving platform to the companies to report the initiatives taken by them in areas of Environment, Social and Governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to BRSR from Business Responsibility Report from Financial Year 2022-23 onwards.

Accordingly, the Business Responsibility and Sustainability Report as stipulated under Regulation 34 (2) (f) of Listing Regulations, is presented in a separate section forming part of the annual report.

CREDIT RATINGS

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the Financial Year ended 31st March, 2023.

Further, during the year under review India Rating & Research, a credit rating agency registered with SEBI has reaffirmed the credit ratings as follows:

S. No.	Name of Facilities	Credit Rating
1.	Issuer Rating	Long Term Ratings: IND AA-/ Stable
2.	Term loan	Long Term Ratings: IND AA-/ Stable
3.	Fund-based working capital limits	Long/Short Term Rating: IND AA-/ Stable/ IND A1+
4.	Non-Fund-based working capital limits	Long/Short Term Rating: IND AA-/ Stable/ IND A1+
5.	Commercial Paper	Short Term Rating: IND A1+

MATERIAL ORDERS DISCLOSURES IMPACTING THE GOING CONCERN STATUS AND OPERATIONS IN FUTURE

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

SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

During the year under review, Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board of Directors / Committee Meetings and General Meetings.

ANNUAL RETURN

Pursuant Section 92(3) and 134(3)(a) of the Act read with the rules made thereunder, the copy of the Annual Return (MGT-7) is available on the website of the Company at <https://sandhargroup.com/investors/annual-return>.

REPORTING OF FRAUD BY THE AUDITOR

In terms of Section 134(3)(ca) report by the Board of Directors is required to include the details in respect of frauds reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013, other than those which are reportable to the Central Government.

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

CAUTIONARY STATEMENT

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

PERSONNEL & INDUSTRIAL RELATIONS

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

PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the Financial Year ended 2022-23, no proceedings were initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DIFFERENCE IN VALUATION IN CASE OF LOAN TAKEN FROM BANK / FINANCIAL INSTITUTIONS

There was no difference in valuation of Loan taken from the Bank or Financial Institutions the above mentioned provision of the act was not applicable on the Company.

OTHER DISCLOSURES

The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies. Further the Company doesn't have any holding Company.

APPRECIATION

Your Directors are grateful for the co-operation and guidance received from the Banks. The Board specially wishes to place on record their sincerest gratitude for the patronage it received

from Hero MotoCorp Limited, Honda Cars India Limited, Honda Motorcycle & Scooters Limited, TVS Motor Company Limited, JCB India and Royal Enfield.

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

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

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

Place: Gurugram
Date: 25th May, 2023

Annexure I to Directors' Report, 2023

Secretarial Audit Report

For the financial year ended on 31st March, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on **31st March, 2023**, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on the **31st March, 2023** according to the provisions of:

- i) The Companies Act, 2013 (the Act) read with the applicable provisions of Companies Amendment Act, 2017 and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021(Not Applicable to the Company during the audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit period);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit period); and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- i) The Factories Act, 1948;
 - ii) The Competition Act, 2002;
 - iii) The Industries (Development and Regulation) Act, 1951 and rules/ regulations framed thereunder;
 - ii) The Petroleum Act, 1934 and the rules made thereunder;
 - iii) The Environment Protection Act, 1986 and the rules made thereunder;
 - iv) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;
 - v) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;
 - vi) Noise Pollution (Regulation and control) Rules 2000;
 - vii) The Goods and Service Tax Act, 2017;
 - viii) The Shop and Establishment Act, 1948;
 - ix) The Industrial Disputes Act, 1947;
 - x) The Workmen's Compensation Act, 1923;
 - xi) The Payment of Wages Act, 1936
 - xii) The Minimum Wages Act, 1948;

- xiii) The Payment of Bonus Act, 1965; and
- xiv) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

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

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

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and

obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

for **K K Sachdeva & Associates**
Company Secretaries

Sd/-

K.K.Sachdeva

Proprietor

FCS No. 7153, CP No. 4721

UDIN: F007153E000380009

Place: New Delhi

Date: 25.05.2023

This report is to be read with our letter of even date which is annexed as **Annexure-I(A)** and forms an integral part of this report.

Annexure I(A) to Directors' Report, 2023

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

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records, to the extent possible, for the period under review in order to verify the compliances, however, reliance was also placed on electronic records for verification.

for **K K Sachdeva & Associates**
Company Secretaries

Sd/-

K. K. Sachdeva

Proprietor

FCS No. 7153, CP No. 4721

UDIN: F007153E000380009

Place: New Delhi
Date: 25.05.2023

Annexure II to Directors' Report, 2023

Information pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the Financial Year 2022-2023:

(Rs. in Lacs)				
S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2022-2023	% Change in Remuneration in the Financial Year 2022-2023	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Shri. Jayant Davar (Co-Chairman & Managing Director)	499.91	9.29%	117
2.	Shri. Yashpal Jain (Chief Financial Officer)	117.83	11.34%	28
3.	Smt. Komal Malik (Company Secretary and Compliance Officer)	26.54	11.56%	6

*Inclusive of Commission provided and payable for an amount of Rs. 357.19 Lacs.

The median remuneration of the employees of the Company during the Financial Year 2022-2023 was Rs. 4.27 Lacs.

Percentage increase in the median remuneration of employees in the last Financial Year 2022-2023 was 11.30% as compared to the previous year.

No. of permanent employees as on the 31st March, 2023 are 1,721.

Average percentage increase in the salaries of employees other than managerial personnel in the Financial Year 2022-2023 was 11.39%; whereas the increase in the managerial remuneration in the Financial Year 2022-2023 was 9.29%.

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

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

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

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

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

Place: Gurugram

Date: 25th May, 2023

Annexure III to Directors' Report, 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2022-2023

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy.

Sandhar Technologies Limited (the "Company") has embraced the philosophy of "Growth, Motivation and a Better Life". This philosophy is the guiding principle for all activities in the Company. The SANDHAR FOUNDATION was incorporated as a trust for undertaking various activities as part of CSR since 2010.

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

The Company is making efforts towards building economic, social and environmental capital and enhancing social sustainability. The CSR Committee has identified the following thrust areas around which the Company shall be focusing its CSR initiatives and channelising the resources on sustained basis:

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

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

2. Composition of the CSR Committee as on 31st March, 2023:

S. No	Name of the Director	Designation	Nature of Directorship	No. of meetings held during the Year	No. of meetings attended during the Year
1.	Shri. Jayant Davar	Chairman	Co-Chairman and Managing Director	4	4
2.	Shri. Arvind Kapur	Member	Non-Executive Independent Director	4	4
3.	Smt. Monica Davar	Member	Non-Executive & Non-Independent Director	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

CSR Committee- https://sandhargroup.com/uploads/Investor/list-of-committee_website-3.pdf

CSR Policy- https://sandhargroup.com/uploads/Investor/csr-policy_08022023new.pdf

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

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

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

(Rs. in lacs)

S. No	Financial Year	Amount available for set off from preceding Financial Year	Amount required to be set off for the Financial Year, if any
1.	2020-2021	2.94	2.94
2.	2021-2022	3.81	3.81

6. Average net profit of the company as per section 135(5):	8401.88 lacs
7. a) Two percent of average net profit of the Company as per section 135(5):	168.04 lacs
b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years:	NIL
c) Amount required to be set off for the Financial Year, if any:	6.75 lacs
d) Total CSR obligation for the Financial Year (7a+7b-7c):	161.29 lacs

8. (a) CSR amount spent or unspent for the Financial Year:

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

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

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

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

(Rs. in lacs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Items from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	State	District	Amount spent for the project (Rs. in Lacs)	Mode of Implementation Direct (Yes / No)	Name	Mode of implementation-Through Implementing Agency CSR Registration Number
1.	Shikshaantra Plus	Education	Yes	Haryana, Tamil Nadu	Faridabad, Chennai	59.84	No	Kinship for Humanitarian Social & Holistic Intervention	CSR00001135
2.	Sandhar ki Beti	Education	Yes	Delhi	New Delhi	6.00	No	Springdales Foundation	CSR00011584
3.	Sandhar Healthcare Centre	Healthcare	Yes	Haryana	Gurugram	25.04	No	Sandhar Foundation	CSR00002262
4.	Mannat Kitchen	Eradicating Hunger and Malnutrition	Yes	Delhi	New Delhi	3.00	No	Mannat Charitable Trust	CSR00009678

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Items from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (Rs. in Lacs)	Mode of Implementation Direct (Yes / No)	Mode of implementation-Through Implementing Agency	
				State	District			Name	CSR Registration Number
5.	Education Sponsorship	Education	Yes	Haryana	Gurugram	1.12	No	Sandhar Foundation	CSR00002262
6.	Protection of National Heritage, Art & Culture	Protection of National Heritage, Art & Culture	Yes	Delhi	New Delhi	1.00	No	Foundation for Indian Contemporary Art	CSR00029292
7.	Education Project	Education	Yes	Delhi	New Delhi	55.00	No	JSR Charitable Trust	CSR00012616
8.	Rotary Southend Charitable Trust	Healthcare	Yes	Delhi	New Delhi	2.50	No	Sandhar Foundation	CSR00024288
TOTAL						153.50			

- (d) Amount spent in Administrative Overheads 7.79 lacs
- (e) Amount spent on Impact Assessment, if applicable NIL
- (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) 161.29 lacs

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

S.No.	Particulars	Amount
i)	Two percent of average net profit of the company as per section 135(5)	168.04 lacs
ii)	Total amount spent for the Financial Year	168.04 lacs
iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

S. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135(6) (Rs.in Lacs)	Amount spent in the reporting Financial Year (Rs.in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs.in Lacs)
				Name of fund	Amount (in Rs.)	Date of transfer	
1	2022-23	NIL	NIL	NIL	NIL	NIL	NIL
2	2021-22	NIL	NIL	NIL	NIL	NIL	NIL
3	2020-21	NIL	NIL	NIL	NIL	NIL	NIL

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

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

NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) - Not Applicable

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

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

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

Place: Gurugram
Date: 25th May, 2023

Annexure IV to Directors' Report, 2023

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 143(3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Account) Rules, 2014]

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION (FY 2022-2023)

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

A. Conservation of Energy

(i) Steps taken or impact on conservation of Energy

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

a. Conversion of Conventional lights with high efficient LED lights & Washroom Lights Control by Motion & LDR Sensor in STL Units.

b. Various energy saving projects:

- i. 01 No. Hybrid type APFCR cum Harmonic mitigation system installed & saved Energy Cost. 1.6 Lacs in 3 months and plan to implement all STL Units in Financial Year 2023-2024.
- ii. 01 No. HT Servo-stabilizer install to get stable voltage for Machinery & save HT line energy loss in Cost approx. 8.6 Lacs.
- iii. VFD's Installation on Air Compressor Motors in 6 STL Units and saved energy cost of INR 40.26 lacs as per present production trend.
- iv. VFD's Installation on Process Motors in various STL Units and saved energy cost of INR 25.64 lacs as per present production trend.
- v. 04 Nos. Servo system in Hydraulic Power packs of Injection Molding machines in STL Unit & saved Energy cost of INR 8.34 lacs as per present production trend.
- vi. Electronically controlled multi fan ASU system installed in place of conventional ASU system in SHP & saved Energy cost of INR 4.17 lacs as per running trend.

IMPACT: 11,07,736 Kwh overall

(ii) Steps Taken for utilizing alternate sources of Energy

Solar Plants in STL total installed capacity of 2832 KWp up to 2022-2023.

Under finalization for Wind Energy use in our South Chennai plants.

IMPACT: 27,05,350 Kwh - (Financial Year 2022-2023) generated by Solar plants

(iii) Capital investment on Energy conservation equipment

Total Investment: 37.16 Lacs (Approx. in Financial Year 2022-2023)

(iv) Green Initiatives

- i. 100% Natural Gas Operated Conversion of Diesel Generators of all STL Units in NCR region.
- ii. LPG used as a clean fuel in our upcoming unit in SCY-Mysuru.
- iii. LPG used as a clean fuel in our new unit in SMT-Hosur & SMK-Mysuru.
- iv. Water footprint reduction in SMT unit by Zero Liquid Discharge.

B. Technology Absorption:

a. Efforts made towards technology absorption:

- i. Added Robotic technology for sheet & Pipe Cutting process through Laser to reduce wastages, improve Quality and productivity.
- ii. Reciprocator for Powder Coating Paint Shop to improve product quality with powder paint cost saving from 35% to 60%.
- iii. IOT Implementation for Plant Capacity Utilization, Energy analysis & process improvement.
- iv. Plan for upcoming plant & Machinery, 100% Implementation of Servo system in Hydraulic circuit and process used heavy induction motor controlled with VFD.
- v. Plan for Compressed air leakage Detection through Ultrasonic tool to reduce wastage air because Compressed air generation cost is most expensive.

RESEARCH & DEVELOPMENT ACTIVITIES CARRIED OUT / NEW PRODUCTS DEVELOPED IN FINANCIAL YEAR 2022-2023

- a. Sandhar Centre for Innovation & Development (SCID) is the centralized in-house R&D centre of Sandhar group is engaged in enriching the existing product portfolio; and also in designing and developing futuristic products with anticipated business potential.
- b. The activities of SCID can be broadly classified as follows:
 - i. Development of futuristic products with anticipated business potential capturing voice of customers & upcoming Govt. regulations;
 - ii. Sandhar has joined the PLI Scheme (Production Linked Incentive) launched by Govt. of India and are committed to meet all the requirements to avail advantage of the PLI Scheme;
 - iii. Engaged in research in EV field; designing & development of EV related components listed in the PLI Scheme like Hub Motor, Motor Controller, BMS, DC-DC Converter;
 - iv. Do research in Battery Pack Development;
 - v. Upgradation of existing products to cope up with customers' expectation time to time;
 - vi. To support the engineering team at various Sandhar units in product design & development;
 - vii. IPR (Intellectual Property Rights) related activities i.e. patent filing, Design Registration, to keep a vigil on possible infringement and litigation;
 - viii. PLM activities i.e. Centralised Engineering Document & Data Control ensuring data safety, prevention of data duplicity & digitalization of data storage across the group;
 - ix. Providing services to group companies related to Prototyping, Inspection & Reverse Engineering.
- c. We are equipped with adequate basic R&D infrastructure with a team of more than 25 well qualified and experienced mechanical and electronics engineers playing a significant role in conducting R&D with tested & validated innovative products to our valued customers.
- d. We are continuously working on new product development in the area of Ignition Lock cum Switches, Rear View Mirrors, various components of Electric Vehicle (EV) and Electronics control systems.

NEW PRODUCTS DEVELOPED IN FY (2022-2023)

- i. DC-DC converter
- ii. Motor Control Unit
- iii. BLDC hub motor
- iv. Key FOB for EV bike
- v. FFC for HMCL Model : ABVA
- vi. New design e-PCV
- vii. Solenoid Actuated Lock Assy. for EV
- viii. Fuel Filler Cap for HMCL Model : AALP
- ix. Fuel Filler Cap for HMCL Model : ABVB

PATENTS GRANTED IN FY (2022-2023). [05 Patents]

- i. Motorized Auto Lock for two wheelers
- ii. Key-less Fuel Tank Cap for two wheeled vehicles
- iii. Magnetically Operated Handle Lock Cum Ignition Switch for two and three wheeled vehicles
- iv. Electric steering column lock
- v. Roll Over Valve for motorcycles or two wheeled vehicles

C. Foreign Exchange Earning and Outflow:

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

(Rs. in Lacs)	
Particulars	Amount
Inflow:	
Sales (FOB)	1341.77
Total	1341.77
Outflow:	
On Capital Equipment	1680.21
On Know-how	3.20
Others	264.78
Raw Materials	7604.61
Consumables & Spares	1119.84
Tour and Travel	0.00
Royalty	145.03
Total	10817.67

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

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

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

Place: Gurugram
Date: 25th May, 2023

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

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

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

This is to certify that for the Financial Year ended 31st March, 2023:

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

FOR SANDHAR TECHNOLOGIES LIMITED

Sd/
Jayant Davar
Co-Chairman & Managing Director

Sd/-
Yashpal Jain
Chief Financial Officer

Place: Gurugram
Date: 25th May, 2023

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members

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

We have examined the compliance of conditions of Corporate Governance by Sandhar Technologies Limited (hereinafter referred "the Company"), for year ended 31st March, 2023 as stipulated under Regulations 17 to 27, clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Regulations of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For K.K. Sachdeva & Associates
Company Secretaries

Sd/-

K. K. Sachdeva

Proprietor

FCS No. 7153, CP No. 4721

UDIN: F007153E000379965

Place: New Delhi

Date: 25th May, 2023

REPORT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board" / "the Directors") of Sandhar Technologies Limited ("STL" / "the Company" / "Sandhar") present the Company's Report on Corporate Governance for the year ended the 31st March, 2023. The said report is in compliance with the terms of Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

The Company ensures that its governance framework incorporates all the amendments introduced in the Listing Regulations and the same are duly complied.

I. PHILOSOPHY:

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

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

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance.

II. BOARD OF DIRECTORS:

Composition:

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

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

As of 31st March, 2023, the Board of Directors comprises of 10 (Ten) Directors, with an Executive Non- Independent Co-Chairman & Managing Director, 5 (Five) Independent Directors, 4 (four) Non-Executive Non-Independent Director. The composition of Board of Directors represents optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the automotive components business. The Board reviews its strength and combination from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Further, as on the 31st March, 2023:

- (i) None of the Directors on the Board held Directorships in more than ten Public Companies;
- (ii) None of the Directors on the Board, was a member of more than ten committees, across all public limited companies in which he/she is a Director;
- (iii) None of the Directors of the Company was a Chairman of more than five committees across all public limited companies in which he/she is a Director; and
- (iv) None of the Directors of the Company was a Director in more than seven listed entities.

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

Composition of Board of Directors as on the 31st March, 2023

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

Notes:

- Shri. Dharmendar Nath Davar, Chairman is the father of Shri Jayant Davar, Co-Chairman and Managing Director of the Company.
- Smt. Monica Davar, Non-Executive and Non Independent Director of the Company is the spouse of Shri Jayant Davar, Co-Chairman and Managing Director of the Company.
- Shri Neel Jay Davar is the son of Shri Jayant Davar, Co-Chairman and Managing Director of the Company.
- Except as above, none of the other Directors is related to any other Director on the Board.

Independent Directors

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with Section 149(6) of the Act and are independent of the management. The tenure of Independent Director(s) is in compliance with the Act.

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

As on the 31st March, 2023, the Company had 5 Independent Directors on Board. In relation to such Independent Directors, it is hereby confirmed that:

- Independent Directors of the Company, hold office for a term up to 5 consecutive years.
- The Company has issued a formal letter of appointment to all Independent Directors in a manner provided under the Act.
- The Nomination and Remuneration Committee of the Board has laid down the evaluation criteria for performance evaluation of the Independent Directors.
- During the year, the Independent Directors of the Company held separate meeting, without the attendance of Non Independent Directors of the Company or members of its Management on the 17th February, 2023, wherein only the Independent Directors of the Company were present.

Meetings of the Board

The Board met 4 (Four) times during the Financial Year 2022-23 and there has not been a time gap of more than 120 days between any two meetings of the Board.

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

S. No	Quarter		I	II	III	IV	No. of Total Meetings Attended	Attendance at Annual General Meeting (22.09-2022)
	Date of Meeting		18.05.2022	03.08.2022	10.11.2022	09.02.2023		
	Director Name	Designation	(Through VC)	(Through VC)	(Through VC)	(Through VC)		
1.	Shri. Dharmendar Nath Davar	Chairman, Non-Executive & Non Independent Director	√	√	√	LOA	3	√
2.	Shri Jayant Davar	Executive cum Managing Director	√	√	√	√	4	√
3.	Smt Monica Davar	Non-Executive & Non-Independent Director	√	√	√	√	4	√
4.	Shri Neel Jay Davar	Non-Executive & Non-Independent Director	√	√	√	√	4	√
5.	Shri Sandeep Dinodia ⁱ	Non-Executive & Non-Independent Director	√	√	√	√	4	√
6.	Shri Arjun Sharma	Non-Executive Independent Directors	√	√	√	LOA	3	√
7.	Shri Arvind Kapur	Non-Executive Independent Directors	√	√	√	√	4	√
8.	Shri Mohan Lal Bhagat ⁱⁱ	Non-Executive Independent Directors	LOA	√	LOA	NA	1	LOA
9.	Smt. Archana Capoor	Non-Executive Independent Directors	√	√	√	√	4	√
10.	Shri Vimal Mahendru	Non-Executive Independent Directors	√	√	√	LOA	3	√
11.	Shri Bharat Anand	Non-Executive Independent Directors	LOA	√	LOA	√	2	√
Total Board Strength			11	11	11	10		
Total Present			9	11	9	07		
Absent/ Leave of Absence			2	0	2	3		

Notes:

- Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022.
- Shri. Mohan Lal Bhagat (DIN: 00699750), Non-Executive Independent Director resigned from the Board w.e.f the 10th day of November, 2022 due to his busy schedule and long travel plans. There was no other material reason(s) for his resignation except above. The detailed resignation letter is available on the website of the Company and can be accessed via. link: <https://sandhargroup.com/uploads/Investor/resignation-of-mr-m-l-bhagat.pdf>

Shri Dharmender Nath Davar, Chairman, Non-Executive Non Independent Director, Shri Jayant Davar, Co-Chairman & Managing Director and Smt. Monica Davar, Non- Executive Non Independent Director and Shri Neel Jay Davar, Non-Executive Non Independent Director of the company are relatives in terms of the Act.

Other Directorships, Chairmanships and Memberships of the Board members:

(a) Table indicating details of Directors serving directorships in other listed entities as on the 31st March, 2023

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

(b) Table indicating details of number of Directorships and Committee Chairmanship/Memberships held by the Directors of the Company in other public limited Companies as on the 31st March, 2023

S. No.	Name of the Director	Designation	No. of Directorship in listed entities including this listed entity	No. of memberships in Audit/ Stakeholder Committee (s) including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
1	Shri. Dharmendar Nath Davar	Chairman, Non- Executive & Non-Independent Director	2	-	-
2	Shri Jayant Davar	Co-Chairman & Managing Director	3	2	-
3	Smt. Monica Davar	Non-Executive & Non- Independent Director	1	-	-
4	Shri Neel Jay Davar	Non-Executive & Non- Independent Director	1	-	-
5	Shri Sandeep Dinodia	Non-Executive & Non-Independent Director	3	4	2
6	Shri Arjun Sharma	Non-Executive Independent Director	1	1	1
7	Shri Arvind Kapur	Non-Executive Independent Director	3	3	-
8	Smt Archana Capoor	Non-Executive Independent Director	5	5	2
9	Shri Vimal Mahendru	Non-Executive Independent Director	1	-	-
10	Shri Bharat Anand	Non-Executive Independent Director	2	1	-

Notes:

- Shri Sandeep Dinodia (DIN:00005395) was appointed as Additional Director (Non – Executive, Non-Independent) w.e.f the 2nd February, 2022 and thereafter regularised as Director at Extra-Ordinary General Meeting held on the 28th April, 2022.
- Shri. Mohan Lal Bhagat (DIN: 00699750), Non-Executive Independent Director resigned from the Board w.e.f the 10th day of November, 2022 due to his busy schedule and travel plans.
- For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1) (b) of the Listing Regulations.

(c) Board qualifications, expertise and attributes

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

S. No.	Name of Director	Designation	Strategy & Planning	Administration and Management	Governance	Sales and Marketing	Finance and Law	Operations
1	Shri Dharmendar Nath Davar	Non Executive Non Independent Director & Chairman	√	√	√	-	√	-
2	Shri Jayant Davar	Co-Chairman & Managing Director	√	√	√	√	√	√
3	Smt Monica Davar	Non-Executive & Non-Independent Director	-	√	√	√	-	-
4	Shri Neel Jay Davar	Non-Executive & Non-Independent Director	√	√	-	√	√	√
5	Shri Sandeep Dinodia	Non-Executive & Non-Independent Director	√	√	√	√	√	-
6	Shri Arjun Sharma	Non-Executive Independent Director	√	√	√	√	-	√
7	Shri Arvind Kapur	Non-Executive Independent Director	√	√	√	√	√	√
8	Smt Archana Capoor	Non-Executive Independent Director	√	√	√	-	√	-
9	Shri Vimal Mahendru	Non-Executive Independent Director	√	√	√	√	√	√
10	Shri Bharat Anand	Non-Executive Independent Director	√	√	√	-	√	-

During Financial Year 2022-2023, information mentioned in Part A of Schedule II of the Listing Regulations, and compliance report of all applicable laws was duly placed before the Board for its consideration. Further, the Directors were provided the Video-conferencing facility to participate in the meetings.

Details of Equity Shares of the Company held by the Directors as on the 31st March, 2023:

S. No	Name	Designation	Number of equity shares
1	Shri Dharmendar Nath Davar	Chairman, Non- Executive & Non-Independent Director	8,39,582
2	Shri Jayant Davar	Executive Director & Co-Chairman & Managing Director	3,14,31,396
3	Smt. Monica Davar	Non-Executive & Non-Independent Director	26,22,930
4	Shri Neel Jay Davar	Non-Executive & Non-Independent Director	15,55,995
5	Shri Sandeep Dinodia ¹	Non-Executive & Non Independent Director	3200
6	Shri Arjun Sharma	Non-Executive Independent Director	Nil
7	Shri Arvind Kapur	Non-Executive Independent Director	Nil
8	Smt. Archana Capoor	Non-Executive Independent Director	Nil
9	Shri.Vimal Mahendru	Non-Executive Independent Director	Nil
10	Shri Bharat Anand	Non-Executive Independent Director	Nil

Notes:

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

CONVERTIBLE INSTRUMENT

The Company has not issued any Convertible Instruments during the year. Further, none of the Directors holds any Convertible Instruments.

III. BOARD COMMITTEES

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

The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. During the Financial Year 2022-23, the Board has accepted all the recommendations of the Committees.

The Company Secretary adheres to the same laws and regulations for conducting the meeting of the Committees as applicable for the Board Meetings. Some of the Committees of the Board were reconstituted to align with the provisions of the Act, Listing Regulations and to meet the business requirements during the year under review. The terms of reference of the Board Committees are reviewed from time to time to align the same with the regulatory/business requirements. The Company has Seven Board Committees as on the 31st March, 2023, which are briefly described below:

A. AUDIT COMMITTEE

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

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

a) Terms of Reference:

The Audit Committee was constituted at a meeting of the Board of Directors held on 31st May, 2010, and was subsequently reconstituted, on the 21st February, 2018, 26th May, 2018, 19th December, 2018, 26th February 2021, 04th May, 2021 and 18th May, 2022. The Committee adopted new terms of reference in the Board Meeting held on the 06th August, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations and inter-alia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the whistle blower mechanism;
 19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
 22. Review Management Discussion and Analysis of financial condition and results of operations;
 23. Review statement of significant related party transactions (as defined by the audit committee), submitted by management;
 24. Review management letters / letters of internal control weaknesses issued by the statutory auditors;
 25. Review internal audit reports relating to internal control weaknesses;
 26. Review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
 27. Review statement of deviations;
 28. Review quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015;
 29. Review annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015;
 30. To review compliance with the provisions of Insider Trading Regulations at least once in a Financial Year and verify that the systems for internal control are adequate and are operating effectively; and
 31. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- The Audit Committee is required to meet at least four times in a year as per Regulation 18 of the Listing Regulations.
- The Chairman of the Audit Committee is a Non-Executive Independent Director of the Company.
- Company Secretary of the Company is acting as the secretary to the Audit Committee

b) Composition, Meetings & Attendance during the year

As on the 31st March, 2023, the Audit Committee comprised of 3 members majority of them being Independent Directors in compliance with the provisions of Section 149 of the Act and Regulation 18 of the Listing Regulations. During the year under review, 4 (Four) Audit Committee meetings were held and the time gap between any two meetings was less than 120 days.

The details of the Audit Committee meetings held during 2022-2023 are given as under:

S. No	Quarter			I	II	III	IV	No. of total meetings attended
	Date of Meeting			18.05.2022	03.08.2022	10.11.2022	09.02.2023	
	Member Name	Designation on Committee	Designation on Board					
1	Smt. Archana Capoor	Chairperson	Non-Executive Independent Director	√	√	√	√	4
2	Shri Arvind Kapur	Member	Non-Executive Independent Director	√	√	√	√	4
3	Shri. Sandeep Dinodia ⁱⁱ	Member	Non-Executive Non Independent Director	N.A	√	√	√	3
4	Shri Jayant Davar ⁱⁱⁱ	Member	Executive Director & Co-Chairman & Managing Director	√	N.A	N.A	N.A	1
Total no. of Members				3	3	3	3	
Total Present				3	3	3	3	
Absent				0	0	0	0	

Notes:

- (i) The necessary quorum was present for all the meetings.
- (ii) Shri Sandeep Dinodia was appointed as a member of Audit Committee w.e.f. 19th May, 2022.
- (iii) Shri Jayant Davar resigned as member of the Audit Committee w.e.f. closing of Business hours 18th May, 2022.
- (iv) In addition to the members of the Audit Committee, these meetings were attended by Chairman of the Board, Chief Financial Officer & Company Secretary, Statutory Auditor, Internal Auditor and/or their representatives, wherever necessary and by such executives of the Company as were considered necessary for providing inputs to the Committee.

B. NOMINATION & REMUNERATION COMMITTEE

The constitution and the terms of reference of the Nomination & Remuneration Committee ("NRC") are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

a) Terms of Reference:

The Nomination and Remuneration Committee was originally constituted as "Remuneration Committee" by a meeting of the Board of Directors held on 23rd July, 2005, and was subsequently reconstituted, on the 21st February, 2018, 04th May, 2021, the 16th September, 2021 and the 10th November, 2022. Initially, the terms of reference were changed on the 23rd May, 2014 and the Committee adopted new terms of reference in the Board Meeting held on the 13th August, 2019, inter-alia, includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of the performance of independent directors, board of directors, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and

compliance;

3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management;
7. To develop a succession plan for the Board and to regularly review the plan; and
8. Such other terms of references as prescribed / defined under Act and Listing Regulations from time to time.

b) Composition, Meetings & Attendance during the year

The details of its composition and of the meetings held during the Financial Year 2022-2023 are as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2022-2023	No. of total meetings attended
				07.02.2023	
1	Shri Vimal Mahendru	Chairman	Non-Executive Independent Director	√	1
2	Shri Arjun Sharma	Member	Non-Executive Independent Director	LOA	-
3	Smt. Archana Capoor ¹	Member	Non-Executive Independent Director	√	1
Total no. of Members				3	
Total Present				2	
Absent/ Leave of Absence				1	

The necessary quorum was present for all the meetings.

Notes:

- (i) Smt. Archana Capoor was appointed as Member of Nomination and Remuneration Committee w.e.f. 10th November, 2022.
Shri. Mohan Lal Bhagat (DIN: 00699750), Non-Executive Independent Director ceased to be member of the committee as he resigned from the Board w.e.f. the 10th day of November, 2022 due to his busy schedule and travel plans.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Listing Regulations and as per Company's policy on performance evaluation, the Company Secretary circulated the questionnaire to all the Directors for performance evaluation of the Board, its committees and Individual Directors for the F.Y.2022-2023.

On the basis of feedback received, the Chairman briefed the Board about the performance evaluation of Board, its committees and Individual Directors for the F.Y.2022-2023.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board constituted a Stakeholders' Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, to look into the redressal of grievances of shareholders and other security holders, if any.

a) Terms of Reference

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on 3rd September, 2015. The Committee was reconstituted by the Board at its meeting held on 29th March, 2018 and was subsequently reconstituted, on the 11th May, 2020. The terms of reference of the Stakeholders' Relationship Committee, inter-alia, includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
5. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;and
6. Oversee the performance of the registrars and share transfer agents of the Company. Recommend measures for overall improvement in the quality of investor services and to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, and other related matters as assigned by the board of directors. To carry out any other function as prescribed under the Listing Regulations or as may be delegated by the Board of Directors.

b) Composition

The details of its composition and of the meetings held during the Financial Year 2022-2023 are as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2022-2023 09.02.2023	No. of total meetings attended
1.	Shri Arjun Sharma	Chairman	Non-Executive Independent Director	LOA	-
2.	Shri Jayant Davar	Member	Co Chairman and Managing Director	√	1
3.	Shri Arvind Kapur	Member	Non-Executive Independent Director	√	1
Total no. of Members				3	
Total Present				2	
Absent/Leave of Absence				1	

The necessary quorum was present for the meeting.

c) Compliance Officer

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

Number of Shareholders' Complaints outstanding at the beginning of the Financial Year 2022-23: NIL.

Number of Shareholders' Complaints received during the Financial Year 2022-2023: 1

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

Number of Pending Complaints as on the 31st March, 2023: NIL

external risks specifically faced by the Company, in particular including the financial, operational, technological, sectoral, sustainability, information technology, cyber security risks or any other risk as may be determined by the Committee;

- Measures for Risk Mitigation including Systems and processes for internal control of identified Risk; and
- Business Continuity plan.

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

D. RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted by the Board of Directors at its meeting held on the 6th August, 2021 and was subsequently reconstituted, on the 17th June, 2022, 10th November, 2022 and the 09th February, 2023, pursuant to Regulation 21 Listing Regulations. The terms of reference of the Risk Management Committee, inter-alia, includes the following:

a) Terms of Reference

1. To formulate a detailed risk management policy which shall include the:
 - Framework for identification of internal and

b) Composition

As on the 31st March, 2023, the Risk Management Committee comprised following directors as members:

S.No	Member Name	Designation on Committee	Designation on Board
1	Shri Dharmendar Nath Davar	Chairman	Chairman, Non-Executive & Non Independent Director
2	Smt. Monica Davar	Member	Non- Executive & Non-Independent Director
3	Shri Sandeep Dinodia	Member	Non- Executive & Non-Independent Director
4	Shri Arvind Kapur	Member	Non-Executive & Independent Director

- Smt. Monica Davar resigned from Risk Management Committee with effect from 06th June, 2022 and was again appointed as member of Risk Management Committee in the Board Meeting held on 09th February, 2023
- Shri. Sandeep Dinodia was appointed as member of Risk Management Committee through circular resolution passed on 17th June, 2022.
- Shri. Arvind Kapur was appointed as Member of Risk Management Committee w.e.f. 10th November, 2022.

b) Meetings and attendance

The details of the Risk Management Committee meetings held during 2022-2023 are given as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2022-2023		No. of total meetings attended
				27.07.2022	21.12.2022	
1	Shri Dharmendar Nath Davar	Chairman of the Committee	Chairman, Non-Executive & Non-Independent Directors	√	√	2
2	Shri Mohan Lal Bhagat ⁱ	Member	Non-Executive Independent Director	√	NA	1
3	Shri Sandeep Dinodia ⁱⁱ	Member	Non- Executive & No-Independent Director	√	√	2
4	Shri Arvind Kapur ⁱⁱⁱ	Member	Non-Executive Independent Director	NA	√	1
5	Smt Monica Davar ^{iv}	Member	Non- Executive & No-Independent Director	NA	NA	0
Total no. of Members				3	3	
Total Present				3	3	
Absent				0	0	

The necessary quorum was present for the meeting.

Notes:

- (i) Shri Mohan Lal Bhagat resigned as member of the Risk Management Committee w.e.f. 10th November, 2022
- (ii) Shri Sandeep Dinodia was appointed as member of Risk Management Committee w.e.f. 17th June, 2022
- (iii) Shri Arvind Kapur was appointed as member of the Risk Management Committee w.e.f. 10th November, 2022
- (iv) Smt. Monica Davar resigned as member of the Risk Management Committee w.e.f. 06th June, 2022 and was again appointed as member of Risk Management Committee in the Board Meeting held on 09th February, 2023

E. OTHER COMMITTEES

(A) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

(a) Terms of Reference

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

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as per the Act;
2. Formulate and recommend to the company's Board, an annual action plan in pursuance of its

CSR policy, which shall include the following:

- i. The list of CSR projects or programmes that are approved to be undertaken;
 - ii. The manner of execution of such projects or programmes;
 - iii. The modalities of utilization of funds and implementation schedules for the projects or programmes;
 - iv. Monitoring and reporting mechanism for the projects or programmes; and
 - v. Details of need and impact assessment, if any, for the projects undertaken by the company.
3. Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
 4. Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
 5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as directed by the Board of Directors from time to time.

b) Composition

As on the 31st March, 2023, the Committee comprised following directors as members:

S. No	Member Name	Designation on Committee	Designation on Board
1	Shri Jayant Davar	Chairman	Co-Chairman & Managing Director
2	Smt Monica Davar	Member	Non- Executive & Non-Independent Director
3	Shri Arvind Kapur	Member	Non-Executive & Independent Director

c) Meetings

The details of the Corporate Social Responsibility Committee meetings held during 2022-2023 are given as under:

S.No	Member Name	Designation	Designation on Board	Meeting held in the Financial Year 2022-2023				No. of total meetings attended
				18.05.2022	23.11.2022	08.02.2023	22.03.2023	
1	Shri Jayant Davar	Chairman	Executive Director & Co-Chairman & Managing Director	√	√	√	√	4
2	Smt. Monica Davar	Member	Non- Executive & Non-Independent Director	√	√	√	√	4
3	Shri Arvind Kapur	Member	Non-Executive & Independent Director	√	√	√	√	4
Total no. of Members				3	3	3	3	
Total Present				3	3	3	3	
Absent				0	0	0	0	

(B) FINANCE COMMITTEE:

The Finance Committee was originally constituted by our Board on 02nd February, 2019, and was subsequently reconstituted, on the 11th May, 2020, 06th November, 2020, 04th May, 2021 and 10th November, 2022. The terms of reference of the Finance Committee changed on the 10th February, 2020 and its terms of business include the following:

a) Terms of Reference

- Review, not less than annually, the Company's strategic plans and financial strategies and make recommendations to the Board in respect thereof;
- Review & undertake decisions regarding the Company's cash flow, capital expenditures and financing requirements;
- Review and make recommendations to the Board regarding the Company's scope and mix of business, acquisition and merger opportunities, the purchase of business assets and financing thereof;
- Review the Company's policies with respect to financial risk assessment and management including investment strategies and guidelines;
- Annually review the scope, cost and basic terms of the Company's insured risk management programs including general liability, D&O and other Insurance Policies;
- Review & undertake the Company's foreign exchange & commodities risk management and exposure;
- Review periodically the scope of this Committee and

make recommendations to the Board regarding any changes thereto;

- Take such other actions as the Committee, from time to time, may determine are necessary to fulfill its duties or are otherwise required by applicable laws, the Company's charter or the Bylaws or the Board;
- To borrow money for the purpose of the Company's business not exceeding the overall limit upto which the Board of Directors of the Company are authorized / to be authorized under Section 180 of the Act.;
- To review and accept the sanction of various funding facilities sanctioned by Banks/Lenders and to open Current / Cash Credit / Overdraft / Fixed Deposit and other accounts with any Scheduled Bank and authorize its Officials to operate the same and vary, amend and modify the existing authorization to operate accounts of the Company with its Bankers and to issue instructions for closure of its operated accounts;
- To authorize one or more Directors/Officers of the Company to execute and sign the documents with Banks in relation to any Loan or Credit Facility availed of or to be availed of by the Company;
- To authorize and appoint any Attorney(ies), Agent(s), Representative(s) of the Company to represent the interest of the Company in the manner and to the extent of the Powers/ Authorities as may be given, matter handled/to be handled by him;
- To approve making requests to other Associate Company(ies) to give Guarantee or provide Security in connection with a loan made or to be made to

the Company by any Bank, Financial Institution, Company(ies) or any other person;

14. To give Guarantee or provide Security for loans sanctioned to other Company(ies) by Banks/Financial Institutions, provided the aggregate amount for which the Guarantee given or the Security provided does not exceed the limit prescribed by law and also sanctioned by the Shareholders in General Meeting, if any;
15. To make inter-corporate loans or deposits provided that the aggregate amount of loans shall not exceed the Limits laid down in Section 186 of the Act, also keeping in view the Provisions of Section 180 of the said Act;
16. To make investment in shares, debentures, bonds of

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

17. To authorise one or more Directors/ Officers of the Company to (i) negotiate, execute and sign the necessary documents; and (ii) make necessary filings with regulatory/ governmental authorities (including registering of or filing of relevant documents with a quasi-regulatory / regulatory /governmental authority), in relation to any guarantee or security to be provided by the Company to secure a loan availed by other Company (ies).

b) Composition

As on the 31st March, 2023, the Finance Committee comprised following directors as members:

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

Note:

(i) Shri Arvind Kapur was appointed as Member of Finance Committee w.e.f 10th November, 2022.

c) Meetings and attendance

The details of the Finance Committee meetings held during 2022-2023 are given as under:

S. No	Member Name	Designation on Committee	Designation on Board	Meeting held in the Financial Year 2022-2023			No. of total meetings attended
				28.04.2022	22.09.2022	23.11.2022	
1	Shri Dharmendar Nath Davar	Chairman	Chairman, Non- Executive & Non-Independent Director	√	√	LOA	2
2	Shri Jayant Davar	Member	Co-Chairman & Managing Director	√	√	√	3
3	Shri Vimal Mahendru	Member	Non-Executive, Independent Director	LOA	LOA	LOA	0
4	Shri Arvind Kapur	Member	Non-Executive, Independent Director	NA	NA	√	1
Total no. of Members				3	3	4	
Total Present				2	2	2	
Absent/ Leave of Absence				1	1	2	

The necessary quorum was present for the meeting.

(C) SHARE TRANSFER & ALLOTMENT COMMITTEE:

As on the 31st March, 2023, the Committee comprised following directors as members:

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

The Committee did not convene any meeting during the Financial Year 2022-2023.

IV. REMUNERATION POLICY OF DIRECTORS

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

A. Remuneration of Executive Directors

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

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

The Board considers the recommendations of NRC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. In the event of inadequacy of profit, the remuneration is regulated by Schedule V of the Act. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc as applicable to employee of the Company.

B. Remuneration of Non-Executive Directors/ Criteria for making payment to Non- Executive Directors

(i) Sitting Fees & Reimbursement of expenses

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

- Contribution expected from Directors considering size and complexity of organization;

- Comparison with the peers in the identical/similar industry/benchmarking; and
- Regulatory guidelines as applicable, etc. The Non-Executive Directors are entitled to reimbursement of expenses for participation in the meeting of the Board and Committees thereof.

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

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

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

(iii) Pecuniary transactions with Non-Executive Directors

During the year under review, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company except for payment of sitting fees/ commission. The register of contracts is maintained by the Company under Section 189 of the Act and the same is placed before the Board for approval from time to time.

(iv) Details of remuneration to directors

The Company has no stock option plans for the directors and hence, it does not form part of the remuneration package payable to any Executive and/or Non-Executive Director. During the year, the Company did not advance any loan to any of the executive and/or non-executive directors during 2022-2023.

(v) Service Contracts, Notice Period and Severance Fees

As on 31st March 2023, the Board comprise ten members, including one Executive Director and Nine Non-Executive Directors, of which Five are Independent Directors. Shri Jayant Davar Co-Chairman and Managing Director being the employee of the Company, the provision for payment of severance fees shall be as per the Company's policy. However, other Directors are not subject to any notice period and severance fees.

(vi) Remuneration to Directors

The details of remuneration, sitting fees, performance bonus, and/or commission paid to each of the Directors during the year ended on the 31st March 2023 are given below:-

(In Rs.)

Sr. No.	Name of the Director	Designation	Salary and Perquisites			Others		
			Fixed Pay & Bonus	Perquisite	Retirement Benefits	Sitting Fees	Commission	No. of Shares held
1	Shri Dharmendar Nath Davar	Chairman, Non-Executive & Non-Independent Director	-	-	-	1,50,000	2,00,000	8,39,582
2	Shri Jayant Davar	Managing Director	1,42,71,600	-	-	-	3,57,19,422	3,14,31,396
3	Smt. Monica Davar	Non-Executive and Non-Independent Director	-	-	-	2,00,000	2,00,000	26,22,930
4	Shri Neel Jay Davar	Non-Executive and Non-Independent Director	-	-	-	2,00,000	2,00,000	15,55,995
5	Shri Sandeep Dinodia	Non-Executive and Non-Independent Director	-	-	-	3,05,000	2,00,000	3200
6	Shri Arjun Sharma	Non-Executive Independent Director	-	-	-	2,00,000	2,00,000	-
7	Shri Arvind Kapur	Non-Executive Independent Director	-	-	-	4,45,000	2,00,000	-
8	Shri Mohan Lal Bhagat	Non-Executive Independent Director	-	-	-	85,000	1,00,000	-
9	Smt Archana Capoor	Non-Executive Independent Director	-	-	-	4,25,000	2,00,000	-
10	Shri Vimal Mahendru	Non-Executive Independent Director	-	-	-	2,35,000	2,00,000	-
11	Shri Bharat Anand	Non-Executive Independent Director	-	-	-	1,50,000	2,00,000	-

Notes:

- Perquisite valued as per Income Tax Act, 1961.
- No options under the Company's ESOP plan were granted to Executive/Non-Executive Directors during the Financial Year ended 31st March 2023.

V. FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Board of Directors has adopted a familiarization programme for its Independent Directors in accordance with Regulation 25(7) of the Listing Regulations. The aim of such Familiarisation Programme is to familiarize Independent and other Directors with the Company, its management, their roles, rights, responsibilities in the Company, nature of the auto component Industry, Business Model, Risk Management System, ERP systems encompassing Asset Management, Human Capital Management, Product Life Cycle Management, technology architecture and Information Security/ Cyber Security Awareness of the Company for the purpose of contributing significantly towards the growth of the Company.

During the Financial Year 2022-23, Company familiarized the Directors on below mentioned programmes:

- Detailed Presentation on Casting, Moulding and Tooling (CMT) Vertical of the Company and overview

of upcoming projects at Mysore and Hosur Plant of the Company;

- Brief technical capacity building session on Business Responsibility and Sustainability Reporting ("BRSR") and its reporting framework; and
- Presentations / briefings were also made with respect to industry scenario, Company's operating and financial performance, industrial relations status, marketing strategies, risk management etc.

The details of the familiarization programme of the Independent Directors are available on

https://sandhargroup.com/uploads/Investor/stl_familiarisation-programme_fy-2022-23-1.pdf

VI. INFORMATION SUPPLIED/AVAILABLE TO THE BOARD

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

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

VII. POST MEETING COMMUNICATION / FOLLOW UP SYSTEM

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

VIII. MATERIAL SUBSIDIARIES

In terms of the requirement of the Policy on Material Subsidiaries, a subsidiary shall be considered as unlisted material subsidiary if its income or net worth exceeds twenty % (20) of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

A copy of the said Policy on Material Subsidiaries is available on <https://sandhargroup.com/uploads/Investor/policy-for-determining-material-subsidiaries.pdf>

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

The Audit Committee of the Company reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies.

The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

IX. MANAGEMENT

(a) Disclosures on Related Party Transactions:

All related party transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules made thereunder and Regulation 23 of the Listing Regulations. During the year under review, all related party transactions entered into by the Company, were prior approved by the Audit Committee and were in the ordinary course of business and on an arm's length basis. Also, the Company did not enter into any material related party transactions.

The Board has also formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy intends to ensure that proper approval, reporting and disclosure processes are in place for all transactions between the Company and related parties. The Policy also provides that concerned or interested Director shall not participate in any discussion or approval of any contracts or arrangements with related parties. This Policy is periodically reviewed and suitably revised to match with the updated legal requirements, as applicable.

The said Policy can be accessed on the Company's website at https://sandhargroup.com/uploads/Governance/sandahr_policy-for-determination-of-materiality-of-and-dealing-with-related-party-transaction-1.pdf

The Audit Committee, during the Financial Year 2022-23, has approved related party transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of related party transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force). The Audit Committee reviews at least on a quarterly basis, the details of related party transactions, if any, entered into by the Company pursuant to the omnibus approval granted.

During the year, no materially significant transaction was entered into by the Company with its related parties that may have a potential conflict with the interests of the Company.

None of the transactions with any of the related parties were in conflict with the interest of the Company, rather they synchronize and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 32 of the Annual Financial Statements, forming part of the Annual Report

(b) Disclosure of accounting treatment in preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Act.

(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three Years;

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets.

(d) Code of Conduct for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct for Prohibition of Insider Trading with Code of Practice and Procedure for fair Disclosure of Unpublished Price Sensitive Information was approved and adopted by the Company. The Code of Conduct for Prohibition of Insider Trading is displayed on the website of the Company <https://sandhargroup.com/uploads/Investor/5a-draft-code-of-conduct-for-pit.pdf>

(e) Managing Director & Chief Financial Officer certification:

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

(f) Code of Conduct:

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been reviewed and approved by the Board at its meeting held on 19th August, 2014, as updated from time to time, and has been hosted on the website of the Company at https://sandhargroup.com/uploads/Investor/policy-on-code-of-conduct-for-bod-senior-mgt_new.pdf.

All Board members and Senior Management Personnel

affirmed compliance with the Code of Conduct. A Declaration regarding the compliance is annexed with this report.

(g) Sexual Harassment of Women at Workplace:

To empower women and protect women against sexual harassment, your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment of Women at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules framed thereunder ("POSH").

All employees (permanent, contractual, temporary, trainees) are covered under this policy. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. During Financial Year 2022-2023, there was no complaint filed under POSH as well as no outstanding cases were pending for disposal at the beginning of such Financial Year.

(h) Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a Whistle Blower Policy to enable stakeholders (including but not limited to Directors, Employees, retainers) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy are to be appropriately and expeditiously investigated by the Ethics Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy is available on the website of the Company https://sandhargroup.com/uploads/Investor/whistle-blower-policy_new.pdf.

(i) Disclosure by the Company and its Subsidiaries of 'Loans and Advances' in the nature of Loans to Firms/ Companies in which Directors are interested by name and Amount'

The details regarding the same are given in the Note No. 33 of the Annual Financial Statements, forming part of the Annual Report.

X. COMPLIANCE

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

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

Also, the Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the Listing Regulations:

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

(b) Certification from Company Secretary in Practice

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

XI. SHAREHOLDERS

(a) Means of communication:

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

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

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

Electronic filing with Stock Exchanges: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filled electronically on NEAPS/ Digital Exchange for NSE and on BSE Listing Centre for BSE.

(b) General shareholder information:

General Body Meetings:

Annual General Meeting (“AGM”)

AGM	Date and time of AGM	Details of special resolution(s) passed at the AGMs, if any	Place
28th	23rd September, 2020 at 10.00 A.M.	i. Reappointment of Shri Jayant Davar (DIN: 00100801) as Managing Director ii. Reappointment of Shri Arjun Sharma (DIN: 00003306) as Non-Executive Independent Director of the Company	Video conferencing
29th	23rd September, 2021 at 10.00 A.M.	None	Video conferencing
30th	22nd September, 2022 at 11.30 A.M.	None	Video conferencing

Extraordinary General Meetings (“EGM”)

During the Financial Year 2022-23, One EGM was held on 28th April, 2022 for the Appointment of Shri Sandeep Dinodia (DIN: 00005395) as Non Executive and Non Independent Director of the Company.

During the Financial Year 2022-23, no resolution was passed through postal ballot.

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

(c) 31st Annual General Meeting (AGM)

Day and Date	Thursday, 21st September 2023
Time	11:30 AM
Venue	Video conferencing (VC) /Other Audio Visual Means(OAVM)

(d) Financial Year: 1st April 2022 to 31st March 2023

(e) Dividend

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

(f) Listing on Stock Exchanges:

The Equity Shares are at present listed on the following Stock Exchanges and the Listing fees for 2022-23 and 2023-24 have been duly paid to the Exchanges:

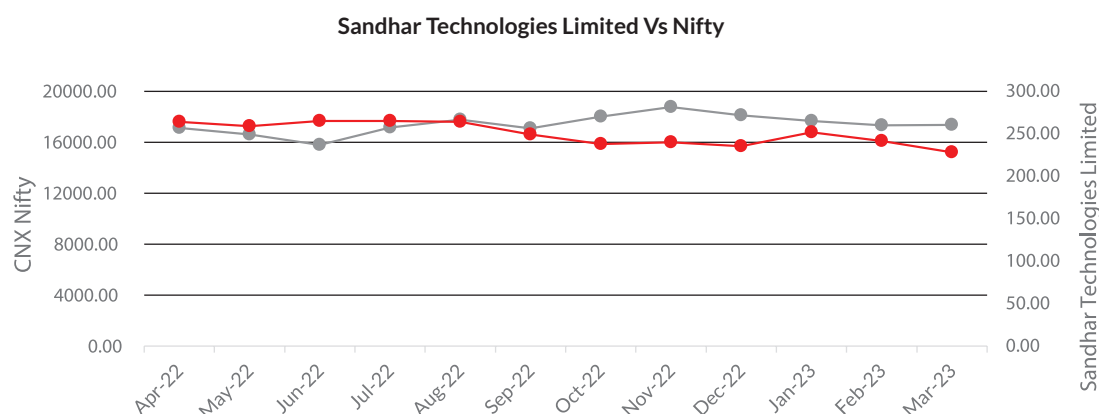
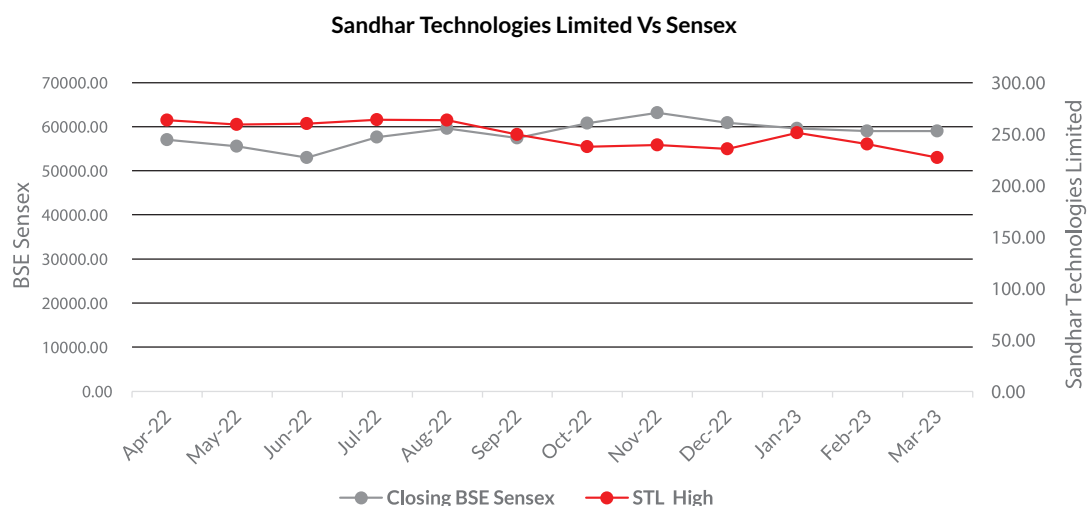
S.No	Name	Address	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	541163
2	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	SANDHAR

e) Market Price Data:

Monthly highs and lows of Company's shares during 2022-2023 (vis-à-vis CNX Nifty & BSE Sensex):

Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-22	263.6	214	264	219.20	17102.55	57060.87
May-22	259.15	205	258.85	220.45	16584.55	55566.41
Jun-22	259.95	219.95	265	221.05	15780.25	53018.94
Jul-22	263.7	227	264.70	229.50	17158.25	57570.25
Aug-22	263.2	220.55	264	221	17759.30	59537.07
Sep-22	249.25	218.05	249	219	17094.35	57426.92
Oct-22	237.5	214.65	237.65	215.40	18012.20	60746.59
Nov-22	239.25	220.05	239.55	220.55	18758.35	63099.65
Dec-22	235.5	208	235	205.55	18105.30	60840.74
Jan-23	251	221.05	251.50	220.10	17662.15	59549.90
Feb-23	240	217.15	241.25	216.10	17303.95	58962.12
Mar-23	226.9	198	227.75	197.90	17359.75	58991.52

Sandhar Technologies Limited Vs BSE Sensex, on the 31st March, 2023



The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the Financial Year 2022-23 (based on month end closing).

(f) Dematerialization of shares and liquidity;

The Company's shares are compulsorily traded in dematerialised form on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Equity shares of the Company representing 100% equity share capital were held in Dematerialised form, as on the 31st March, 2023.

requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in this regard.

Link Intime India Private Limited

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

(g) Share Transfer Agent;

The Company vide Agreement dated 02nd April, 2018 has appointed following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, inter alia, responsible for processing of requests pertaining to share transmission/ dematerialization/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data

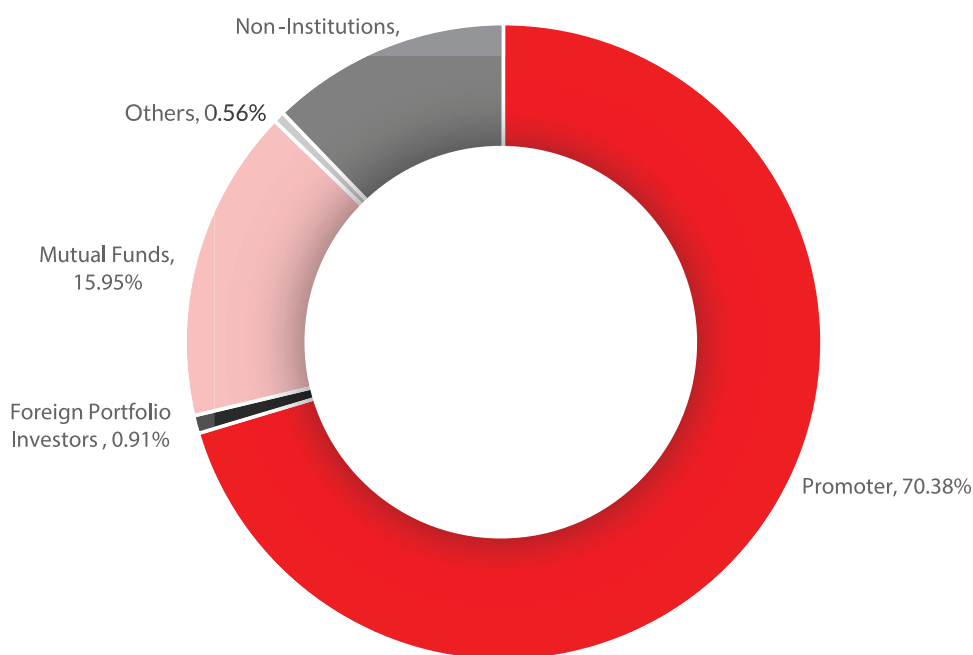
(h) Distribution of Shareholding

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on the 31st March, 2023:

Category Distribution:

Categories	31st March 2023	
	No. of Shares	Percentage
Promoter	42362245	70.38%
Foreign Portfolio Investors	545614	0.91%
Mutual Funds	9599379	15.95%
Others	342230	0.56%
Non-Institutions	7341240	12.20%

Distribution of Shareholding as on 31st March, 2023



Distribution of Shareholding as on the 31st March, 2023:

Distribution Of Shareholding (Shares)							
S.No	Shareholding of Shares			Shareholder	Percentage of Total	No. of Share Amount	Percentage of Total
1	1	To	5000	29788	95.7444	2038083	3.3860
2	5001	To	10000	681	2.1889	538391	0.8945
3	10001	To	20000	314	1.0093	470860	0.7823
4	20001	To	30000	113	0.3632	284740	0.4731
5	30001	To	40000	47	0.1511	168754	0.2804
6	40001	To	50000	27	0.0868	124107	0.2062
7	50001	To	100000	68	0.2186	530841	0.8819
8	100001	To	ABOVE	74	0.2379	56034932	93.0957
			Total	31112	100	60190708	100

(i) Share Transfer System:

As on the 31st March, 2023, 100% of the equity shares of the Company were in electronic form. Transfer of the shares held in demat form are done through the depositories with no involvement of the Company.

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

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

(k) Plant locations:

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

A. Facilities in India

S. No	Facility	Location	Division	Products manufactured
Operational manufacturing facilities				
1.	Sandhar Automotives Gurugram	Gurugram	Automotives	Lock assembly, door handles, latches and switch assembly
2.	Sandhar Automotives Dhumaspur	Gurugram	Automotives	Mirror assembly and moulded parts
3.	Sandhar Components Behrampur	Gurugram	Components	Sheet metal components
4.	Sandhar Automotives HSCI Division	Gurugram	HSCI	Door handles, lock assembly and side view mirrors
5.	Sandhar Components Manesar	Gurugram	Components	Zinc die casting
6.	Sandhar Tooling Private Limited	Gurugram	Subsidiary	Tools and dies
7.	Sandhar Automotives Haridwar	Haridwar	Automotives	Locking systems, rear-view mirrors systems, door handles, and hinges and latches
8.	Sandhar Components Bawal	Bawal	Components	Aluminium die casting parts
9.	Sandhar Technologies Limited - Bawal - II	Bawal	Components	Plastic moulding parts
10.	Sandhar Automach Nalagarh	Nalagarh	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
11.	Sandhar Technologies Limited - Pathredi	Rajasthan	HSCI	Door handles, lock assembly, and side view mirror
12.	Sandhar Automotives Pune	Pune	Automotives	Mirror assembly, lock assembly, and handle assembly
13.	Sandhar Technologies Limited - Cabins and Fabrication Pune	Pune	Cabins and fabrications	Cabins, welded assembly for cabins
14.	Sandhar Components Attibele	Bengaluru	Components	Zinc die casting and moulding parts
15.	Sandhar Automotives Bommasandra	Bengaluru	Automotives	Lock assembly, mirror assembly, handle assembly, latches, and switches
16.	MAG Engineering Unit A	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate

S. No	Facility	Location	Division	Products manufactured
17.	MAG Engineering Unit B	Bengaluru	Cabins and fabrication	Backhoe loader cabins and cabin loose parts, operator cabins, motor-grader cabin, dozers cabins, cabin for dump trucks including floor plate
18.	Sandhar Automach Attibele	Bengaluru	Automach	Motor cycle rims, moped rims, scooter rims, clutch assembly, handle bar assembly, wheel assemblies for motor cycles, mopeds and fender assemblies for motor cycles, mopeds and scooters.
19.	Sandhar Automach Mysore	Mysuru	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies and fender assemblies for motor cycles, mopeds and scooters.
20.	Sandhar Technologies Ltd.-Oragadam - Automach Division	Oragadam, Chennai	Automach	Assembly of rims
21.	Sandhar Automotives Gurugram - JEM division	Gurugram	Automotives	Relays
22.	Sandhar Technologies Limited - Distribution Division	Gurugram	After market	Packaging of products for after-market sales
23.	Sandhar Han Sung	Gurugram	Joint Venture	Press parts for application in relays, motors and tools, injection moulded parts for application in sensors, connectors, switches, vehicle relays, lamps, windshield wipers and switches
24.	Jinyoung Sandhar	Oragadam, Chennai	Joint Venture	Assembly of AVN panels, and switches
25.	Sandhar Han Sung - Oragadam	Oragadam, Chennai	Joint Venture	High precision press parts, and insert moulded contact plates
26.	Sandhar Automach Hosur	Hosur	Automach	Wheel rims and wheel assemblies, handle bars, clutch and brake panels, and fender assemblies
27.	Sandhar Technologies Limited - CFD - Jaipur	Jaipur	Cabins and fabrication division	Parts and components for off-highway vehicles
28.	Sandhar Technologies Limited - Oragadam - CFD Division	Oragadam, Chennai	Components, and cabins and fabrication	Cabins and cabin loose parts, operator cabins for off-highway vehicles, aluminium die casting components, machining, and powder coating of aluminium die casting parts
29.	Sandhar Technologies Limited - Hosur Unit	Hosur	Components	Aluminium die casting parts
30.	Sandhar Technologies Limited - Oragadam (ADC)	Oragadam, Chennai	Components	Aluminum die casting parts
31.	Sandhar Automotive Systems Pvt Ltd	Manesar	After Market (subsidiary)	Locks, mirrors, clutch assembly, starter motors, coil plate assembly, filters
32.	Sandhar Amkin	Manesar	Joint Venture	Safety helmets and other headgears for two-wheelers
33.	Sandhar Whetron	Dhumaspur	Joint Venture	Automotive Sensors like Cameras, Ultra sonic sensors, radar solutions
34.	Winnercom Sandhar Technologies	Bengaluru	Joint Venture	Shark fin antenna and micro pole antenna etc
35.	Sandhar Han Shin Auto Technologies	Bengaluru	Joint Venture	Radio Cable, AV/NAVI Cable, GPS/DMB Cable, USB Cable, AVM Cable
36.	Kwangsung Sandhar	Bengaluru	Joint Venture	Sunvisor, Cargo Screen, Black-Out Tape, Glove Box & several other Blow-moulded products.
37.	Sandhar Technologies Limited- Nalagarh Unit-I	Nalagarh	Components	Sheet Metal components
38.	Sandhar Engineering- Attibele Unit	Attibele	Subsidiary	Sheet Metal
39.	Sandhar Engineering- Mysore Unit	Mysore	Subsidiary	Sheet Metal
40.	Sandhar Engineering- Halol Unit	Halol (Gujarat)	Subsidiary	Sheet Metal

S. No	Facility	Location	Division	Products manufactured
41	Sandhar Auto Castings Pvt. Ltd. Mysore Unit-1	Mysore (Karnataka)	Subsidiary	Job Work
42	Sandhar Auto Castings Pvt. Ltd. Hosur	Tamil Nadu	Subsidiary	Job Work
43	Sandhar Auto Electric Solutions Private Limited (Unit 1)	Behrampur	Subsidiary	Parts and Components of Electronics Vehicles.
44	Sandhar Automotive Oragadam	Oragadam, Chennai	Automotives	Lock assembly, mirror assembly, handle assembly, latches and switches.

B. Facilities outside India:

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

C. Address for correspondence:

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

Registrar and transfer agent - Link Intime India Private Limited	Company
C-101, 1st floor 247 Park L B S Marg, Vikhroli (West) Mumbai 400 083	Registered Office: B-6/20 L.S.C. Safdarjung Enclave, New Delhi-110029
Tel: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: mumbai@linkintime.co.in Investor Grievance e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	Corporate Office: Plot No. 13, Sector 44, Gurugram - 122002

XII. OTHER DISCLOSURES

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

The Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations including disclosure requirements as enumerated under Schedule V thereto".

(b) Name and Designation of Compliance Officer:

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

(c) Subsidiary companies:

The Company has Six direct subsidiaries as per particulars below:

S. No	Name of subsidiary & its location	Date of Incorporation	Nature of subsidiary	Type of subsidiary pursuant to regulation 16(1)(c) of the Listing Regulations. i.e. [Material or otherwise]
1	Sandhar Tooling Private Limited Registered office at B-6/20, L.S.C, Safdarjung Enclave, New Delhi-110 029	26th February, 2002	Domestic company	Otherwise
2	Sandhar Engineering Private Limited Registered office at Plot No. 13, Sector-44 Gurugram- 122002	14th October, 2021	Domestic company	Otherwise
3	Sandhar Auto Electric Solutions Private Limited Registered office at Plot No. 13, Sector-44 Gurugram HR 122002 IN	6th January, 2022	Domestic company	Otherwise

S. No	Name of subsidiary & its location	Date of Incorporation	Nature of subsidiary	Type of subsidiary pursuant to regulation 16(1)(c) of the Listing Regulations. i.e. [Material or otherwise]
4	Sandhar Automotive Systems Private Limited Registered office at Plot No. 44, Sector-3, IMT Manesar, Gurugram - 122050	20th June, 2017	Domestic company	Otherwise
5	Sandhar Technologies Barcelona S.L., Registered at Av. Cal Rubio, no 46, Santa Margarida I els Monjos, Barcelona, Spain	18th May, 2023 (Auditor: SW Audit Control S.L.P. Appointed on 06th June, 2022)	Foreign company (RBI UIN no. NDWAZ 20090757)	Otherwise
6	Sandhar Auto Castings Private Limited Khasra No. 1747/1218, 11, Behrampur Road Village Khandsa Gurugram HR 122001 IN	29th July 2020	Domestic company	Otherwise

Note:

- Sandhar Automotive Systems Private Limited was formerly known as Sandhar Daewha Automotive Systems Private Limited.
- Sandhar Auto Castings Private Limited was formerly known Sandhar Daeshin Technologies Private Limited.
- Sandhar Amkin Industries Private Limited is treated as Joint Venture for the purpose of preparation of financial statements as required under Ind-AS. However, the Shareholding of Sandhar Technologies Limited in this Company exceeds 50% therefore, as per the provisions of Companies Act, 2013 it is treated as Subsidiary.
- The strike-off application for Sandhar Strategic Systems Private Limited (Wholly Owned Subsidiary of Sandhar Technologies Limited) was approved by Registrar of Companies. Accordingly Sandhar Strategic Systems Private Limited was dissolved w.e.f. 18th October 2022.

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

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

(d) Reconciliation of Share Capital Audit Report

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

(e) SEBI Complaints Redressal System (SCORES)

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

(f) Commodity Price Risk of Foreign Exchange Risk & Hedging Activities

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

(g) Credit Rating

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

S. No.	Name of Facilities	Credit Rating
1.	Issuer Rating	Long Term Ratings: IND AA-/ Stable
2.	Term loan	Long Term Ratings: IND AA-/ Stable
3.	Fund-based working capital limits	Long/Short Term Rating: IND AA-/ Stable/ IND A1+
4.	Non-Fund-based working capital limits	Long/Short Term Rating: IND AA-/ Stable/ IND A1+
5.	Commercial Paper	Short Term Rating: IND A1+

(h) DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

Type of Service	(Rs. in Lacs)	
	March, 2023	March, 2022
As Auditor		
Audit Fees	74.45	71.82
Limited Review	12.00	12.00
In Other Capacity		
Other Services (Certification Fees)	12.25	6.75
Reimbursement of Expenses	3.79	1.76
Total	102.49	92.33

For and on behalf of the Board of Directors

Sandhar Technologies Limited

Sd/-

D.N. Davar

Chairman

DIN: 00002008

Sd/-

Jayant Davar

Co-Chairman &

Managing Director

DIN: 00100801

Place: Gurugram

Date: 25th May, 2023

Annexure to Corporate Governance Report, 2023

DECLARATION BY MANAGING DIRECTOR

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

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

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

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

FOR SANDHAR TECHNOLOGIES LIMITED

Sd/-
Jayant Davar
Managing Director

Annexure to Corporate Governance Report, 2023

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on the 31st March, 2023, none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

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

Sd/-
K. K. Sachdeva
[Proprietor]
FCS No. 7153, CP No. 4721
UDIN: F007153E000379901

Place: New Delhi
Date: 25th May, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74999DL1987PLC029553
2.	Name of the Listed Entity	Sandhar Technologies Limited ("the Company" or STL)
3.	Year of incorporation	1987
4.	Registered office address	B-6/20, L.S.C. Safdarjung Enclave, New Delhi - 110029
5.	Corporate address	Plot-13, Sector-44, Gurugram - 122002
6.	E-mail	brsr@sandhar.in
7.	Telephone	0124-4518900
8.	Website	www.sandhargroup.com
9.	Financial Year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital	601907080
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Komal Malik, Email: brsr@sandhar.in Telephone: 0124 4518900
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Metal & Metal Products	100 %

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Sheet Metal Components	282, 293, 309, 453 and 454	23.5%
2.	Locks	259, 282, 293, 309, 453 and 454	22.8%
3.	Other Products	282, 293, 309, 453 and 454	19.9%
4.	Cabins	282	8.9%
5.	Wheel Assembly	293, 309, 453 and 454	9.9%
6.	Mirror Assembly	282, 293, 309, 453 and 454	9.2%
7.	Cabins	282	8.9%
8.	Handlebar Assembly	293, 309, 453 and 454	4.2%
9.	Plastic Parts	292, 293, 309, 453 and 454	1.6%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	27	2	29
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.54 %

c. A brief on types of customers:

The Company is a market leader in the automotive components and system segment delivering a wide variety of innovative, superior quality and cost-effective products to customers all over the world. The sales are mainly through Business to Business (B2B) model to Original Equipment Manufacturers (OEMs).

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1064	1001	94.08%	63	5.92%
2.	Other than Permanent (E)	74	65	87.84%	9	12.16%
3.	Total employees (D + E)	1138	1066	93.67%	72	6.33%
WORKERS						
4.	Permanent (F)	507	484	95.46%	23	4.54%
5.	Other than Permanent (G)	55	45	81.82%	10	18.18%
	Total workers (F + G)	562	529	94.13%	33	5.87%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	10	2	20%
Key Management Personnel*	3	1	33%

* Includes MD as the BOD and KMP

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30.52%	28.57%	30.41%	26.93%	34.67%	27.32%	25.39%	37.29%	25.95%
Permanent Workers	3.10%	4.35%	3.16%	1.03%	8.70%	1.38%	2.69%	0.00%	2.57%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sandhar Automotive Systems Private Limited (Formerly known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	100%	No
2	Sandhar Tooling Private Limited	Subsidiary	79.92%	No
3	Sandhar Auto Castings Private Limited (Formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	100%	No
4	Sandhar Engineering Private Limited	Subsidiary	100%	No
5	Sandhar Technologies Barcelona S.L	Subsidiary	100%	No
6	Sandhar Auto Electric Solutions Private Limited	Subsidiary	100%	No
7	Winnercom Sandhar Technologies Private Limited	Joint Venture	50%	No
8	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture	50%	No
9	Sandhar Whetron Electronics Private Limited	Joint Venture	50%	No
10	Sandhar Amkin Industries Private Limited	Joint Venture	69.12%	No
11	Sandhar Han Sung Technologies Private Limited	Joint Venture	50%	No
12	Kwangsung Sandhar Technologies Private Limited	Joint Venture	50%	No
13	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture	50%	No
14	Sandhar Han Shin Automotive Private Limited*	Joint Venture	99.99%	No

*Under the process of Striking off.

VI. CSR Details

22. Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No) -Yes

(i) Turnover (in Rs.) = 1,94,101.58 Lacs

(ii) Net worth (in Rs.) = 85,994.38 Lacs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	1	Nil	-	Nil	Nil	-
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-
Other (please specify)	Yes	Nil	Nil	-	Nil	Nil	-

*The Vigil Mechanism/Whistle-Blower Policy of the Company provides a robust framework for dealing with concerns and grievances for employees and directors and the same is available at <https://sandhargroup.com/investors/disclosures-under-regulation-46-of-the-lodr>.

There is a specific email ID investors@sandhar.in for addressing queries by any Investors and Shareholders .The Legal and Secretarial Department is responsible to monitor and resolve the queries and concerns raised through this email ID, taking inputs and resolutions from the relevant departments within the Company.

24. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format;

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Pollution free environment	Risk	Failure to offer a safe working environment may expose the Company to compensation liabilities, decreased productivity, brand loss, and other consequences.	All relevant pollution control standards for air, water, and soil are followed. The disposal of hazardous waste is regulated to ensure that it stays below permitted levels.	Negative
2	Stakeholder engagement	Opportunity	Opportunity to communicate with and gather suggestions from stakeholders in order to include non-business practices when needed. The Company has a well-defined continual stakeholder engagement process	Not Applicable	Positive
3	Waste Management	Opportunity	Environment and economy benefit.	Not Applicable	Positive
4	Health and Safety	Risk and Opportunity	Managing safety and health is an essential component of running a business. Businesses must conduct a risk assessment to identify hazards and risks in their workplace(s) and implement actions to successfully control them. The Company’s commitment for continuous improvement in the areas of health and safety best practices around the world in accordance with our global SHE policy for all of its employee and workers.	Several initiatives and programmes have been implemented to cover all aspects of health and safety management and are being actively monitored for continuous improvement.	Negative and Positive
5	Training and education	Opportunity	Skilled staff and workforce are essential for any business. The skilled workforce completes their tasks efficiently and effortlessly. Further, Company provides need-based and innovative range of trainings. Furthermore, the Company is recruiting and developing suitable talent, as well as assuring professional development and personal well-being throughout their employment with the Company.	Not Applicable	Positive
6	Disaster recovery	Risk	Natural disasters including earthquakes, cyclones, floods, epidemics etc. can cause business intervention.	Adequate disaster preparedness, including proper insurance as covered under the Business Continuity Policy.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Climate change	Risk and Opportunity	Global warming and industry operation and transition risk. New opportunities in emerging EV markets	Climate change and industry transition are now embedded in the Company's risk management process. Emphasis on alternate fuel (Solar Panels). Massive Plantation drives.	Negative and Positive
8	Intellectual Property	Risk	Leakage of private information. In cooperative research collaborations, IP rights disputes might occur. IP infringement actions from third party.	Filing of Patents. Information Audits/ Searches on a Regular Basis. Data exchange with vendors/customer in a secure manner with proper documentation. Entering into a Non-Disclosure Agreement (NDA) with parties for the purpose of exchanging information.	Negative
9	Operations environment	Opportunity	Opportunity to minimise costs and conserve resources while limiting the negative effects of non-compliance. Further, all environmental regulations are met, and operational improvements are implemented.	Not Applicable	Positive
10	Women Empowerment and employee engagement	Opportunity	Workforce that is motivated, devoted, and engaged; a significant number of female employees are employed	Not Applicable	Positive
11	Innovation	Risk	Risk of better solutions failing to address current market trends, new requirements, or technology improvements.	Structured technology development projects. New focus areas are developed in order to generate future capacity requirements.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
b. Has the policy been approved by the Board? (Yes/No)	The policies as per the SEBI Regulations are approved by the Board and rest of the policies are approved by the CSR Committee as designated by the Board.								
c. Web Link of the Policies, if available	The Policies of the Company are placed on the Company's website, which can be accessed at: https://sandhargroup.com/investors/corporate-governance . Additionally, the Company's intranet hosts a number of internal policies that are available to internal stakeholders only.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF:16949: 2016, ISO 14001:2015 ISO 45001:2018 ISO 9001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set a goal to become Carbon Neutral by 2050.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Since, the Company has established specific commitments, goals and targets in FY 2022-23, therefore, currently specific performance against the target cannot precisely be determined in the current Financial Year.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>At STL, priority revolves around the adoption of highest level of environmental, social and governance integrity enabling long-term sustainability.</p> <p>The Co. is a market leader in the automotive components and systems segment, delivering a wide variety of innovative, superior quality and cost-effective products to customers all over the world. The Company prioritizes the highest standards of health, safety and environmental integrity, enabling long-term stability. The Company focuses on innovations and moving forward enthusiastically to the upcoming new era of Electric Vehicles (EVs) and New Technologies overcoming the environmental targets</p> <p>The Company is committed towards its Goal of Carbon Net Zero and has been accepting, adopting and moving forward in this direction. With this goal the Company is venturing into new sustainability technologies. There would be gradual shift from grid-based energy to renewable source of energy i.e. reducing the thermal energy & introducing renewable energy. Reduction in Consumption of fossil fuels and usage of Biomass, PNG, LPG Gas operated DG sets. The Company is exploring modes of transportation for employees and for supply of goods through EV, PNG vehicles.</p> <p>STL is also making efforts towards building economic, social and environmental capital and enhancing social sustainability. The Company has consciously put in efforts to develop sustainable products through its in-house R&D team.</p> <p>Further, the STL Team oversees the ESG / Sustainability initiatives of the Company. Roadmap with specific goals and targets are under development. Once they are in place, implementation of actions would be monitored for their progress and updates shared with all the stakeholders on a periodical basis. The business responsibility and sustainability report demonstrate the Company's efforts to responsibly create and sustain value for all the stakeholders.</p>								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Sandhar Leadership Team (SLT) is responsible for implementation of Business Responsibility policy (ies). Shri. Jayant Davar (DIN 00100801), Co-Chairman and Managing Director, is responsible for oversight of the Business Responsibility policy(ies),								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Sandhar Leadership Team (SLT) is responsible for decision making on sustainability related issues, which comprises of the following members:								
	Name		Designation						
	Shri. Yashpal Jain		Chief Financial Officer						
	Shri. Niraj Hans		Chief Operating Officer –Automotive Business						
	Shri. Y.S. Chauhan		Whole-time Director of Sandhar Engineering Private Limited and Business Head for Sheet Metal & Allied Business						
	Shri. G.J. Singh		Chief Operating Officer - Cabins and Fabrication Business						
	Shri. Ajay Raghav		Deputy Chief Operating Officer - Casting Moulding and Tooling Business						
	Shri. Ashok Kumar Sharma		Chief Technology Officer						
	Shri. Venkataraman Srinivasan		Group Head HR						

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes by the Sandhar Leadership Team (SLT) as designated by the Board of Directors.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the currently applicable Regulations.									Annual basis.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Currently, the Company is conducting the assessment/evaluation of the workings of its policies internally. However, in due course, the Company might also get these reviewed in terms of efficient working of these by an external agency.							

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

- Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	Brief technical capacity building session on Business Responsibility and Sustainability Reporting (“BRSR”) and its reporting framework.	80%
Key Managerial Personnel	4		60%
Employees other than BoDs and KMPs	24	Session on Employees Code of Conduct, POSH at Workplace, Prohibition of Insider Trading, Anti Bribery and Whistle Blower.	65%
Workers	30		70%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	No material fines / penalties /punishment/ award/ compounding fees/ settlement amount were paid in proceedings by the Company or by directors / KMPs during the current Financial Year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Not Applicable				
Punishment	Not Applicable				

- Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

- Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-Bribery Policy, which is available on the Company’s Intranet. We at STL are committed to conduct business with the greatest levels of morality and integrity. Bribery in any form is not tolerated by STL, its employees, or anyone

else working on or on its behalf. All of our employees and any business partners operating on the Company's behalf worldwide are required to abide by the Policy. The Policy outlines what every one of us must do to support the fight against bribery in all of its manifestations.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Director's	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as there were no cases of corruption and conflicts of interest which were reported during the year.

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	Awareness sessions on BRSR	40% of buying value of top 100 suppliers.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company have processes in place to avoid/manage conflict of interests involving members of the Board. The Company has a detailed 'Code of Conduct for its Directors and Senior Management', which includes extensive instructions and a reporting process for instances that can lead to a potential conflict of interest.

The Policy is available on the website:

https://sandhargroup.com/uploads/Investor/policy-on-code-of-conduct-for-bod-senior-mgt_new.pdf

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	1.45%	1.46%	<ol style="list-style-type: none"> Saved 1107736 KWH over the year, which reduces 941.57 ton of carbon. (The Company invested Rs. 37.16 Lacs for installing Variable Frequency Drives (VFD) in all the units and saved 1107736 KWH over the year. This reduced 941.57 ton of carbon.) Prevention of water pollution. (Prevention of water pollution- Company installed 2 new sewage treatment plants, 2 ETP plant and 1 ZLD in units. Total cost of Rs.1.412Cr.)

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No, the Company doesn't have any procedures in place for sustainable sourcing. But, the Company plans to carry out a sustainability assessment of key Suppliers from FY 2023-24 through audits.

- If yes, what percentage of inputs were sourced sustainably?

Not Applicable.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a manufacturer of components and automobile parts, there is no scope for product reclamation for further processing. Our products are directly supplied to the OEM's as per their requirement, hence Company has limited scope for reclaiming it at the end of its life cycle. However, the Company has processes in place to safely recycle hazardous waste, plastics (Including packaging) and e-waste. We also reuse the crates (open boxes without final packaging) which are used to supply the final product manufactured by the Company as per specific OEM's requirements to be used in their final products.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is not applicable on any of the units of the Company.

Leadership Indicator

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turn-over contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The Company has not yet conducted the Life Cycle Perspective/ Assessments for any of its products. However, the Company is planning to carry out such assessments in the coming years.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable, as currently, the Company is not conducting any Life Cycle Assessment for any of its products.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Plastics and Woods scrap	0.03%	0.05%
Other Scrap	4%	3.9%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable, as STL supplies its products directly to the OEMs, therefore, there is limited scope for reclaiming it at the end of its life cycle.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable, as STL supplies its products directly to the OEMs, therefore, there is limited scope for reclaiming it at the end of its life cycle.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent Employees											
Male	1001	1001	100%	1001	100%	-	-	-	-	-	-
Female	63	63	100%	63	100%	63	100%	-	-	-	-
Total	1064	1064	100%	1064	100%	63	6%	-	-	-	-
Other than Permanent Employees											
Male	65	65	100%	65	100%	-	-	-	-	-	-
Female	9	9	100%	9	100%	9	100%	-	-	-	-
Total	74	74	100%	74	100%	9	12%	-	-	-	-

For Health insurance 100% coverage. Employees are covered under either Group Medical Claim Policy or Personal Health Policy or ESIC.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/ (A)	Number (C)	% (C)/ (A)	Number (D)	% (D)/ (A)	Number (E)	% (E)/ (A)	Number (F)	% (F)/ (A)
Permanent workers											
Male	484	484	100%	484	100%	-	-	-	-	-	-
Female	23	23	100%	23	100%	23	100%	-	-	-	-
Total	507	507	100%	507	100%	23	5%	-	-	-	-
Other than Permanent workers											
Male	45	45	100%	45	100%	-	-	-	-	-	-
Female	10	10	100%	10	100%	10	100%	-	-	-	-
Total	55	55	100%	55	100%	10	18%	-	-	-	-

For Health Insurance: 100% coverage. Employees are covered under either Group Medical Claim Policy or ESIC or Personal Health Insurance Policy.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity*	97%	99%	Yes	95%	97%	Yes
ESI#	100%	100%	Yes	100%	100%	Yes
NPS	3.30%	0%	Yes	2.94%	0%	Yes

* Employees who have successfully completed 5 years of tenure are entitled for Gratuity benefits.

Applicable to employees as per the threshold limit prescribed under the Employees State Insurance Act, 1948.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The premises / offices of the Company are largely accessible to differently abled employees and workers, barring some of the locations, where it is practically not possible. However, the Company is attempting to make more improvements to the current system.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016, which is available on Company's Intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	2%	0%	0%
Total	100%	2%	0%	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, there is grievance Redressal committee in place. All Employees, Union and its representative may raise their concerns via several committees.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1064	0	0%	804	0	0%
Male	1001	0	0%	762	0	0%
Female	63	0	0%	42	0	0%
Total Permanent Workers	507	233	46%	507	213	42%
Male	484	229	47%	484	211	44%
Female	23	4	17%	23	2	9%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1066	956	90%	658	62%	774	671	87%	615	79%
Female	72	57	79%	45	63%	43	26	60%	27	63%
Total Employees	1138	1013	89%	703	62%	817	697	85%	642	79%
Workers										
Male	529	476	90%	423	80%	526	428	81%	347	66%
Female	33	30	91%	26	79%	33	21	64%	19	58%
Total	562	506	90%	449	80%	559	449	80%	366	65%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B)/(A)	Total (C)	No.(D)	%(D)/ (C)
Employees						
Male	1066	1028	96%	774	729	94%
Female	72	64	89%	43	38	88%
Total	1138	1092	96%	817	767	94%
Workers						
Male	529	503	95%	526	512	97%
Female	33	31	94%	33	31	94%
Total	562	534	95%	559	543	97%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the occupational health and safety management system has been implemented by the Company. The coverage of such occupational health and safety management system is as per EHS 45001 : 2018, which covers Hazard identification and risk assessment, Emergency preparedness and response , Continual improvement, Performance monitoring and measurement, & Legal and regulatory compliance,

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

A well-defined process Hazard Identification & Risk Assessment (HIRA) as per EHS ISO 45001:2018 is there for manual monitoring of and to identify occupational health and safety hazard & their associated risk of the workers though Internal & External Auditors.

Hazard Identification Risk Assessment (HIRA) is the process of defining and describing risks by characterising their probability, frequency, and severity, as well as assessing undesirable outcomes, such as potential losses and injuries. It provides a factual basis for activities included in the business safety strategy to reduce losses from identified workplace hazards.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have defined processes in place for workers to report the work-related hazards and to remove themselves from such risks at Plant level according to the nature of operations.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees/workers of the Company have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	4	20
Total recordable work-related injuries	Employees	0	0
	Workers	2	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

STL emphasizes the need to provide a safe and healthy working environment for all employees and workers. The following safety measures have been implemented by the Company to ensure a safe and healthy workplace:

- Regular safety trainings are being provided to employees
- Regular Fire Mock Drills are being conducted
- First-Aiders Training
- Ten minutes awareness session on health and safety are being conducted during tea-break
- Safety Near Miss Incident capture, POKA Yoke (means it is Error Proofing solution to eliminate error in future), RCA (Root Cause Analysis) for Incident, QC (Quality Circle) Kaizen
- Safety Week is arranged.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2022-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety practices	10.71%*
Working Conditions	10.71%*

*During the Financial Year 2022-23, out of the total plants and offices, 3 plants were assessed by the Statutory Authorities viz. Joint Director of Factories.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

At STL, workplace safety is one of the top considerations. We have always prioritized creating a culture of safety, while emphasizing individual accountability. All safety-related incidents are examined, and the findings of the investigations are communicated throughout the organization in order to implement corrective actions to prevent future mishaps. During the year, one such health related incident was observed and to address the same the Company has installed machine guards along with sensor installed as a corrective action to avoid similar incidents in the future.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends life insurance and compensatory package in the event of death of Employees and Workers. Further, in case of Accidental Death, Group Personal Accident Policy is also there in place.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company takes due care to ensure that the statutory dues applicable are deducted and deposited by the value chain partners. The Company's Supplier Code of Conduct outlines the specifics. To support business responsibility principles and ideals of transparency and accountability, all supply chain partners are required to adhere to it in every way. Some of the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by these value chain partners includes:

- Inspection of the GST portal as automated by the GST authorities to ensure GST payments
- Periodic examination of the relevant forms and returns for ensuring tax related compliances.
- Additionally, a check on compliances is maintained through monthly MIS and quarterly internal HR Audits.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment on merits.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety practices	60% of buying value of top 100 Suppliers
Working conditions	90% buying value addressable suppliers are being assessed through system audit

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

As mentioned above, the Company continues to conduct QAV audit action plans to address significant risks / concerns arising from assessments of health and safety practices and working conditions of assessed value chain partners.

Major risks and concerns which were generally observed were related to following areas:

- Washroom conditions;
- Shop floor conditions;
- Safety conditions such as loose wire, non - wearing of Personal Protective Equipment (PPE);
- Wages – PF, ESI.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key Stakeholders are identified as all the individuals, organisations and institutions who are connected with the Company and have material influence on the Company or how they are materially influenced by the Company's corporate decisions and the results of those decisions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group Yes/No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
BOD, KMP, Investors, Shareholders	No	Email, Board Meetings, Analyst meets and conference calls, Annual General Meeting, Official communication channels: Newspaper publications, website and Investor meetings	At least once in a Quarter	To inform about Company's current performance and future plans

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Various Income tax Authority, Regulatory, Auditors	No	Through Email or as convenient communication mode with even online communication	As & when required	To meet Tax compliance (Income tax audit, Transfer pricing audit, Annual Income tax return, Income tax assessment, Monthly and Annual GST returns etc.)
Suppliers	No	Vendor assessment, Review and upgradation Trainings, Supplier audits through official communication channels: mails, oracle & SQM Portal.	As & when required	<ol style="list-style-type: none"> 1. To upgrade suppliers. 2. To get better services in terms of QCD parameters. 3. To address the grievances of suppliers 4. To have adjustment of Price revision
Govt. Bodies, Consultants	No	Guidelines through mails, publications, plant assessment review, Plant audit	Annually	<ol style="list-style-type: none"> 1 To meet environment pollution norms. 2. To achieve plant operation norms. 3. To improve working condition of plant & minimise impact on society 4. To have required NOCs for the operation of the plant like Fire NOC, Building Completion etc.
Manpower, Consultants, Govt Bodies	No	Communication through Mails, HR Kaleidoscope	Annually	<ol style="list-style-type: none"> 1. To Communicate Performance & Scope of improvement so able to deliver better services. 2. To address the grievances of Service Providers. 3. To ensure the compliances as per applicable laws.
Customers, Suppliers, Employees, Top Management, Government Agencies, Certification Agency, Auditors, Job Work Suppliers, Trainers etc are key stake holders	No	E- Mails, meetings, Phone calls, Audit reports, Feedback reports, Survey, etc.	As per the requirements on regular basis	Business discussion related to QCDD (Quality, Cost, Delivery and Development activities)
Communities	Yes	Community meetings, personal visits by project representatives.	As & when required	Promote activities to raise awareness on green, safe and sustainable living , education, empowering communities for economic progress and inclusive prosperity.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Appropriate reference to SEBI's Circular on Business Responsibility and Sustainability Reporting (BRSR) has been made and the specific requirements w.r.t. the Consultation between Stakeholders and Board Members on ESG related matter for the Company have been recognised.

Process initiation commences with a comprehensive listing of all the possible stakeholders and ESG related matters applicable to the Company and mapping of these to relevant business divisions.

Process of consultation is delegated through the Senior Leadership Team (SLT) comprising of business heads and the Managing Director who meet at regular frequency. They in-turn keep the board informed.

The Company's management regularly interacts with key stakeholders i.e investors, customers, suppliers, employees etc. The Company has Risk Management Committee, Stakeholder Relationship Committee and CSR Committee that updates the progress of actions in respect to economic, environmental, and social topics to the Board and takes inputs on a regular basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company has always maintained a consistent and proactive contact with its key stakeholders, enabling it to effectively identify and handle environmental and social topics. Engagement with stakeholders, in our opinion, promotes more accountability, compliance, organizational learning, quality management, and sustainability. Based on the feedback received from the stakeholders, the Company has adopted major policy and procedural improvements and identified key environmental and social topics, which includes undertaking of the following programs:

A. Details of Instances of Stakeholders feedbacks being incorporated into policies & activities

- **Human Capital Development**

- Based on the feedback from all employees and workers for a need for training and development, group devised a T&D calendar to provide a minimum of 40 hours of T&D per year to all Company employees, contractual and Company Associates.

- **Access to Healthcare**

- **Employees:** Apart from Group accidental insurance policy that covers all employees, we initiated doctor visits and annual health check-ups at all locations as per the requirements stated by the business locations.

B. Details of Instances from Environmental Domain

- **Carbon Emissions**

Stakeholders: In line with consciousness reverberated by the Board of Directors, our OEMs and civil society, we have installed Solar Power Plants of the capacity of 2833 KW which can mitigate upto 2294.73 MT of CO₂ through green energy uses till March, 2023.

- **Hazardous waste**

The limited hazardous waste which is generated through our processes are hydraulic oil ETP sludge and paint sludge. Being responsible business users, we dispense paint sludge for input consumption by cement industry. Hydraulic Oil is disposed through authorised vendors only.

Multiple departments within the organisation are responsible for engaging with stakeholders on Continuous basis. The domains of E, S & G are the most important issues and are reviewed on an annual basis for management process, risk assessment and strategic objectives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Details of Instances to act on concerns of Vulnerable/Marginalized groups.

Human Capital Development

- *- **Communities:** Based on feedback from community parents, our CSR team undertook to set up Sandhar Centres of Learning

implementing Remedial Education Programs in government schools to augment the learning levels of less privileged girl students by supporting them with pedagogy, improved infrastructure and sanitation (WASH), mental health counselling and capacity building for enhanced employability.

Access to Healthcare

- **Stakeholders - Communities:** Recognising the needs from the village communities around village Begumpur Khatola (Haryana) and recommendation from the Village Panchayat, we set up Sandhar Healthcare Centre to provide preventive health care which has benefitted more than one lac OPD since inception. Centre also organises free health check-up camps and active referral facilitations to Primary health centres, ESI & Government hospitals in case of tertiary treatment.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1064	827	78%	804	580	72%
Other than permanent	74	69	93%	13	10	77%
Total Employees	1138	896	79%	817	590	72%
Workers						
Permanent	507	461	91%	507	435	86%
Other than permanent	55	47	85%	52	34	65%
Total Workers	562	508	90%	559	469	84%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D) No. (E)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		% (E / D)	No. (F)	% (F / D)	
Employees										
Permanent	1064	0	0%	1064	100%	804	0	0%	804	100%
Male	1001	0	0%	1001	100%	762	0	0%	762	100%
Female	63	0	0%	63	100%	42	0	0%	42	100%
Other than permanent	74	0	0%	74	100%	13	0	0%	13	100%
Male	65	0	0%	65	100%	12	0	0%	12	100%
Female	9	0	0%	9	100%	1	0	0%	1	100%
Workers										
Permanent	507	20	4%	487	96%	507	24	5%	473	93%
Male	484	20	4%	464	96%	484	24	5%	450	93%
Female	23	0	0%	23	100%	23	0	0%	23	100%
Other than permanent	55	0	0%	55	100%	52	0	0%	52	100%
Male	45	0	0%	45	100%	42	0	0%	42	100%
Female	10	0	0%	10	100%	10	0	0%	10	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rs.)	Number	Median remuneration/ salary/ wages of respective category (in Rs.)
Board of Directors (BoD)	7*	400000	2	512500
Key Managerial Personnel	2*	30886941	1	2654028
Employees other than BoD and KMP	1064	529806	71	506074
Workers	529	363486	33	213768

*Managing Director's remuneration considered in calculation of median remuneration of KMPs and not in Board of Directors.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has a team of senior leaders who meet periodically and discuss all the human rights impacts or issues related to business and it is not just limited to legal, HR etc.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

In order to ensure that honest and ethical business and employment practices are followed, the Company views respect for human rights as one of its essential and core values. Regardless of one's ethnicity, gender, race, caste, religion etc., the Company is dedicated to creating a secure work environment. To maintain this environment, the Company has following internal mechanisms in place to redress grievances related to human rights issues:

- Code of Conduct for Employees
- POSH Policy
- Grievance Redressal Policy

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a detailed Grievance Redressal Policy and Policy on Prevention of Sexual Harassment of Women at Workplace, to prevent adverse consequences to the complainant in discrimination and harassment cases, which contains specific clauses as to how such concerns would be handled in a confidential manner.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company's Code of Conduct for Suppliers and Contractors contains facets for human rights requirement.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	All the plants and offices were assessed during the internal safety and compliance audits conducted by the Company / statutory authorities, ensuring compliance with all the Statutory Laws / Regulatory Requirements including applicable Labour Laws.
Forced/ Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There being no human right issues in the Financial Year 2022-23, no business process were modified/introduced.

2. Details of the scope and coverage of any Human rights due diligence conducted.

During the current Financial Year, no such Human Rights Due-Diligence was conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The premises / offices of the Company are largely accessible to differently abled visitors, barring some of the locations, where it is practically not possible. However, the Company is attempting to make more improvements to the current system.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Acknowledgment from supplier for "Supplier Code of Conduct" from 40% of buying value of top 100 assessed value chain partners at the time of on boarding of suppliers.
Discrimination at workplace	
Child labour	
Forced/ Involuntary labour	
Wages	
Others- please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks / concerns were observed arising from such assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (in Giga Joule) (From Non-Renewable Sources)	129224.71	165485
Total fuel consumption (B) (in Giga Joule)	10325.87	3271.97
Energy consumption through other sources (C) (in Giga Joule) (From Renewable Sources)	6809.23	7984.90
Total energy consumption (A+B+C) (in Giga Joule)	146359.81	176741.87
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00001	0.00001

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, as the Company does not have any sites / facilities identified as DCs under the PAT Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	158187.20	129153.10
(iii) Third party water	68031	104613.55
(iv) Seawater/Desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	226218.20	233766.65
Total volume of water consumption (in kilolitres)	226218.20	218415.20
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001	0.00001

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The proper management of water resources both inside and outside of its functioning areas is recognised as being necessary by the Company. All stakeholders' access to water is ensured while efforts are made to increase its efficiency.

STL has Zero Liquid Discharge system in the 6 major units, with Rotary Evaporator & Solar Evaporator. In other units Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STP) are installed. The treated water is re-used for gardening and other non-potable uses.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MT	0.0599912	0.003749
SOx	MT	0.0328984	0.00031
Particulate Matter (PM)	MT	0.00034836	0.000839
Persistent Organic Pollutants (POP)		NA	NA
Volatile Organic Compounds (VOC)		NA	NA
Hazardous Air Pollutants (HAP)		NA	NA
Others-please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6592.02	The Company has initiated its carbon calculation in the year 2022-23 and shall continue the same in the upcoming years to attain the target of net zero.
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	41480.59	
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ per Rupees	0.000001	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, as a responsible business owner, STL strives to improve resource efficiency, wherein the Company has undertaken the following projects related to reduction of Green House Gas emission:

- Installed solar systems at various units, from which 20% of the electricity comes in.
- Adopted Variable Frequency Drives (VFD) for air compressor for energy saving.
- Installed ETP recycling units for conservation of water.
- LED lights are being used at all the units, thereby resulting in energy saving.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	500.86	445.27
E-waste (B)	0.68	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) (ETP sludge & Hydraulic waste oil)	450.58	190.95
Other Non-hazardous waste generated (H). Please specify, if only (Break-up by composition i.e. by materials relevant to the sector) (Waste Paper, Board, Furniture)	89.68	106.96
Total (A+B + C + D + E + F + G + H)	1041.80	743.18
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	500.56	445.27
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	500.56	445.27
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	541.24	297.27
Total	541.24	297.27

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented a waste management policy that supports the Company's operations by segregating waste at the source and carrying out the following practices:

- Waste prevention
- Reusing waste
- Recycling waste
- Responsible disposal of waste

Furthermore at Company level, we use a hierarchy of waste reduction to implement the concepts of the circular economy, covering the aspects of Recover, Reduce, Reuse & Recycle including the following areas:

- Recovering resources as much as possible
- Reducing usage of natural resources and materials
- Reusing waste wherever practicable
- Recycling materials whenever possible

With respect to hazardous wastes, these are managed in accordance with the applicable Regulations (State Pollution Control Board (SPCB)/Central Pollution Control Board (CPCB) Rules and Guidelines). As per these Regulations, all of these items are handled, delivered, recycled, stored and disposed of through licenced agencies. Further, proper records are being maintained for all types of hazardous waste and its movement.

With respect to non-hazardous wastes, over the period, the Company has devised specific solutions to handle and dispose of non-hazardous waste in the most efficient available mechanism. These solutions require either no or very low investment, to achieve advancement both commercially and environmentally. For example, to eliminate the need for wood pallets for delivering the products, we have started using the recycled cardboard boxes as a filler for packaging material. Use of reusable pallets and recycling programmes for paper and plastic are some of the other initiatives.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all the applicable environmental laws/ regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable, since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India.

Leadership Indicators

- Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable resources		
Total electricity consumption (A) (Giga Joule)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	6809.13	7984.94
Total energy consumed from renewable sources (A+B+C) (Giga Joule)	6809.13	7984.94
From non-renewable resources		
Total electricity consumption (D) (Giga Joule)	129224.71	165485.02
Total fuel consumption (E)	10325.87	3272
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (Giga Joule)	139550.58	168757.02

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	3556.80	0
- No treatment		
- With treatment – please specify level of treatment	As per State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) Guidelines, wastewater generated is treated in Sewage Treatment Plant.	As per State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) Guidelines, wastewater generated is treated in Sewage Treatment Plant.
(ii) To Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Bawal, Gurugram, Bengaluru, Tijara, Jaipur

(ii) Nature of operations: Manufacturing of Auto Components.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	68031	89262
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	68031	89262
Total volume of water consumption (in kilolitres)	68031	89262
Water intensity per rupee of turnover (Water consumed / turnover)	0.000003	0.000003
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	3556.80	NA
- No treatment		
- With treatment – please specify level of treatment	As per State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) Guidelines, waste water generated is treated in Sewage Treatment Plant.	As per State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB) Guidelines, waste water generated is treated in Sewage Treatment Plant.
(ii) Into Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	3556.80	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Scope-3 emissions are not considered by the Company presently. The Company is in the process of laying down the roadmap in the near future.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1. Installed VFD's all over the Units	<p>“As a responsible business owner, Sandhar Group strives to improve resource efficiency.</p> <ol style="list-style-type: none"> Adopted VFD for air compressor for energy saving. 20% of the electricity comes from solar systems installed in various units. We installed ETP recycling units for conservation of water. LED lights has been used for all the units. 	1. Installation of VFD's has resulted in saving of energy consumption equal to 1107736 KWH over the year, which has further resulted in reduction of 941.57 ton of CO2.
2. Solar Panels installed at the various units for electricity generation.		2. CO2 emission reduction of approx. 1607.7 Ton by the Solar panel.
3. Waste water treatment Plant installation		3. Reduction in usage of freshwater consumption.
4. Installed LED lights		4. Reduction in energy consumption.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We at STL have a Business Continuity Policy, which is available on the Company's Intranet. The purpose of having such Policy is to make sure that, in the event of an occurrence that might disrupt or endanger the Company, all business operations can be maintained at normal or nearly-normal performance levels.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There is no major environmental impact resulting from the Company's value chain (sourcing suppliers assessed for this purpose). Since we are mindful of the environmental consequences across the value chain, every supplier of ours is required to sign and abide by the Supplier's Code of Conduct. The Suppliers of the Company are expected to adhere to the compulsory Code of Conduct and further make attempt to inculcate the principles of the said Code of Conduct further in its supply chain.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

STL has assessed 40% of its top 100 suppliers for environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a Number of affiliations with trade and industry chambers/ associations: 9
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association	National
2	Confederation of Indian Industry MSME National Council	National
3	Confederation of Indian Industry (CII)	National
4	Innovation Council, Govt. of Haryana	State
5	Quality Circle Forum of India (QCFI)	National
6	Employers Federation of India	National
7	National Safety Council	National
8	Gurgaon Industrial Association (GIA)	State
9	Indian Construction Equipment Manufacturers' Association	National

- Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, since the Company has not received any adverse order from any regulatory authorities on any issues relating to anti-competitive conduct.		

Leadership Indicators

- Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
The Company does not engage in influencing regulatory policy. However, the Company practices proactive advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large.					

The Company does not engage in influencing regulatory policy. However, the Company practices proactive advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large.

We believe in adopting best practices and using the common platforms like ACMA, CII and other business forums for the purpose.

We continuously engage with all our stakeholders including customers and investors. Our endeavour is always to seek their opinion and share our views as a means of two-way communication, including accepting the best of the industry practices to make our Company better place to work.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, as there were no projects that required SIA as per the law in the current year.					

Not applicable, as there were no projects that required SIA as per the law in the current year.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

Not applicable

- Describe the mechanisms to receive and redress grievances of the community.

The Company has designated representatives who visit the communities at stated intervals/ as needed and their feedback/ suggestions are timely acknowledged & addressed.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	56.36%	31.52%
Sourced directly from within the district and neighbouring districts	North Zone: 87%	North Zone: 81%
	South Zone: 78%	South Zone: 80%
	West Zone: 72%	West Zone: 71%

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
The Company has not undertaken any CSR projects in designated aspirational districts as identified by government bodies during the current Financial Year.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
No, the Company does not have a preferential procurement policy where it give preference from suppliers comprising marginalised/vulnerable groups .
- (b) From which marginalized /vulnerable groups do you procure?
Not Applicable.
- (c) What percentage of total procurement (by value) does it constitute?
Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education	4,024	100%
2	Health Centre	14,000	100%
3	Eradicating Hunger & Malnutrition	250	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company obtains customer assessment and feedback through specified platforms as per the Company's Policy on a regular basis to identify the areas of concern reported. In order to improve customer satisfaction, remedial measures are devised and put into action. To access the overall business objectives, top management compiles, monitors and reviews the success of the actions at predetermined intervals .

2. Turnover of products and / or services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company is in the B2B business, and the products do not reach the customers directly. Hence, the clause is not applicable.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a Policy on Cyber Security and risks related to data privacy, which can be accessed at Company's Intranet

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). Information on products and services of the Company can be accessed at the Company's website <https://sandhargroup.com/products>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company is supplying child parts/components on B2B basis to OEMs hence, the Company has limited scope for informing and educating the consumers (end-users) about safe and responsible usage of products and/or services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable, since the Company is not providing any essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable, as the Company sells its products to OEMs who in turn use them as parts and components for their finished products.

Further, as such the Company did not carry out any survey with regard to consumer satisfaction relating to the major products of the Company, significant locations of operation of the Company or the Company as a whole. However, the Company receives feedback from its customers on regular intervals and implements the suggestions for further improvements.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Not Applicable, as no instances of data breaches were identified during the year.

b. Percentage of data breaches involving personally identifiable information of customers.

Not Applicable.

Management Discussion & Analysis – Financial Performance FY 2023

Industry Snapshot:

The Indian automobile industry has been through a rollercoaster ride since the first lockdown due to Covid-19. The pandemic brought the industry to a standstill, with factories shutting down and sales plummeting. However, the industry has shown remarkable resilience and has bounced back stronger than ever.

FY 2022-23 has been a year of consolidation, post Covid. The year started with supply chain disruptions from the Ukraine conflict. However, with efficient management of supply chains and better availability of commodities, especially for the electronics items, prices have moderated over the year though it remains a concern. Favorable policy initiatives ranging from impact of new PLI schemes, encouraging announcements in the Budget, forward-looking logistics and foreign trade policies and the recently announced gas pricing guidelines would go a long way in supporting the growth of the Industry.”

According to SIAM, the automobile industry experienced a significant 21% increase in domestic sales in FY 2022-23. Notably, the passenger vehicle sector achieved its highest sales figures, showcasing an impressive annual growth. Commercial vehicles and three wheelers also witnessed substantial growth, with respective increases of 34% and 87% primarily attributed to the higher demand for passenger carriers. The two-wheeler segment showed a moderate growth after experiencing a decline for three consecutive years. However, it is important to note that these segments have not yet reached the sales levels observed before the pandemic.

Production

The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022 with an increase of 12.55%.

Domestic Sales

The sale of Passenger Vehicle has been 38,90,114 units in April-March 2023, compared to 30,69,523 units in April-March 2022, grown by 26.73%.

The overall Commercial Vehicles sales has been 9,62,468 units in April-March 2023 compared to 7,16,566 units in April- March 2022, increased by 34.32%.

Three-wheeler sales have been 4,88,768 units in April-March 2023 compared to 2,61,385 units in April-March 2022, increased by 86.99%.

Two-wheeler sales have been 1,58,62,087 units in April-March 2023, compared to 1,35,70,008 units in April-March 2022, increased by 16.89%.

Exports

The overall exports have been 47,61,487 units in April-March 2023 compared to 56,17,359 units in April-March 2022, decreased by 15%.

Passenger Vehicles exports increased by 14.71%. Commercial Vehicles, Three Wheelers and Two Wheelers decreased by 14.79%, 26.85% and 17.80% respectively in April-March 2023 over the same period last year.

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

Segment	FY'23	FY'22	Gr %
	Volume (Nos.)	Volume (Nos.)	
Passenger Vehicles	21,61,163	18,42,025	17%
Utility Vehicles	22,51,211	16,90,255	33%
Vans	1,40,631	1,15,118	22%
Total : PVs + UVs	45,53,005	36,47,398	25%
M & HCVs	3,81,070	2,72,758	40%
LCVs	6,60,043	5,36,105	23%
Total: CVs	10,41,113	8,08,863	29%
Motorcycles	1,34,61,483	1,30,66,628	3%
Scooters	56,06,953	44,63,115	26%
Mopeds	4,45,773	4,83,396	-8%
Total: 2 Wheelers	1,95,14,209	1,80,13,139	8%
Three Wheelers	8,54,317	7,61,115	12%
Total	2,59,62,644	2,32,30,515	12%

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

OEM Growth Rates		FY'23	FY'22	YoY
Hero Motocorp	Lacs (Vol.)	53.29	49.44	7.77%
TVS Motors	Lacs (Vol.)	30.67	31.38	(2.25%)
Honda Motorcycles	Lacs (Vol.)	43.51	38.02	14.45%
Bajaj Auto	Lacs (Vol.)	34.38	38.37	(10.40%)
Royal Enfield	Lacs (Vol.)	8.35	6.02	38.62%
Honda Cars	Lacs (Vol.)	1.14	1.05	8.76%
Tata Motors- CVs	Lacs (Vol.)	4.14	3.57	15.85%

FINANCIAL PERFORMANCE FY'23

The performance of the Company for the year ended the 31 March 2023 is as per the summary given below:

STL Consolidated:

Total Revenue: Total Revenue (including inter-unit/inter-Company stock transfers) for the year ended the 31 March 2023 at Rs. 3,212.06 Crs as against Rs. 2,579.09 Crs in year ended the 31 March 2022, thereby representing a growth of 25%. After elimination of the inter-unit and inter-Company transactions, the Total Revenue at Consolidated level stood at Rs. 2,921.40 Crs for the year ended 31 March 2023 as against Rs. 2,330.68 Crs in the last year, thereby registering a growth of 25%.

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

Company Name	FY'23	FY'22	Act Gr Vs LY
	(Rs. In Crs)	(Rs. In Crs)	%
STL	2,409.70	1,946.17	23.82%
STB (WOS) including its subsidiaries	433.06	370.87	16.77%
STPL	19.33	14.42	34.05%
SEPL (WOS)	46.71	0.10	
SASPL (WOS)	60.43	10.53	473.88%
SACPL (WOS)	0.60	-	
Inter Companies elimination/adjustments	(48.43)	(11.41)	
Total	2,921.40	2,330.68	25.35%

The total contribution of the Subsidiaries to the consolidated Revenue has been Rs. 511.70 Crs in the year ended March 2023 as compared to Rs. 384.51 Crs in the previous fiscal year, constituting 17.52% and 16.50% of the Total Revenue, respectively.

EBITDA: At the Consolidated level, the Company registered an EBITDA of Rs. 261.58 Crs in the year ended March 2023 as compared to Rs. 213.01 Crs in the previous year, thereby registering a growth of 22.80%. The individual Company's performance stands as below:

Company Name	FY'23	FY'22	Act Gr Vs LY
	(Rs. In Crs)	(Rs. In Crs)	%
STL	216.95	171.11	26.79%
STB (WOS) including its subsidiaries	41.65	39.02	6.74%
STPL	5.34	3.40	57.06%
SEPL (WOS)	(4.61)	(0.80)	(476.25%)
SASPL (WOS)	2.94	1.28	129.69%
SACPL (WOS)	(0.24)	-	
SAESPL (WOS)	(0.05)	-	
Inter Companies elimination/adjustments	(0.40)	(1.00)	
Total EBITDA	261.58	213.01	22.80%

The total contribution of the subsidiaries in the Consolidated EBITDA increases to Rs. 44.63 Crs for the year ended March 2023 from Rs. 41.9 Crs for the year ended March 2022 thereby contributing 17.06% to the total Consolidated EBITDA as against 19.67% in the in same period in the last year.

Total Manufacturing Cost

At Consolidated level, the manufacturing cost as a % to Total Net Revenue from Operations (net of GST) stood at 84.06% in the FY'23 as compared to 83.41% in the FY'22.

At Standalone level, the manufacturing cost as a % to Total Net Revenue from Operations (net of GST) stood at 85.70% in the FY'23 as compared to 85.30% in the FY'22.

Personnel, Selling and Admin & General Costs:

At Consolidated level, Personnel, Selling, Admin & General Cost are lower at 8.98% in the FY'23 as compared to 9.50% in the FY'22.

At Standalone level, Personnel, Selling, Admin & General Cost are lower at 7.49% in the FY'23 as compared to 8.03% in the FY'22.

Foreign exchange loss arising out of trade operations amounted to Rs. 0.91 Cr. in the year FY'23 as compared to loss of Rs. 0.02 Cr. in the previous year.

Finance Costs:

At Consolidated level, the Finance Costs increased to Rs. 35.78 Crs (1.23% of Net Revenue) for FY'23 versus Rs. 17.71 Crs (0.76% of Net Revenue) in the FY'22.

At Standalone basis, the Finance Costs increased to Rs. 15.51 Crs (0.65% of Net Revenue) for the FY'23 versus Rs. 9.43 Crs (0.49%

of Net Revenue) in the FY'22. The interest cost on working capital loans and bill discounting charges stood at Rs. 7.01 Crs for the FY'23 as compared to Rs. 6.46 Crs in the FY'22.

The average working capital borrowing at Standalone level, decreased by Rs. 138.70 Crs (from Rs. 148.51 Crs in March 22 to Rs. 9.81 Crs in March 23).

Loans (Borrowings):

At Consolidated level, the Term Loans as at the 31 March 2023 stood at Rs. 391.96 Crs versus Rs. 273.15 Crs as at 31 March 2022. Outstanding working capital loans at the Consolidated level stood at Rs. 155.47 Crs as against Rs. 248.09 Crs as at the 31 March 2022.

Outstanding Term Loans on Standalone basis, stood at Rs. 110.31 Cr as at the 31 March 2023 vs Rs. 95.05 Cr. as at the 31 March 2022.

Outstanding working capital loans on Standalone basis have been Rs. 9.81 Crs as at 31 March 2023 versus Rs. 148.51 Crs as at the 31 March 2022.

Capital Expenditure/Addition in Gross Block:

At STL Standalone level, Company increased asset base by Rs. 93.54 Crs as at 31 March 2023.

Capital Expenditure		
Addition in Property, Plant & Equipment (a to f)		78.18
a)	Buildings	1.87
b)	Plant and Equipment	70.06
c)	Office equipment	2.50
d)	Vehicles	0.45
e)	Freehold land	2.02
f)	Furniture and Fixtures	1.28
Addition in Intangible assets		1.65
Addition in Right of use assets		13.71
Total additions in Gross Block		93.54
Capital Creditors		1.08
Decrease in CWIP		(21.58)
Increase in Capital Advance		0.86
Less:- Addition in Right of use assets		(13.71)
Total Capex as per cash flow		60.19

Investments:

The Total Investments made during the period in various subsidiaries and joint ventures aggregated Rs. 35.75 Crs. The Total Investments in such subsidiaries and joint ventures stood at Rs. 194.59 Crs.

S. No.	Name of Subsidiary/ Joint Venture	Total Investment as at 31st March, 2023 (Rs. In Crs)	Addition during the year (Rs. In Crs)
1	Sandhar Engineering Private Limited	64.50	29.50
2	Sandhar Amkin Industries Pvt. Ltd.	26.62	-
3	Sandhar Technologies Barcelona S.L.	20.29	-
4	Sandhar Han Sung Technologies Pvt. Ltd.	19.56	-
5	Sandhar Automotive Systems Pvt. Ltd.	16.66	-
6	Jinyoung Sandhar Mechatronics Pvt Ltd.	12.27*	-
7	Kwansung Sandhar Technologies Private Limited	10.08	0.0009
8	Sandhar Whetron Electronics Pvt. Ltd.	6.74**	-
9	Winnercom Sandhar Technologies Private Limited	4.00	-
10	Sandhar Tooling Pvt. Ltd.	3.87	-
11	Sandhar Han Shin Auto Technologies Private Limited	2.75	-
12	Kwangsung Sandhar Automotive Systems Private Limited	0.99	-
13	Sandhar Auto Castings Private Limited	6.25	6.24
14	Sandhar Auto Electric Solutions Private Limited	0.005	0.0049
15	Sandhar Han Shin Automotive Private Limited	***	-
	Total	194.59	35.75

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

** The Original cost of investment in Sandhar Whetron Electronics Private Limited is Rs. 9.78 Crs, company noted an impairment loss of Rs 3.04 Crs, fair valued at Rs. 6.74 Crs.

*** Sandhar Han Shin Automotive Private Limited is under striking off.

Sundry Debtors:

At Consolidated level, the Receivables as at the 31 March 2023 stood at Rs. 355.36 Crs versus Rs. 445.37 Crs as at the 31 March 2022.

The Receivables for the Company on Standalone basis, stood at Rs. 293.01 Crs as at the 31 March 2023 as against Rs. 406.59 Crs as at 31 March 2022. This represented 45 days of average collection period as against 60 days as at the 31 March 2022. No provision is required to be made, as the receivables are all good and recoverable.

Inventories:

At Consolidated level, the inventories as at the 31 March 2023 stood at Rs. 300.45 Crs versus Rs. 259.69 Crs as at the 31 March 2022.

The inventories for the Company on Standalone basis as at the 31 March 2023 stood at Rs. 164.97 Crs as against Rs. 156.30 Crs as at the 31 March 2022. This represented 34 days of inventory holding period as against 39 days as at the 31 March 2022. No provision is required in the inventory against any slow moving inventory as their dispatch is in accordance with the customer offtake plan.

Current Liabilities:

At Consolidated level, the Current Liabilities & Provisions as at the 31 March 2023 stood at Rs. 540.84 Crs versus Rs. 494.40 Crs as at the 31 March 2022.

The current liabilities & provisions for the Company on Standalone basis, stood at, the Rs. 305.36 Crs as at 31 March 2023 as against Rs. 337.32 Crs as at 31 March 2022. This includes Rs. 254.44 Crs trade payables as at 31 March 2023 and represented 49 days of average payable as against 70 days as at 31 March 2022.

Cash flow from Operations:

The Company's Cash Flow (Consolidated & Standalone level) as at 31 March 2023 stood as under:

(Amount in Rs. Crs.)

Particulars	Consolidated		Standalone	
	FY'23	FY'22	FY'23	FY'22
Cash Flows from Operating Activities				
Profit before tax	100.36	81.44	113.95	86.32
Depreciation and amortization expense	121.52	100.03	84.44	74.26
Other adjustments	34.33	28.68	13.20	8.02
Operating profit before working capital changes	256.22	210.15	211.59	168.60
Movements in working capital:	78.76	(141.98)	61.34	(131.55)
Cash generated from operations	334.98	68.18	272.93	37.05
Taxes Paid	27.08	19.55	26.32	19.19
Net cash inflow from operating activities (A)	307.90	48.62	246.61	17.86
Cash Flows from Investing Activities				
Capital Expenditure	(256.65)	(297.03)	(60.19)	(143.48)
Investments in joint ventures & subsidiaries	(0.09)	(15.24)	(35.75)	(50.24)
Purchase of investments	(0.21)	(3.73)	-	-
Other Receipts	9.32	4.77	8.92	2.22
Net cash used in investing activities (B)	(247.54)	(311.23)	(87.02)	(191.49)
Cash Flows from Financing Activities				
Borrowings/Repayment	26.94	295.37	(123.43)	194.66
Payment of lease liabilities	(19.66)	(16.09)	(9.38)	(8.72)
Dividend Paid	(13.57)	(6.08)	(13.54)	(6.02)
Interest paid	(30.60)	(13.50)	(13.34)	(6.93)
Net cash flow generated from / (used in) financing activities (C)	(36.89)	259.70	(159.70)	172.99
Foreign currency translation gain	(21.06)	1.03	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	23.47	(2.90)	(0.11)	(0.63)
Opening Cash Balance	4.10	5.97	0.24	0.87
Cash and equivalents at the end of the year	6.51	4.10	0.13	0.24

Contingent Liabilities:

The Company's Contingent Liabilities as at the 31 March 2023 stood as under (all Fig. in Rs. Lacs):

Particulars	31 March 2023	31 March 2022
a. Claims against the Company not acknowledged as debts		
- Service tax matters	310.55	310.55
- Income tax matters	259.79	259.08
- Custom act matters	6.94	6.94
- Demand notice against Land (Chakan & Pathredi)	837.52	837.52
- Other matters	53.78	46.50
Total (a)	1,468.58	1,460.59
b. Guarantees given by the Company	23,797.73	16,728.15
Total (a+b)	25,266.31	18,188.74

Outlook:

Given the current momentum, FY2024 is looking good at this stage albeit the rate of growth will moderate from the high double digits to single digit on the high base of FY2023.

India Ratings and Research (Ind-Ra) has maintained a neutral outlook for the auto sector for FY24, as domestic industry segments are likely to continue to recover, although growth rates could moderate on a yoy basis. Ind-Ra believes exports could

remain subdued in FY24, especially in 1H, mainly on account of the import ban/restrictions implemented in some Asian / African countries.

According to SIAM president Vinod Aggarwal, "While there are challenges, we expect the entire automobile industry to overcome them and grow in FY2024. The government's move to lower CNG prices is a positive move as it will now drive more sales of CNG trucks and cars, as their operating cost will be lesser, and customers will increasingly opt for this greener fuel option."

Independent Auditor's Report

To the Members of Sandhar Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sandhar Technologies Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Revenue recognition

See Note 17 to standalone financial statements

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>The Company's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric.</p> <p>Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient and appropriate audit evidence.</p> <ul style="list-style-type: none">• We assessed the appropriateness of the Company's accounting policies for revenue recognition by comparing with applicable accounting standard.• We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue.• On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred.• We tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred.• We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.• We assessed the adequacy of the disclosures in accordance with the relevant accounting standard.

Impairment assessment of investments in continuous loss making investee companies

See Note 6A to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2023, the Company has non-current investments in subsidiaries and joint ventures (collectively “the investments”) aggregating to INR 19,459 lacs, out of which certain investments amounting to INR 3,008 lacs are in continuous loss-making joint ventures.</p> <p>The investments are assessed for impairment periodically. The impairment assessment involves significant judgements and estimates in assessing the recoverable value. The recoverable value is considered to be Company’s assessment of the value in use.</p> <p>In view of the significance of these investments and involvement of judgements and estimates, we consider impairment assessment of investments in continuous loss-making investee companies as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient and appropriate audit evidence.</p> <ul style="list-style-type: none">• We evaluated the design and implementation of key controls in relation to impairment assessment and tested the operating effectiveness of such controls.• We evaluated impairment risk and assessed whether triggers exist for any investments based on consideration of external and internal factors affecting the value and performance of the investments.• We obtained management assessment of recoverable amount for investments where impairment risk is identified.• We assessed the method of determining value in use and key assumptions used therein through historical information, budgets / projections, and other relevant information.• We challenged the key assumptions within the build-up and methodologies used by the Company.• We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions.• We involved our internal specialists to assist us in performing above mentioned procedures relating to value in use calculation for the aforesaid investments.• We assessed the adequacy of disclosures made in the standalone financial statements, as required by relevant accounting standards.

Other Information

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

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

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

Management’s and Board of Directors’ Responsibilities for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/(loss) and other comprehensive income, changes in equity and cash flows of the Company in accordance with the

accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether

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

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

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

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

We also provide those charged with governance with a statement

that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A.b. above.
 - g. 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42 to the standalone 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has

come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 9 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to such 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 **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram
Date: 25 May 2023

Membership No.: 095019
ICAI UDIN:23095109BGZAE8356

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Sandhar Technologies Limited for the year ended 31 March 2023

(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.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (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 physically verified once in a period of two years. In accordance with this programme, all property, plant and equipment were physically verified during the year ended 31 March 2022. 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 material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land: 12C& 13A, KIABD Industrial Area, Attibele Bangalore	30.98	Adeep Roloforms Limited	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
Freehold land: 12C, KIABD Industrial Area, Attibele Bangalore	4.04	Adeep Locks Limited	No	28.12.2005	
Freehold land: Plot no 44 Sector-3, IMT MANESAR Gurgaon	317.77	Adeep Roloforms Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
Freehold land: Plot no 24 Sector-3, IMT MANESAR Gur-gaon	192.69	Sandhar Auto Components Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date
Building: 12C& 13A, KIABD Industrial Area, Attibele Bangalore	747.36	Adeep Roloforms Limited	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
Building: 12C, KIABD Industrial Area, Attibele Bangalore		Adeep Locks Limited	No	28.12.2005	
Building: Plot no 44-Sector-3, IMT MANESAR, Gurgaon	411.08	Adeep Roloforms Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.
Building: Plot no 24-Sector-3, IMT MANESAR Gurgaon	132.55	Sandhar Auto Components Limited	No	28.12.2005	The Company has filed an application in the Haryana State Industrial and Infrastructure Development Corporation for change the name which is pending as on balance sheet date.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantees, granted unsecured loans to companies and other parties in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firm or limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

Particulars	Guarantees (Rs in lacs)	Loans (Rs in lacs)
Aggregate amount during the year ended 31 March 2023		
a) Subsidiaries*	8,407	959
b) Others (employees)	-	39
Balance outstanding as at balance sheet date		
a) Subsidiaries*	21,214	959
b) Others (employees)	-	45

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and guarantees provided during the year ended 31 March 2023 and the terms and conditions of the grant of loans and guarantees provided during the year ended 31 March 2023 are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular, wherever applicable. Further, the Company has not given any advance in the nature of loan to any party during the year ended 31 March 2023.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year ended 31 March 2023.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year ended 31 March 2023 since effective 1 July 2017, these statutory dues has been subsumed into GST.

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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect

of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 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, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in Lacs)	Amount paid under protest
Income Tax Act, 1961	Expenses disallowed u/s 35 (2AB)	AY 2013-14 to AY 2016-17	Income tax Appellate Tribunal (ITAT)	81.96	-
Income Tax Act, 1961	Penalty proceeds	AY 2013-2014 to AY 2016-17, AY 2018-2019 & AY 2020-21	Commissioner of Income tax (A) - LTU	95.28	-
Income Tax Act, 1961	Mat credit disallowed	AY 2016-17	Income tax Appellate Tribunal (ITAT)	63.14	-
Income Tax Act, 1961	Depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt	AY 2017-18	Commissioner of Income tax (A) - LTU	19.40	-
Finance Act, 1994 Service tax	Service tax on freight	FY 2005-06	Assistant Commissioner, Central Excise	1.18	-
Finance Act, 1994 Service tax	Service tax on freight	FY 2016-17- July-2016 to March 2017	Commissioner (Appeal) Central Goods and Services Tax Gurugram	6.92	-
Finance Act, 1994 Service tax	Service tax on freight	2017-18 (April-17 to June-18)	Supdt. Central Goods and Services Tax, Gurugram	3.62	-
Finance Act, 1994 Service tax	Service tax on Manpower for Job work	FY 2005-06 to 2010-11	Joint Commissioner, CE, LTU, Delhi	100.78	-
Finance Act, 1994 Service tax	Service tax on Manpower for Job work	March-2011 to February-2015	Additional Commissioner, Central Excise	160.29	-
Finance Act, 1994 Service tax	Service tax on Commercial & industrial construction	FY 2006-07	Assistant Commissioner, Central Excise	2.11	-
Finance Act, 1994 Service tax	Service tax on various outward freight, & Telephone Service	FY 2016-17- (July-16 to March-17)	Assistant Commissioner, Central Excise	1.30	-
Finance Act, 1994 Service tax	Service tax on taking credit on levy of service tax on Outdoor catering services	FY 2009-10	Dy. Commissioner, Central Excise LTU Delhi	0.49	-

Name of the statute	Nature of the dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in Lacs)	Amount paid under protest
Finance Act, 1994 Service tax	Service tax on Civil construction, CHA, maintenance or repair, outward freight, Travel Agent, Catering Pandal, Shamiana, Authorized Service Station & Telephone Service	February-2004 to November-2011	Commissioner, Joint Commissioner and Deputy Commissioner, Central Excise	33.85	-
Custom Act Act 1962	Custom duty on import of goods	2015-16 and 2016-17	Custom Authority Garhi Harsaru, Gurugram, Haryana	6.94	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year ended 31 March 2023.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year ended 31 March 2023 on the pledge of securities held in its subsidiaries or joint ventures companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year ended 31 March 2023. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year ended 31 March 2023.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year ended 31 March 2023. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is

not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram
Date: 25 May 2023

Membership No.: 095019
ICAI UDIN:23095109BGZAER8356

Annexure B to the Independent Auditor's Report

on the standalone financial statements of Sandhar Technologies Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) 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 Technologies Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to 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 **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Shashank Agarwal

Partner

Place: Gurugram

Date: 25 May 2023

Membership No.: 095019

ICAI UDIN:23095109BGZAE8356

Standalone Balance Sheet as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	57,903.41	58,269.73
Capital work-in-progress	3A	1,395.11	3,597.13
Intangible assets under development	3A	44.50	-
Right-of-use assets	4	4,622.40	4,028.97
Goodwill	5	552.35	552.35
Other intangible assets	5	2,083.58	2,589.45
Financial assets			
- Investments	6A	19,571.41	16,365.35
- Other financial assets	6F	855.56	1,078.07
Income-tax assets (net)	8	411.76	444.13
Other non-current assets	8	285.20	198.73
Total non-current assets		87,725.28	87,123.91
Current assets			
Inventories	7	16,496.96	15,629.94
Financial assets	6		
- Loans	6B	1,004.18	41.48
- Trade receivables	6C	29,300.54	40,659.26
- Cash and cash equivalents	6D	13.18	23.90
- Other bank balances	6E	56.35	84.17
- Other financial assets	6F	351.27	114.83
Other current assets	8	2,193.81	2,451.02
Total current assets		49,416.29	59,004.60
Assets held for sale	3	768.90	-
Total assets		137,910.47	146,128.51
Equity and liabilities			
Equity			
Equity share capital	9	6,019.07	6,019.07
Other equity	10	86,865.21	79,975.31
Total equity		92,884.28	85,994.38
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	11	8,406.25	9,031.25
- Lease liabilities	13	1,892.26	1,204.74
Deferred tax liabilities (net)	16	585.00	842.00
Total non current liabilities		10,883.51	11,077.99
Current liabilities			
Financial liabilities			
- Borrowings	11	3,606.30	15,324.61
- Trade payables	12		
• total outstanding dues of micro enterprises and small enterprises		7,661.06	10,935.91
• total outstanding dues of creditors other than micro enterprises and small enterprises		17,782.98	17,179.34
-Lease liabilities	13	655.02	762.10
- Other financial liabilities	13	864.28	1,694.93
Other current liabilities	14	1,981.04	1,615.75
Income-tax liabilities (net)	15	458.27	609.51
Provisions	15	1,133.73	933.99
Total current liabilities		34,142.68	49,056.14
Total equity and liabilities		137,910.47	146,128.51
Significant accounting policies	2		

Standalone Balance Sheet as at 31 March 2023

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

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

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

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

Shashank Agarwal
Partner
Membership No. 095109

D.N. Davar
Chairman
DIN:00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN: 00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date : 25 May 2023

Place: Gurugram
Date : 25 May 2023

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

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

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
REVENUE			
Revenue from operations	17	239,739.76	194,101.58
Other income	18	1,236.44	515.06
Total income (I)		240,976.20	194,616.64
EXPENSES			
Cost of raw materials and components consumed	19	164,072.85	131,519.23
Changes in inventories of finished goods and work-in-progress	20	(256.23)	(647.97)
Employee benefits expense	21	27,607.50	23,415.95
Finance costs	24	1,550.96	942.75
Depreciation and amortization expense	22	8,444.27	7,426.26
Other expenses	23	27,857.52	23,218.39
Total expenses (II)		229,276.87	185,874.61
Profit before exceptional item and tax (III = I - II)		11,699.33	8,742.03
Exceptional item	25	304.33	110.36
Profit before tax (IV)		11,395.00	8,631.67
Tax expense	28		
Current tax		3,229.10	2,567.84
Deferred tax (credit)/charge		(212.02)	(78.85)
Total tax expense (V)		3,017.08	2,488.99
Profit for the year (VI = IV - V)		8,377.92	6,142.68
Other Comprehensive Income (VII)			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans	26	(178.71)	(294.58)
Income tax relating to re-measurement loss on defined benefit plans		44.98	74.15
Total Other Comprehensive Loss for the year (net of tax)		(133.73)	(220.43)
Total Comprehensive Income for the year (VIII = VI - VII) (Comprising Profit and Other Comprehensive Loss for the year)		8,244.19	5,922.25
Earnings per equity share:			
(1) Basic-Par value of Rs. 10 per share	27	13.92	10.21
(2) Diluted-Par value of Rs. 10 per share		13.92	10.21
Significant accounting policies	2		

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

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

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

Shashank Agarwal
Partner
Membership No. 095109

D.N. Davar
Chairman
DIN:00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN: 00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date : 25 May 2023

Place: Gurugram
Date : 25 May 2023

Standalone Statement of changes in equity for the year ended 31 March 2023

(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 1 April 2021	9	60,190,708	6,019.07
Changes during the year		-	-
Balance as at 31 March 2022		60,190,708	6,019.07
Changes during the year		-	-
Balance as at 31 March 2023		6,01,90,708	6,019.07

B. Other equity

Particulars	Reserves and Surplus (1)			Items of other comprehensive income (2)	Total
	Retained earnings	Securities Premium	Capital reserves	Remeasurements of defined benefit liabilities	
Balance as at 1 April 2021	44,023.91	27,859.67	2,653.66	117.73	74,654.97
Total Comprehensive income for the year ended 31 March 2022					
Profit for the year	6,142.68	-	-	-	6,142.68
Other comprehensive loss (net of tax)	-	-	-	(220.43)	(220.43)
Contribution by and distribution to owner					
Dividend on equity shares (Final)	(601.91)	-	-	-	(601.91)
Balance as at 31 March 2022	49,564.68	27,859.67	2,653.66	(102.70)	79,975.31
Total Comprehensive income for the year ended 31 March 2023					
Profit for the year	8,377.92	-	-	-	8,377.92
Other comprehensive loss (net of tax)	-	-	-	(133.73)	(133.73)
Contribution by and distribution to owner					
Dividend on equity shares (Final)	(1,354.29)	-	-	-	(1,354.29)
Balance as at 31 March 2023	56,588.31	27,859.67	2,653.66	(236.43)	86,865.21

Notes:

1. Refer Note 10 for nature and purpose of other equity.

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

Sandhar Technologies Limited

Shashank Agarwal
Partner
Membership No. 095109

D.N. Davar
Chairman
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Co-Chairman and
Managing Director
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Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Kapoor
Director
DIN:01204170

Arvind Kapur
Director
DIN: 00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date : 25 May 2023

Place: Gurugram
Date : 25 May 2023

Standalone Statement of Cash Flows for the year ended 31 March 2023

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flows from operating activities		
1 Profit before tax	11,395.00	8,631.67
2 Adjustments for :		
Depreciation and amortization expense	8,444.27	7,426.26
Impairment loss on investment in joint venture	304.33	110.36
Loss on liquidation of joint venture	6.35	-
Profit on sale of property, plant and equipment	(379.94)	(40.25)
Unrealised foreign exchange gain	(24.90)	(48.50)
Finance costs	1,550.96	942.75
Gain on investments carried at fair value through profit or loss	(15.12)	(13.19)
Interest income	(109.71)	(124.94)
Dividend income	(11.99)	(23.98)
3 Operating profit before working capital changes (1+2)	21,159.25	16,860.18
4 Movements in working capital:		
Decrease/ (Increase) in trade receivables	11,358.72	(5,826.57)
Increase in inventories	(867.03)	(2,232.83)
(Increase)/Decrease in financial assets	(1,621.04)	555.46
Decrease/ (Increase) in other current assets	257.21	(1,012.30)
Decrease in trade payables	(2,646.32)	(4,043.78)
Decrease in current provisions	(695.04)	(415.62)
(Decrease)/ Increase in other financial liabilities	(18.18)	0.41
Increase/ (Decrease) in other current liabilities	365.29	(180.22)
Total movement in working capital	6,133.61	(13,155.45)
5 Cash generated from operations (3+4)	27,292.86	3,704.73
6 Income tax paid (net of refunds)	2,631.87	1,918.82
7 Net cash generated from operating activities (5-6)	24,660.99	1,785.91
B Cash flows from investing activities		
Purchase of Property, plant and equipment, Capital work in progress and other intangible assets	(6,019.30)	(14,347.52)
Proceeds from sale of property, plant and equipment	794.20	80.49
Purchase of non-current investment in subsidiaries	(3,574.49)	(3,500.01)
Purchase of non-current investment in joint ventures	(0.09)	(1,523.73)
Sale of non-current investment in joint venture	72.96	-
Increase in Bank deposits	(104.04)	(2.83)
Dividend income	11.99	23.98
Interest received	117.09	120.77
Net cash used in investing activities	(8,701.68)	(19,148.85)
C Cash flows from financing activities		
Repayment of long-term borrowings	(474.06)	(18.54)
Proceeds from long-term borrowings	2,000.00	9,500.00
(Repayment)/ Proceeds from short-term borrowings (net)	(13,869.25)	9,984.91
Payment of lease liabilities	(790.62)	(699.83)
Interest paid on lease liabilities	(147.76)	(172.57)
Dividend paid	(1,354.29)	(601.91)
Interest paid	(1,334.05)	(692.57)
Net cash (used in)/ generated from financing activities ('C)	(15,970.03)	17,299.49
D Net decrease in cash and cash equivalents (A+B+C)	(10.72)	(63.45)

Standalone Statement of Cash Flows for the year ended 31 March 2023

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
E - Cash and cash equivalents as at the beginning of year 1	23.90	87.35
E - Cash and cash equivalents as at end of the year 2	13.18	23.90
Cash and cash equivalents include		
Balances with banks:		
- In current accounts	2.38	16.40
- Cash on hand	10.80	7.50
Cash and cash equivalents at the end of the year	13.18	23.90
Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:		
Particulars	Non - current borrowings*	Current borrowings
Opening balance as at 1 April 2022	9,531.00	14,850.55
Cash flows during the year	1,549.10	(13,869.25)
Non-cash changes:	-	-
Closing balance as at 31 March 2023	11,080.10	981.30

*Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 13.
For lease liabilities, refer Note 34.

Notes:

- The Standalone Statement of Cash Flows has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 "Statement of Cash Flows".
- Refer Note 2 for significant accounting policies.
- The Company paid in cash Rs. 161.29 Lacs for the year ended 31 March 2023 and Rs. 209.33 Lacs for the year ended 31 March 2022 towards Corporate Social Responsibility (CSR) expenditure.

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

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

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

Shashank Agarwal
Partner
Membership No. 095109

D.N. Davar
Chairman
DIN:00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Kapoor
Director
DIN:01204170

Arvind Kapur
Director
DIN: 00096308

Komal Malik
Company Secretary
ICSI M. No.: 6430

Place: Gurugram
Date : 25 May 2023

Place: Gurugram
Date : 25 May 2023

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

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

1. Corporate information

Sandhar Technologies Limited ('STL' or 'the Company') is a Public Limited Company domiciled in India. The Company was incorporated on 19 October 1987 in New Delhi, India and having its registered office at B-6/20 L.S.C. Safdarjung Enclave, New Delhi - 110029, India. It is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry.

2. Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

(ii) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

(iii) Basis of measurement

These Standalone Financial Statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability	Fair value
Investment in preference shares (unquoted)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

(iv) Use of estimates and judgements

In preparation of these Standalone Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax – Note 28
- Estimated impairment of financial assets and non-financial assets – Note 2.2 (e)
- Assessment of useful life of property, plant and equipment and intangible assets – Note 2.2 (a)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 30
- Valuation of inventories – Note 2.2 (g)
- Recognition and measurement of provision and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources – Note 31
- Lease classification – Note 34
- Fair value measurement – Note 2.1 (v)

(v) Measurement of fair values

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

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

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).

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 35 – Financial instrument.

(vi) Current - non-current classification

Asset

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2.2 Summary of significant accounting policies

a Property, plant and equipment

(i) Recognition and Measurement

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

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

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

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

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

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

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

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

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Standalone Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land is amortized on a straight line basis over the period of the lease which ranges between 89-99 years.

The Company has used the following rates to providedepreciationwhichcoincideswiththerates indicated in Schedule II of the Act on its property, plant and equipment, except for temporary erection, Computers (Servers and networks) and Non - commercial vehicles.

Asset category	Useful lives estimated by the management (years)
Factory Buildings	30 years
Other Buildings	60 years
Carpeted RCC Roads	10 years
Tube wells	5 years
Plant and Machinery	7.5 - 15 years
Electrical Installations	10 years
Office Equipment	5 years
Racks and Bins	10 years
Furniture & Fixtures	10 years
Commercial Vehicles	8 years
Tools, Moulds and Dies	6 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful lives of temporary erection is estimated one year, which is lower than those indicated in Schedule II
- Computers (Servers and networks) are depreciated over the estimated useful lives of three years, which is lower than those indicated in Schedule II.
- Non Commercial Vehicles are depreciated over the estimated useful lives of six years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

b Intangible assets

(i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at

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the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Standalone Statement of Profit and Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Standalone Statement of Profit and Loss as incurred.

(iii) Amortization

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life

continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

• **Technical know-how**

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

• **Software**

Software purchased by the Company are amortized on a straight line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

• **Goodwill**

Goodwill is not amortized but is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

c **Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate

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that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

d Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

e Capital advances

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

f Leases

Company as a lessee

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

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

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization 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 amortized on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

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

The right-of-use assets are also subject to impairment. Refer note 2.2 (e) for Impairment of non- financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

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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.

g Borrowing costs

Borrowing costs includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

h Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing

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rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

i Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

j Inventories

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

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

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

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

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

k Foreign currency transactions

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

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

l Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction

of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised

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.

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

Use of significant judgements in revenue recognition:

- a. The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c. The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the

relative standalone selling price of each distinct product or service promised in the contract.

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

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

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

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

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

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

m Income tax

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

Current tax

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

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

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the

respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based 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.

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

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

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.

n Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

o 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.

p Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

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

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

Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

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

q Employee benefits

(i) Short-term employee benefits

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

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

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 Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(iii) Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to Kotak Mahindra Old Mutual Life Insurance Limited and LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

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

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

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

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

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

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

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

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

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

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

r Financial instruments

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

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Financial assets

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

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;

- FVOCI – equity investment; or

- FVTPL

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI 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 Standalone Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from

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

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

the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

Investments in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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 sole 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.
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Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither

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

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transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

(iv) Offsetting

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

(v) Derivative financial instruments

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or 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.

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

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

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

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

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

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

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

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

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

However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

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

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

s **Recognition of interest expense**

Interest expense is recognized using effective interest method.

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

- the amortized cost of the financial liability.

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

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

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

t 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.

u 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.

v Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Company, or in respect of the final dividend when approved by shareholders of the Company.

w Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

x Expenditure

Expenses are accounted for on the accrual basis.

y Exceptional items

Exceptional items refer to items of income or expense within the Standalone Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

z Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

aa Research and development

Expenditure on research and development activities is recognized in the Standalone Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

bb. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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

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

3. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
Gross carrying value as at 1 April 2021	11,401.56	19,528.89	47,214.09	1,884.13	479.10	878.66	81,386.43
Additions	366.77	573.99	8,392.03	225.23	56.26	99.59	9,713.87
Disposals	100.71	43.16	947.83	340.03	113.57	10.08	1,555.38
Balance as at 31 March 2022	11,667.62	20,059.72	54,658.29	1,769.33	421.79	968.17	89,544.92
Additions	201.81	186.66	7,006.02	250.16	45.37	127.90	7,817.92
Disposals	30.98	53.17	662.50	62.42	32.08	11.99	853.14
Reclassification to assets held for sale*	768.90	-	-	-	-	-	768.90
Balance as at 31 March 2023	11,069.55	20,193.21	61,001.81	1,957.07	435.08	1,084.08	95,740.80
Accumulated depreciation							
Balance as at 1 April 2021	-	3,671.82	20,622.31	1,321.10	155.52	434.80	26,205.55
Depreciation for the year	-	874.07	5,099.35	266.03	114.36	92.69	6,446.50
Accumulated depreciation on disposal	-	14.63	899.84	339.12	113.20	10.07	1,376.86
Balance as at 31 March 2022	-	4,531.26	24,821.82	1,248.01	156.68	517.42	31,275.19
Depreciation for the year	-	1,013.01	5,560.82	235.02	102.70	89.53	7,001.08
Accumulated depreciation on disposal	-	25.60	311.90	62.42	30.73	8.23	438.88
Balance as at 31 March 2023	-	5,518.67	30,070.74	1,420.61	228.65	598.72	37,837.39
Net carrying value							
As at 31 March 2023	11,069.55	14,674.54	30,931.07	536.46	206.43	485.36	57,903.41
As at 31 March 2022	11,667.62	15,528.46	29,836.47	521.32	265.11	450.75	58,269.73

*During the current year, the Board of Directors has decided to sell Company's land situated at Jaipur, Rajasthan which is available for sale in its present condition. The Company expects to sell the land within twelve months from its classification. The asset held for sale has been measured at lower of cost and fair value less cost to sell i.e., Rs. 768.90 lacs.

3A. Capital Work in Progress and Intangible assets under development

Balance as at 31 March 2023

Capital work in progress	1,439.61
	1,439.61
Breakup of Capital Work in Progress is as follows:	
Plant and equipment	1,395.11
Intangible assets under development	44.50
	1,439.61

S. No	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress	1,353.02	86.59	-	-	1,439.61
2	Project temporarily suspended	-	-	-	-	-

Balance as at 31 March 2022

Capital work in progress	3,597.13
	3,597.13
Breakup of Capital Work in Progress is as follows:	
Plant and equipment	3,597.13
Intangible assets under development	
	3,597.13

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

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

S.No	CWIP	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in progress	3,597.13	-	-	-	3,597.13
2	Project temporarily suspended	-	-	-	-	-

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

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

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

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	"Gross Carrying Value 31 March 2023"	"Gross Carrying Value 31 March 2022"	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
1	Property, plant and equipment - Freehold Land	12C& 13A, KIABD Industrial Area, Attibele Bangalore	30.98	30.98	Adeep Rolo-forms Ltd	No	28.12.2005	The title deed is in the name of company i.e., Adeep Rolo-forms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
2	Property, plant and equipment - Freehold Land	12C, KIABD Industrial Area, Attibele Bangalore	4.04	4.04	Adeep Locks Ltd	No	28.12.2005	The property has been sold out during the financial year.
3	Property, plant and equipment - Freehold Land	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	-	21.31	Adeep Rolo-forms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
4	Property, plant and equipment - Freehold Land	Plot no 44- Sector-3, IMT MANESAR, Gurgaon	317.77	317.77	Adeep Rolo-forms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
5	Property, plant and equipment - Freehold Land	Plot no 24- Sector-3, IMT MANESAR, Gurgaon	192.69	192.69	Sandhar Auto Components, Ltd	No	28.12.2005	The title deed is in the name of company i.e., Adeep Rolo-forms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
6	Property, plant and equipment - Building	12C& 13A, KIABD Industrial Area, Attibele Bangalore			Adeep Rolo-forms Ltd	No	28.12.2005	
7	Property, plant and equipment - Building	12C, KIABD Industrial Area, Attibele Bangalore	747.36	747.36	Adeep Locks Ltd	No	28.12.2005	

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

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

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	"Gross Carrying Value 31 March 2023"	"Gross Carrying Value 31 March 2022"	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
8	Property, plant and equipment - Building	Plot no. 640, P & T Quarters Road, Thiruvottiyur, Chennai-600019	-	53.17	Adeep Rolo-forms Ltd	No	28.12.2005	The property has been sold out during the financial year.
9	Property, plant and equipment - Building	Plot no 44- Sector-3, IMT MANESAR, Gurgaon	411.08	411.08	Adeep Rolo-forms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
10	Property, plant and equipment - Building	Plot no 24- Sector-3, IMT MANESAR, Gurgaon	132.55	132.55	Sandhar Auto Components, Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.

4. Right-of-use assets*

Particulars	Leasehold Land	Total
Gross carrying value		
Balance as at 1 April 2021	5,202.05	5,202.05
Additions	835.79	835.79
Balance as at 31 March 2022	6,037.84	6,037.84
Additions	1,371.05	1,371.05
Disposals	783.84	783.84
Balance as at 31 March 2023	6,625.05	6,625.05
Accumulated amortization		
Balance as at 1 April 2021	1,285.35	1,285.35
Amortization charge for the year	723.52	723.52
Balance as at 31 March 2022	2,008.87	2,008.87
Amortization charge for the year	777.62	777.62
Accumulated amortization on disposal	783.84	783.84
Balance as at 31 March 2023	2,002.65	2,002.65
Net carrying value		
As at 31 March 2023	4,622.40	4,622.40
As at 31 March 2022	4,028.97	4,028.97

* Refer Note 34

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

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

5 Intangible assets

Particulars	Computer software	Technical know-how	Goodwill*	Total
Gross carrying value as at 1 April 2021	973.32	999.29	552.35	2,524.96
Additions	43.34	2,300.00	-	2,343.34
Disposals	436.09	288.17	-	724.26
Balance as at 31 March 2022	580.57	3,011.12	552.35	4,144.04
Additions	100.63	64.12	-	164.75
Disposals	-	-	-	-
Balance as at 31 March 2023	681.20	3,075.24	552.35	4,308.79
Accumulated amortization				
Balance as at 1 April 2021	728.41	711.05	-	1,439.46
Amortization for the year	91.08	194.47	-	285.55
Accumulated amortization on disposal	434.60	288.17	-	722.77
Balance as at 31 March 2022	384.89	617.35	-	1,002.24
Amortization for the year	102.67	567.95	-	670.62
Accumulated amortization on disposal	-	-	-	-
Balance as at 31 March 2023	487.56	1,185.30	-	1,672.86
Net carrying value				
As at 31 March 2023	193.64	1,889.94	552.35	2,635.93
As at 31 March 2022	195.68	2,393.77	552.35	3,141.80

* Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.
- Discount rate ranging from 7% to 13% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

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

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

6 Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Investments		
A. Non-current investments		
Investments at cost		
Investments in subsidiaries		
Investment in equity shares (Unquoted)		
47.95 Lacs (31 March 2022: 47.95 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Tooling Private Limited	387.19	387.19
32.48 Lacs (31 March 2022: 32.48 Lacs) equity shares of EUR. 1/- each fully paid-up in Sandhar Technologies Barcelona SL	2,029.00	2,029.00
NIL (31 March 2022: 0.09 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Strategic Systems Private Limited	-	1.00
62.50 Lacs (31 March 2022: 0.10 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)@	625.00	1.00
645.00 Lacs (31 March 2022: 350.00 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Engineering Private Limited	6,450.00	3,500.00
309.96 Lacs (31 March 2022: 309.96 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)#	1,666.16	1,666.16
0.05 Lacs (31 March 2022: 0.0001 Lacs) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Electric Solutions Private Limited	0.50	0.01
Investments in joint ventures		
Investment in equity shares (Unquoted)		
172.206 Lacs (31 March 2022: 172.206 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	1,722.06	1,722.06
NIL (31 March 2022: 6.89 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Ecco Green Energy Private Limited	-	222.48
68.65 Lacs (31 March 2022: 68.65 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	686.50	686.50
266.20 Lacs (31 March 2022: 266.20 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	2,662.00	2,662.00
NIL (31 March 2022: 0.107 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Daeshin Auto Systems Private Limited	-	1.07
97.845 Lacs (31 March 2021: 97.845 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	978.45	978.45
100.84555 Lacs (31 March 2022: 100.84 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	1,008.46	1,008.37
0.099 Lacs (31 March 2022: 0.099 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Automotive Private Limited	1.00	1.00
27.50 Lacs (31 March 2022: 27.500 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	275.00	275.00
4 Lacs (31 March 2022: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winner-com Sandhar Technologies Private Limited	400.00	400.00
NIL (31 March 2022: NIL) equity shares of Rs.10/- each fully paid-up in Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)@	-	-
0.98655 Lacs (31 March 2022: 0.98655) equity shares of Rs.10/- each fully paid-up in Kwangsung Sandhar Automotive Systems Private Limited	98.66	98.66
Investments at fair value through profit and loss		
Investments in joint ventures		
Investments in Preference shares (Unquoted)		
23.43 Lacs (31 March 2022: 23.43) preference shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	234.38	234.38

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
65.03 Lacs (31 March 2022: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	650.38	650.38
Non Trade investment (Unquoted)		
0.2 Lacs (31 March 2022: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	112.36	97.24
	19,987.10	16,621.95
Less: Loss allowance in investment value (investment in joint ventures)	(415.69)	(256.60)
Total aggregate amount of impairment in the value of investments	(415.69)	(256.60)
Total investments	19,571.41	16,365.35
Aggregate value of unquoted investments	19,987.10	16,621.95
Aggregate amount of impairment in value of investments	(415.69)	(256.60)
Current	-	-
Non-Current	19,571.41	16,365.35

*Breakup of impairment in the value of investments

- During the year ended 31 March 2023, the Company performed an impairment assessment of its investment in equity shares of Sandhar Whetron Electronics Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 304.33 Lacs was recognized in the Standalone Statement of Profit and Loss as an exceptional item.
- During the year ended 31 March 2022, the Company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 110.36 Lacs was recognized in the Standalone Statement of Profit and Loss as an exceptional item.
- During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ('Sandhar Ecco Green Energy Private Limited'). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 143.17 Lacs was recognized in the standalone financial statements. During the current year the Company was voluntary liquidated vide order dated 10 February 2023 by NCLT, New Delhi Bench.
- During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the Company had applied for strike off under Section 248 of the Companies Act, 2013. Hence, the Company noted an impairment of investment amounting to Rs. 1.00 Lacs.
- During the year ended 31 March 2022, Sandhar Strategic Systems Private Limited, a wholly owned subsidiary of the Company and Sandhar Daeshin Auto Systems Private Limited, a joint venture of the Company, applied for strike off under Section 248 of the Companies Act, 2013. Hence, the Company noted an impairment of investments amounting to Rs. 2.07 Lacs. Both the companies were struck-off on 18 October 2022.

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

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
B. Loans		
Loans recoverable from related parties- Current	959.43	-
Loans to employees - Current	44.75	41.48
Total loans	1,004.18	41.48
Break up of total loans		
(a) Secured, considered good;	-	-
(b) Unsecured, considered good; and	1,004.18	41.48
(c) Doubtful.	-	-
	1,004.18	41.48
Current	1,004.18	41.48

Particulars	As at 31 March 2023	As at 31 March 2022
C. Trade receivables		
(unsecured and considered good, unless otherwise stated)		
Trade receivables*	27,839.84	37,216.55
Unbilled Reveune	1,460.70	3,442.71
Total trade receivables	29,300.54	40,659.26

Trade Receivables ageing schedule as on 31 March 2023

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed Trade receivables- considered good	29,192.69	105.60	1.05	1.20	-	29,300.54
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit Impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on 31 March 2022

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

* For explanations on the Company's credit risk management processes, refer to Note -37
For dues receivables from related parties refer to Note -32

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
D. Cash and cash equivalents		
Balances with banks:		
– In current accounts	2.38	16.40
Cash on hand	10.80	7.50
Total cash and cash equivalents	13.18	23.90

Particulars	As at 31 March 2023	As at 31 March 2022
E. Other Bank balances		
In current account for equity dividend	1.37	1.07
Deposits with original maturity for more than 3 months but less than 12 months*	54.98	83.10
Total other bank balances	56.35	84.17

*These deposits are held as margin money deposits with government authorities.

Particulars	As at 31 March 2023	As at 31 March 2022
F. Other financial assets		
Security deposits - Non current	855.56	1,078.07
Security deposits - Current	131.51	-
Interest accrued but not due on fixed deposits	12.87	20.25
Bank deposit with original maturity of more than 12 months	131.87	-
Other advances recoverable	75.02	94.58
Total other financial assets	1,206.83	1,192.90
Current	30,725.52	40,923.64
Non-current	20,426.97	17,443.42
Total financial assets (A+B+C+D+E+F)	51,152.49	58,367.06
Break up of financial assets carried at amortised cost		
Security Deposits	987.07	1,078.07
Total financial assets carried at amortised cost	987.07	1,078.07

7. Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials {includes goods in transit of Rs. 1031.02 Lacs (31 March 2022: Rs. 575.70 Lacs)}	11,745.03	11,302.47
Work in progress	1,006.75	1,249.07
Finished goods {includes goods in transit of Rs. 782.72 Lacs (31 March 2022: Rs. 458.97 Lacs)}	2,436.43	1,937.88
Stores and spares	1,333.75	1,165.52
	16,521.96	15,654.94
Provision for inventory obsolescence	(25.00)	(25.00)
Total inventories at the lower of cost and net realisable value	16,496.96	15,629.94

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

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

8. Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Other non - current assets		
A. Capital advances		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good.	285.20	198.73
Total capital advances	285.20	198.73
B. Income-tax asset		
(Unsecured and considered good, unless otherwise stated)		
Advance income-tax (net of provision for taxation) (refer Note 15)	411.76	444.13
	411.76	444.13
Total other non - current assets (A+B)	696.96	642.86
Other current assets		
C. Other advances		
Unsecured, considered good.	751.91	672.84
Doubtful	-	-
Total other advances	751.91	672.84
D. Prepaid expenses		
Prepaid expenses	493.32	478.23
	493.32	478.23
E. Balance with statutory / government authorities		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good	948.58	1,299.95
Total balance with statutory / government authorities	948.58	1,299.95
Total other current assets (C+D+E)	2,193.81	2,451.02
Current	2,193.81	2,451.02
Non-current	696.96	642.86

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

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

9 Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
A. Authorised share capital		
6,80,00,000 equity shares of Rs.10 each (31 March 2022: 6,80,00,000 equity shares of Rs.10 each)	6,800.00	6,800.00
2,00,000 preference shares of Rs.100 each (31 March 2022: 2,00,000 preference shares of Rs.100 each)	200.00	200.00
	7,000.00	7,000.00
B. Issued, subscribed and fully paid equity share capital		
Particulars	As at 31 March 2023	As at 31 March 2022
6,01,90,708 equity shares of Rs. 10 each fully paid up (31 March 2022: 6,01,90,708 equity shares of Rs. 10 each)	6,019.07	6,019.07
	6,019.07	6,019.07

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity shares outstanding at the beginning of the year	6,01,90,708	6,019.07	6,01,90,708	6,019.07
Issued during the year	-	-	-	-
Outstanding at the end of the year	6,01,90,708	6,019.07	6,01,90,708	6,019.07

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of Rs.10 per share (31 March 2022: Rs.10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

The Company has paid final dividend of Rs. 2.25 per equity share of face value Rs. 10 each, which was declared on 18 May 2022.

The Board of Directors at its Meeting held on 25 May 2023, has recommended a final dividend @ 25% i.e. Rs. 2.5 per equity share. The dates of the book closure for the entitlement of such final dividend and Annual General Meeting shall be decided and informed in due course of time.

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.

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

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Jayant Davar*	31,431,396	52.22%	31,431,396	52.22%

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

Details of shares held by promoters as at 31 March 2023

Particulars	No. of shares in Lacs (1 April 2022)	Change during the year	No. of shares in Lacs (31 March 2023)	% change during the year	% of shareholding
Jayant Davar	31,431,396	-	31,431,396	0.00%	52.22%
Monica Davar	2,622,930	-	2,622,930	0.00%	4.36%
Neel Jay Davar	1,555,995	-	1,555,995	0.00%	2.59%
Dharmendar Nath Davar	839,582	-	839,582	0.00%	1.39%
Santosh Davar	785,950	-	785,950	0.00%	1.31%
Poonam Juneja	62,265	-	62,265	0.00%	0.10%
Sanjeevni Impex Private Limited	1,684,738	-	1,684,738	0.00%	2.80%
Ysg Estates Private Limited	1,662,032	-	1,662,032	0.00%	2.76%
Sandhar Infosystems Limited	793,569	-	793,569	0.00%	1.32%
Jubin Finance And Investment Limited	573,508	-	573,508	0.00%	0.95%
Sandhar Estates Private Limited	350,280	-	350,280	0.00%	0.58%

Details of shares held by promoters as at 31 March 2022

Particulars	No. of shares in Lacs (1 April 2021)	Change during the year	No. of shares in Lacs (31 March 2022)	% change during the year	% of shareholding
Jayant Davar	31,415,426	15,970	31,431,396	0.05%	52.22%
Monica Davar	2,622,930	-	2,622,930	0.00%	4.36%
Neel Jay Davar	1,555,995	-	1,555,995	0.00%	2.59%
Dharmendar Nath Davar	839,582	-	839,582	0.00%	1.39%
Santosh Davar	785,950	-	785,950	0.00%	1.31%
Poonam Juneja	62,265	-	62,265	0.00%	0.10%
Sanjeevni Impex Private Limited	1,684,738	-	1,684,738	0.00%	2.80%
Ysg Estates Private Limited	1,662,032	-	1,662,032	0.00%	2.76%
Sandhar Infosystems Limited	793,569	-	793,569	0.00%	1.32%
Jubin Finance And Investment Limited	573,508	-	573,508	0.00%	0.95%
Sandhar Estates Private Limited	350,280	-	350,280	0.00%	0.58%

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

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

10 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
At the beginning and end of the year	2,653.66	2,653.66
Securities Premium		
Balance at the beginning of the year	27,859.67	27,859.67
Balance at the end of the year	27,859.67	27,859.67
Retained earnings		
Balance at the beginning of the year	49,461.98	44,141.64
Add: Profit for the year	8,377.92	6,142.68
Other comprehensive loss - Re-measurement of defined benefit liabilities	(133.73)	(220.43)
Less: Dividend on equity shares (Final)	(1,354.29)	(601.91)
Balance at the end of the year	56,351.88	49,461.98
Total of other equity	86,865.21	79,975.31

Nature and purpose of other equity

1. Capital Reserve:

This represents Capital reserve created during the year ended 31 March 2013, consequent to the approval by the Hon'ble High Court of Delhi of the scheme of amalgamation of MAG Engineering Private Limited with the Company and will be utilised as per the requirements of the Companies Act, 2013.

2. Securities premium:

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

3. Remeasurements of defined benefit obligation:

Remeasurements of defined benefit obligation comprises actuarial losses.

4. Retained earnings

This represents the cumulative profits/(losses) of the Company.

11 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
A. Non-current borrowings		
Term Loans		
Indian rupee loan from banks (secured) (refer note refer note A)	5,156.25	7,031.25
Indian rupee loan from others (secured) (refer note B)	3,250.00	2,000.00
Total non-current borrowings	8,406.25	9,031.25
Secured	8,406.25	9,031.25
Unsecured	-	-
B. Current borrowings		
a) Current maturities of long term loans		
Indian rupee loan from banks (secured) (refer note A)	1,875.00	468.75
Indian rupee loan from others (secured) (refer note B)	750.00	-
Indian rupee loan from banks (secured) (refer note C)	-	5.31
Total Current maturities of long term loans	2,625.00	474.06
b) Cash credit from banks (secured) (refer note D)	-	9,290.70
c) Cash credit from banks (unsecured) (refer note E)	-	5,000.00
d) Credit card payables (unsecured) (refer note F)	981.30	559.85
Total current borrowings	3,606.30	15,324.61
Aggregate secured loans	2,625.00	9,764.76
Aggregate unsecured loans	981.30	5,559.85

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Terms of borrowings:		
(A) Term loan from CITI Bank Indian rupee Loan of Rs. 750,000,000 carries interest rate of 5.75% p.a. The loan is repayable in 16 quarterly instalments of Rs. 46,875,000 from January, 2023	7,031.25	7,500.00
(B) Term loan from Bajaj Finserve Ltd Indian rupee Loan of Rs. 400,000,000 carries interest rate of 5.75%-6.00% p.a. The loan is repayable in 16 quarterly instalments of Rs. 125,00,000 from April, 2023	4,000.00	2,000.00
(C) Vehicle loan are from banks are secured by hypothecation of the financed vehicle.	-	5.31
(D) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the company.	-	9,290.70
(E) Cash credit from Federal Bank	-	5000
(F) Credit card from Axis Bank	981.30	559.85

Above term loans are secured by:

1. First pari passu charge on the entire present and future movable property, plant and equipment of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions
2. First pari passu charge on immovable properties, of the borrower as detailed below:
 - i. 4, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
 - ii. 3, HSIDC Industrial Area, Delhi Gurgaon Road, Gurgaon
 - iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurgaon
 - iv. Plot no. 24, Sector 3, IMT Manesar, Haryana
 - v. Plot no. 44, Sector 3, IMT Manesar, Haryana
 - vi. Plot no. 8, Bommasandra- Jigani Link Road Industrial Area, Hubli
 - vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore
 - viii. Plot # 13a, Sy No. 47 & 50, KIADB, Bangalore
 - ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh
 - x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore
3. Second Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders.

Disclosures as per revised schedule III to the Companies Act, 2013:

1. The Company has utilised the borrowings for the purpose it was taken.
2. The quarterly returns/statements of current assets filed with the banks/financial institutions are in agreement with the books of accounts.

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

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

12 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer Note 40)	7,661.06	10,935.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,114.89	15,058.16
Acceptances*	1,668.09	2,121.18
Total trade payables	25,444.04	28,115.25

Terms and conditions of the above financial liabilities:

For explanations on the Company's credit risk management processes, refer to Note 37.

For dues payables to related parties refer to Note -32.

*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions, which are normally effected within a period of 90 days.

Trade Payables ageing schedule as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	7,659.75	1.31	-	-	7,661.06
(ii) Others	17,703.16	61.10	4.10	14.62	17,782.98
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Trade Payables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	10,926.33	3.80	0.01	5.77	10,935.91
(ii) Others	17,146.39	9.72	2.37	20.86	17,179.34
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

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

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

13 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities at amortised cost		
Payables for capital goods - current*	576.21	1,457.84
Interest accrued but not due - current	-	0.03
Interest accrued and due on borrowings - current	48.85	25.66
Unpaid equity dividend - current	1.37	1.07
Security deposit payable - current	63.48	81.95
Provision for Interest - MSMED - current (refer Note 40)	174.37	128.38
Lease liabilities - non current (refer Note 34)	1,892.26	1,204.74
Lease liabilities - current (refer Note 34)	655.02	762.10
Total financial liabilities at amortised cost	3,411.56	3,661.77
Current	1,519.30	2,457.03
Non-current	1,892.26	1,204.74

*For dues payables to related parties refer to Note -32.

14 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues	1,515.29	1,135.35
Advance from customers	416.75	480.40
Advance from others	49.00	-
Total	1,981.04	1,615.75
Current	1,981.04	1,615.75

15 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer Note 30)	287.34	173.46
Provision for compensated absences	755.99	695.59
Other provisions		
Provision for income tax (net of tax paid) (refer Note 8B)	458.27	609.51
Provision for warranties*	90.40	64.94
Total	1,592.00	1,543.50
Total Income tax liabilities	458.27	609.51
Total Current provision	1,133.73	933.99
*Provision for warranties		
At the beginning of the year	64.94	51.24
Accrued during the year	102.99	91.23
Utilized during the year	(77.53)	(77.53)
At the end of the year	90.40	64.94

*Provision is recognized for expected warranty claims on products sold during the last two to five years, based on past experience of level of repairs and returns. It is expected that the most of this cost will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales level and current information available about returns based on the two to five year warranty period for all products sold.

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

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

16 Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Items leading to creation of deferred tax assets		
-Post-employment benefits	262.00	219.00
-Provision for doubtful debt & advances	75.00	75.00
-Employee benefits	109.00	115.00
-Fair value measurement	96.00	34.00
-Impact of IND-AS 116	39.48	42.75
Total deferred tax assets	581.48	485.75
Items leading to creation of deferred tax liabilities		
-Property, plant and equipment: Impact of difference between tax and depreciation/amortization charged for the financial reporting	1,166.48	1,327.75
-Fair value measurement	-	-
Total deferred tax liabilities	1,166.48	1,327.75
Deferred tax assets/(liabilities)	(585.00)	(842.00)

17 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	233,774.59	189,275.57
Sale of services	2,249.49	2,100.74
Other operating revenue		
Scrap sale	3,715.68	2,725.27
Revenue from operations	239,739.76	194,101.58

18 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other non-operating income		
Dividend income on long-term investments	11.99	23.98
Profit on sale of property, plant and equipment	379.94	40.25
Interest from bank	5.45	8.13
Interest from others	104.26	116.81
Gain on investments carried at fair value through profit or loss	15.12	13.19
Other miscellaneous income	719.68	312.70
	1,236.44	515.06

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

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

19 Cost of raw material and components consumed

Raw material and components consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	11,302.47	9,749.35
Add: Purchases during the year	164,515.41	133,072.35
	175,817.88	142,821.70
Less: Inventory at the end of the year	11,745.03	11,302.47
Cost of raw material and components consumed	164,072.85	131,519.23

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing inventories		
Finished goods	2,436.43	1,937.88
Work in progress	1,006.75	1,249.07
Opening inventories		
Finished goods	1,937.88	1,902.83
Work in progress	1,249.07	636.15
Net changes	(256.23)	(647.97)

21 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	24,628.82	21,227.24
Contribution to provident and other funds	1,256.91	986.76
Staff welfare expenses	1,485.96	1,020.89
Gratuity expense (refer Note 30)	235.81	181.06
	27,607.50	23,415.95

22 Depreciation and amortization expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	7,001.08	6,446.49
Amortisation on right of use assets	777.62	723.52
Amortisation on intangible assets	670.62	285.55
	8,449.32	7,455.56
Less: Depreciation on plant and machinery capitalized during the year	5.05	29.30
	8,444.27	7,426.26

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

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

23 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	4,705.16	4,041.01
Packing material	2,964.68	2,471.80
Job work charges	3,883.68	3,194.14
Rent	238.12	144.54
Rates and taxes	158.74	137.76
Insurance	228.22	205.54
Freight and forwarding charges	2,328.23	1,939.88
Power and fuel	6,889.34	5,632.61
Repairs and maintenance		
- Buildings	278.86	165.69
- Plant and machinery	1,572.12	1,261.06
- Others	987.97	932.18
Legal and professional charges*	759.01	818.78
Travelling and conveyance	374.05	210.99
CSR expenditure**	161.29	209.33
Provision for warranties (net of reversal)	102.99	91.23
Royalty	85.02	94.28
Commission to directors	376.19	333.71
Security service charges	594.59	573.32
Testing and development expenses	87.77	64.08
Festival and celebration expenses	78.02	39.12
Directors sitting fee	23.95	27.15
Foreign exchange fluctuation loss (net)	90.98	2.44
Miscellaneous expenses	888.54	627.75
Total other expenses	27,857.52	23,218.39

* Includes payment to auditors :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Audit fees	40.00	40.00
- Limited reviews	12.00	12.00
In other capacity		
- Other services (certification fees)	12.00	6.00
- Reimbursement of expenses	3.69	1.69
Total	67.69	59.69

** Disclosure relating to CSR expenditure:

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Gross Amount required to be spent by the Company as per Section 135 of the Companies Act 2013	168.04	205.53
(b) Amount approved by the Board to be spent during the year	168.04	205.53
(c) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	161.29	209.33
(d) Excess amount spent on CSR as per Section 135(5) of Companies Act, 2013:		
(i) Opening balance	6.75	2.94
(ii) Amount required to be spent during the year	168.04	205.53
(iii) Amount spent during the year	161.29	209.33
(iv) Closing balance	-	6.75
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	-	-
(g) Nature of CSR activities	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others

24 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest to banks on		
- Term loan	670.43	85.58
- Cash credit	619.15	520.16
- Others	1.13	46.03
Interest to others	62.08	69.38
Finance charges	0.28	21.92
Bank charges	50.13	27.11
Interest on lease liabilities (refer Note 34)	147.76	172.57
Total finance costs	1,550.96	942.75

25 Exceptional Items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment loss on investment in joint venture (refer Note 6)	304.33	110.36
Total exceptional items	304.33	110.36

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

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

26 Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2023:

Particulars	Retained earnings	Total
Re-measurement gain on defined benefit plans	(178.71)	(178.71)
Tax impact on re-measurement gain on defined benefit plans	44.98	44.98
	(133.73)	(133.73)

During the year ended 31 March 2022:

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

27 Earnings Per Share (EPS)

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity holders of the Company	8,377.92	6,142.68
Weighted average number of equity shares used for computing Earnings Per Share (Basic and Diluted)	60,190,708	60,190,708
Earnings Per Share (Basic and Diluted) (Rs.)	13.92	10.21
Face value per share (Rs.)	10	10

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

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share:		
Balance as at 1 April 2021	60,190,708	60,190,708
Issued during the year 2021-22		
Balance as at 31 March 2022	60,190,708	60,190,708
Issued during the year 2022-23	-	-
Balance as at 31 March 2023	60,190,708	60,190,708

As at 31 March 2023, the Company does not have any dilutive potential equity shares.

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

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

28 Income Tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:		
Income tax recognized in standalone statement of profit and loss		
Current income tax:		
Current tax	3,320.00	2,605.05
Current tax relating to earlier years	(90.90)	(37.21)
Deferred tax:		
Relating to origination and reversal of temporary differences	(212.02)	(78.85)
Income tax expense reported in the standalone statement of profit and loss	3,017.08	2,488.99
Income tax recognized in other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	44.98	74.15
Income tax charged to other comprehensive income	44.98	74.15

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Reconciliation of effective tax rate		
Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2023 and 31 March 2022:		
Profit for the year	11,395.00	8,631.67
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,867.89	2,172.42
Tax impact of deductible/ non-deductible expenses		
- Effect of Income tax exemption at Haridwar Unit U/S 80 IC of 'Income tax act 1961"		-
- Effect of Income tax exemption U/S 35 (2AB) of 'Income tax act 1961"		-
- Effect of Dividend Income	(3.02)	(6.03)
- Effect of CSR expenses	40.59	52.68
- Effect of Interest paid to MSMED	14.95	12.24
- Effect of impairment	1.60	-
- Income tax of earlier years	(90.90)	(37.21)
- Effect of gain on acquisition of equity interest in joint venture*	-	180.22
- Others	185.97	114.67
Income tax expense after adjustment of tax impact of non deductible items	3,017.08	2,488.99

*Refer Note 6

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

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

29 Group information

The Company has investment in following subsidiaries and joint ventures:

Name of the entity	Principal place of business	Relationships	Percentage of ownership interest	
			As at 31 March 2023	As at 31 March 2022
Sandhar Tooling Private Limited	India	Subsidiary	79.92	79.92
Sandhar Technologies Barcelona SL	Spain	Subsidiary	100.00	100.00
Sandhar Engineering Private Limited (w.e.f. 14 October 2021)	India	Subsidiary	100.00	100.00
Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited (subsidiary w.e.f. 28 December 2021)	India	Subsidiary	100.00	100.00
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (subsidiary w.e.f. 1 October 2021)	India	Subsidiary	100.00	100.00
Sandhar Auto Electric Solutions Private Limited (w.e.f. 6 January 2022)	India	Subsidiary	100.00	100.00
Sandhar Strategic System Private Limited (Strike off w.e.f. 18 October 2022)	India	Subsidiary	99.99	99.99
Sandhar Han Sung Technologies Private Limited	India	Joint Venture	50.00	50.00
Jinyoung Sandhar Mechatronics Private Limited	India	Joint Venture	50.00	50.00
Sandhar Amkin Industries Private Limited	India	Joint Venture	50.00	50.00
Sandhar Whetron Electronics Private Limited	India	Joint Venture	50.00	50.00
Kwangsung Sandhar Technologies Private Limited	India	Joint Venture	50.00	50.00
Sandhar Han Shin Auto Technologies Private Limited	India	Joint Venture	50.00	50.00
Winnercom Sandhar Technologies Private Limited	India	Joint Venture	50.00	50.00
Sandhar Ecco Green Energy Private Limited (Voluntary liquidated w.e.f. 10 February 2023)	India	Joint Venture	50.00	50.00
Sandhar Daeshin Auto Systems Private Limited (Strike off w.e.f. 18 October 2022)	India	Joint Venture	50.00	50.00
Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited (joint venture up-to 27 December 2021)	India	Joint Venture	-	-
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (joint venture up-to 30 September 2021)	India	Joint Venture	-	-
Sandhar Han Shin Automotive Private Limited (under process of striking off)	India	Joint Venture	50.00	50.00

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

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

30 Gratuity and other post-employment benefit plans

A. Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, National pension scheme and Employee state insurance scheme ('ESI') which are collectively defined as defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Standalone Statement of Profit and Loss as they accrued.

The amount recognized as an expense/ (adjusted):

Particulars	Year ended	
	31 March 2023	31 March 2022
Contribution to provident fund	804.88	725.30
Contribution to national pension scheme	65.20	49.91
Contribution to employee state insurance scheme	38.42	44.72

B. Defined benefit plan

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

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Liability for gratuity	2,523.20	2,214.91
Plan asset for gratuity	2,235.86	2,041.45
Net plan Asset/ (Liability) (Current):	(287.34)	(173.46)

II. Reconciliation of present value of defined benefit obligation:

Particulars	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Balance at the beginning of the year	2,214.91	1,964.90
Current service cost	223.29	192.00
Interest cost	159.92	133.61
Benefits paid	(217.98)	(190.72)
Past Service Cost including curtailment Gains/Losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	143.06	115.12
Balance at the end of the year	2,523.20	2,214.91

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

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

III. Reconciliation of fair value of plan assets:

Particulars	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Balance at the beginning of the year	2,041.45	2,125.68
Expected return on plan asset	147.39	144.54
Contribution paid into the plan	300.00	-
Benefits paid	(217.34)	(187.71)
Actuarial gain/(loss) on plan assets recognized in other comprehensive income	(35.64)	(41.06)
Closing fair value of plan asset	2,235.86	2,041.45

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	223.29	192.00
Past service cost	-	-
Interest cost/ (income)	12.52	(10.94)
Expense recognised in the Standalone Statement of Profit and Loss	235.81	181.06

V. Remeasurement recognized in other comprehensive income (OCI)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial gain / (loss) on Defined Benefit Obligation	(143.06)	(115.12)
Gain/ (loss) on Plan Assets excluding interest income	(35.65)	(41.06)
Amount recognised in the Other Comprehensive Income	(178.71)	(156.18)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial gain/(loss) due to demographic assumption change	-	-
Actuarial gain/(loss) due to financial assumption change	(167.87)	(103.47)
Actuarial gain/(loss) due to experience adjustment	24.81	(11.65)
Amount recognised in the Other Comprehensive Income	(143.06)	(115.12)

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

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

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

a. Economic assumptions

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

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38%	7.22%
Inflation rate	6.50%	5.50%

b. Demographic assumptions

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Retirement Age	58 years	58 years
Attrition Rate		
Up to 30 years	10% p.a.	10% p.a.
From 31 to 44 years	3% p.a.	3% p.a.
Above 44 years	1% p.a.	1% p.a.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(106.95)	114.95	(93.59)	100.64
Expected rate of future salary increase (0.5% movement)	109.20	(103.22)	97.27	(91.60)

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

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

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

Expected maturity analysis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	154.02	138.86
1-2 years	236.50	135.70
2-5 years	452.43	483.71
More than 5 years	1,680.25	1,456.63

Other long-term employee benefits:

During the year ended 31 March 2023, the Company has incurred an expense on compensated absences amounting to Rs. 344.05 (previous year Rs. 162.20). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

31 Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,490.93	1,266.76

B. Contingent liabilities

Particulars	31 March 2023	31 March 2022
a. Claims against the Company not acknowledged as debts*		
- Service tax matters (refer note A below)	310.55	310.55
- Income tax matters (refer note B below)	259.79	259.08
- Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
- Other matters	60.72	53.44
b. Guarantees given by the Company (refer note D below)	23,797.73	16,728.15

* It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

Note A:

- Show cause notice received in respect of credit taken on freight outward for the period 2005-2006, 2016-17 and 2017-18. The reply has been submitted and personal hearing is awaited with Assistant Commissioner, Central Excise. The amount involved is Rs. 11.73 (31 March 2022: Rs. 11.73).
- Show cause notice received in respect of credit taken on manpower supply for the period 2005-2006 to 2014-15 (up to Feb-15). The matter is pending for personal hearing with the Additional Commissioner, Commissioner, and Joint Commissioner, Central Excise. The amount involved is Rs. 261.07 (31 March 2022: Rs. 261.07).
- Show cause notice received in respect of credit taken on the Services on Commercial and Industrial construction work for the period 2009-2010. The matter is pending with Additional Commissioner, Central Excise and CESTAT, Chandigarh. The amount involved is Rs. 2.11 (31 March 2022: Rs.2.11).
- Show cause notices received in respect of credit taken on outdoor catering & courier services for the period 2010-2011. The matter is pending with the Superintendent and Deputy Commissioner, Central excise. The amount involved is Rs. 0.50 (31 March 2022: Rs. 0.50).
- Show cause notices received in respect of credit taken on various services such clearing and forwarding agency services, Construction and industrial Construction, repair & maintenance, travel agent, pandal, authorized service station & outward freight, for the period 2004-05 to 2016-17 (up to Mar-2017). The personal hearing attended & final order awaited from Assistant Commissioner, LTU New Delhi. The amount involved is Rs. 35.14 (31 March 2022: Rs. 35.14).

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

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

Note B:

- i) In respect of assessment year 2013-14, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 64.54 (31 March 2022: Rs. 64.54)
- ii) In respect of assessment year 2014-15, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 3.12 (31 March 2022: Rs. 3.12)
- iii) In respect of assessment year 2015-16 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 11.80 (31 March 2022: Rs.11.80).
- iv) In respect of assessment year 2016-17 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 2.50 (31 March 2022: Rs. 2.50).
- v) In respect of assessment year 2014-15 demand was issued for penalty proceeding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2022: Rs. 3.12).
- vi) In respect of assessment year 2017-18 demand was issued for depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt. The appeal has been filed with CIT (Appeal-22). The amount involved is Rs. 19.40 (31 March 2022: Rs. 19.40).
- vii) In respect of assessment year 2016-17 demand was issued for disallowance of MAT credit. The appeal has been filed with ITAT. The amount involved is Rs. 63.14 (31 March 2022: Rs. 63.14).
- viii) In the respect of assessment year 2013-14 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.64.54 (31 March 2022: Rs.64.54).
- ix) In the respect of assessment year 2015-16 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.16.89 (31 March 2022: Rs.16.89).
- x) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.7.42 (31 March 2022: Rs.7.42).
- xi) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.1.15 (31 March 2022: Rs.1.15).
- xii) In the respect of assessment year 2020-21 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.2.16 (31 March 2022: Rs. NIL).

Note C:

- i) In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated October 23, 2015 whereby demand of Rs. 761.04 has been raised for allowing a time extension for making additional investment in the project on land allotted to the Company (31 March 2022: Rs. 761.04). The Company has filed a request letter to waive off the same.
- ii) In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2022: Rs. 76.48). The Company is in process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases and as advised by Company's tax/legal advisors, wherever applicable, the management believes that the Company has strong chance of success and hence no provision against matters disclosed in "Claims against the Company not acknowledged as debts" are considered necessary.

Note D:

In relation to 32(2) above guarantee given by the Company:

To facilitate grant of financing facilities to the Company's Joint Ventures Subsidiaries and others, Company has given Corporate Guarantees to banks. As at the year-end, the outstanding Corporate Guarantee/Stand by-Letter of Credits/ bank guarantees so given amounts to Rs. 23,797.73 (31 March 2022: Rs. 16,728.15).

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

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

32 Related party transactions

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

1. Subsidiary Companies including step-down subsidiaries:

1. Sandhar Tooling Private Limited
2. Sandhar Technologies Barcelona S.L.
3. Sandhar Breniar Project, S.L (Liquidated on 23 April 2021)
4. Sandhar Technologies De Mexico S de RL de CV
5. Sandhar Technologies Poland sp. z o.o
6. Sandhar Technologies Ro SRL (incorporated on 4 March 2021)
7. Sandhar Engineering Private Limited (w.e.f. 14 October 2021)
8. Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)
(subsidiary w.e.f. 28 December 2021)
9. Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (subsidiary w.e.f. 1 October 2021) (subsidiary w.e.f. 1 October 2021)
10. Sandhar Auto Electric Solutions Private Limited
(w.e.f. 6 January 2022)
11. Sandhar Auto Electric Technologies Private Limited
(subsidiary w.e.f. 28 December 2021)
12. Sandhar Autotech Private Limited (subsidiary w.e.f. 28 December 2021) (strike-off w.e.f. 11 January 2023)
13. Sandhar Strategic Systems Private Limited (strike-off w.e.f. 18 October 2022)

2. Joint Ventures:

1. Sandhar Han Sung Technologies Private Limited
2. Jinyoung Sandhar Mechatronics Private Limited
3. Sandhar Amkin Industries Private Limited
4. Sandhar Whetron Electronics Private Limited
5. Kwangsung Sandhar Technologies Private Limited
6. Sandhar Han shin Auto Technologies Limited
7. Winnercom Sandhar Technologies Private Limited
8. Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited)
(joint venture up-to 27 December 2021)
9. Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)
(joint venture up-to 30 September 2021)
10. Kwangsung Sandhar Automotive Systems Private Limited
11. Sandhar Ecco Green Energy Private Limited (Voluntary liquidated on 10 February 2023)
12. Sandhar Daeshin Auto Systems Private Limited
(strike-off w.e.f. 18 October 2022)
13. Sandhar Han Shin Automotive Private Limited (under strike-off)
14. Sandhar Auto Electric Technologies Private Limited
(joint venture up-to 27 December 2021)
15. Sandhar Autotech Private Limited (joint venture up-to 27 December 2021) (strike-off w.e.f. 11 January 2023)

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

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

<p>3. Enterprises over which KMP/ relatives of Key Managerial Personnel are able to exercise control/ significant influence with whom transactions have undertaken during the current year/ previous year:</p>	<ol style="list-style-type: none"> 1. Sandhar Info systems Limited 2. Sandhar Estate Private Limited 3. Jubin Finance and Investment Limited 4. Haridwar Estates Private Limited 5. Swaran Enterprises (Mrs. Santosh Davar is a Partner) 6. Shorah Realty LLP 7. Rico Auto Industries Private Limited 8. Khaitan & Co LLP
<p>4. Key Managerial Personnel:</p>	<ol style="list-style-type: none"> 1. Mr. Jayant Davar (Co-Chairman and Managing Director), 2. Mr. Yashpal Jain (Chief Financial Officer) 3. Ms. Komal Malik (Company Secretary) 4. Mr. Arvind Kapur (Non-Executive Independent Director) 5. Mr. Bharat Anand (Non-Executive Independent Director)
<p>5. Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company:</p>	Mr. Jayant Davar
<p>6. Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company with whom transactions have undertaken during the year:</p>	<ol style="list-style-type: none"> 1. Mr. D. N. Davar 2. Mrs. Monica Davar 3. Mr. Neel Jay Davar 4. Mrs. Santosh Davar 5. Mrs. Poonam Juneja

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	4,675.27	3,373.13
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	635.74
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	626.98	350.66
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	32.55	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	124.23	55.40
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1.53	84.88
	Sandhar Engineering Private Limited	Subsidiary	0.11	-

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	58.97	36.51
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	832.88
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	4.78	158.77
	Sandhar Engineering Private Limited	Subsidiary	842.41	30.24
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	4,582.66	1,082.67
	Sandhar Tooling Private Limited	Subsidiary	3.40	-
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.65	2.80
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	26.99	28.97
Sale of Property, Plant and Equipment	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	-
	Sandhar Engineering Private Limited	Subsidiary	477.00	39.04
	Sandhar Automotive Systems Private Limited (Formally Known As Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	-	0.81
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.19
Purchase of Property, Plant and Equipment	Sandhar Tooling Private Limited	Subsidiary	221.32	46.27
	Sandhar Engineering Private Limited	Subsidiary	60.50	-
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.29	-
	Sandhar Automotive Systems Private Limited (Formally Known As Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	148.71	-

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Reimbursement of expenses from	Sandhar Technologies Barcelona SL	Subsidiary	37.78	39.32
	Sandhar Tooling Private Limited	Subsidiary	45.08	11.03
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	63.02	63.09
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	11.02	8.68
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	65.18
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	24.23	48.70
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	17.47	13.33
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	22.73	15.69
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	6.43	16.21
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	7.52	11.40
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.17
	Sandhar Engineering Private Limited	Subsidiary	302.77	251.60
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	22.33	0.90
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	165.42	-
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	5.11	-
Rico Auto Industries Limited	Enterprises under Common control with the Reporting Enterprises	0.56		
Lease rentals (including service tax/ GST) paid to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	32.70	32.70
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	268.36	268.36
	Jayant Davar	Key Managerial Personnel & their relatives	-	8.05
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.71	0.71

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease rentals received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	28.67	28.20
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	27.73	11.60
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	0.14
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	60.63	15.16
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	39.87	20.16
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	0.32	-
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	0.16	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	0.46	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.09	-
Dividend Received from	Sandhar Tooling Private Limited	Subsidiary	11.99	23.98
Services received from	Sandhar Tooling Private Limited	Subsidiaries	-	0.83
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	0.04	3.56
	Khaitan & Co LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	-	4.50
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	11.83	22.25
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	165.83	59.15
Interest Received	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	13.73
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	25.44
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	1.91
	Sandhar Engineering Private Limited	Subsidiary	-	18.04
	Sandhar Technologies Barcelona SL	Subsidiary	19.80	-
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	1.57	-
Managerial remuneration	Jayant Davar	Key Managerial Personnel & their relatives	499.91	457.43
	Yashpal Jain	Key Managerial Personnel & their relatives	117.83	105.83
	Komal Malik	Key Managerial Personnel & their relatives	26.54	23.79

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend paid	Jayant Davar	Key Managerial Personnel & their relatives	634.64	282.04
	Others	Enterprises under Common control with the Reporting Enterprises	104.38	46.40
	Others	Key Managerial Personnel & their relatives	118.80	52.80
Investment made in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	102.26
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	48.85
	Sandhar Amkin Industries Pvt Ltd	Joint Venture of Reporting Enterprises	-	1,130.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.09	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	98.66
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	146.04
	Sandhar Engineering Private Limited	Subsidiary	2950.00	3,500.00
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	0.49	0.01
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	624.00	0.0001
Loan & Advances Given to	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	52.38
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	264.05
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	100.00
	Sandhar Engineering Private Limited	Subsidiary	-	3,900.00
	Sandhar Technologies Barcelona SL	Subsidiary	894.43	-
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	65.00	-
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.39	-

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Outstanding Receivable	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	-
	Haridwar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	130.77	130.77
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1.83	0.01
	Sandhar Technologies Barcelona SL	Subsidiary	57.58	39.32
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	4.10	9.71
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	49.69	10.54
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	0.17
	Sandhar Engineering Private Limited	Subsidiary	94.50	15.78
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	5.11	-
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	201.66	-
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	1107.70	1,217.99
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.00	1.88
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	1.82	0.05
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.56	3.11
Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3.83	3.33	
Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	434.09	381.89
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	-	0.12
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	9.00	35.37
	Sandhar Tooling Private Limited	Subsidiary	47.72	14.02

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Security deposit given to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	36.00	36.00
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	98.88	98.88
Security deposit received	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	5.97	5.97
Corporate guarantee/ standby letter of credit given to	Sandhar Technologies Barcelona S L	Subsidiary	9,504.51	7,583.38
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,212.32	1,744.27
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1,128.69	1,890.95
	Sandhar Engineering Private Limited	Subsidiary	10,021.73	5,429.27
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	1,687.27	-
Managerial Remuneration Payable	Jayant Davar	Key Managerial Personnel & their relatives	367.89	325.40
	Yashpal Jain	Key Managerial Personnel & their relatives	9.40	8.40
	Komal Malik	Key Managerial Personnel & their relatives	2.07	1.87

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment in JV's and subsidiaries	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,956.44	1956.44
	Sandhar Tooling Private Limited	Subsidiary	387.19	387.19
	Sandhar Technologies Barcelona SL	Subsidiary	2,029.00	2029.00
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	-	222.48
	Sandhar Strategic Systems Private Limited	Subsidiary	-	1.00
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1,336.87	1,336.87
	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive System Pvt Ltd)	Subsidiary	1,666.16	1,666.16
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	2,662.00	2,662.00
	Sandhar Daeshin Auto System Private Limited	Joint Venture of Reporting Enterprises	-	1.07
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	978.45	978.45
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	400.00	400.00
	Sandhar Han Shin Automotive Private Limited	Joint Venture of Reporting Enterprises	-	-
	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	Subsidiary	625.00	1.00
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	275.00	275.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.46	1,008.37
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	98.66
	Sandhar Auto Electric Solutions Private Limited	Subsidiary	0.50	0.01
	Sandhar Engineering Private Limited	Subsidiary	6,450.00	3,500.00

C. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances at the year-end are unsecured and interest free and are to be settled in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

33 Disclosure required under Section 186(4) of the Companies Act, 2013

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

Name of the loanee	Loan given in earlier years	Loan given during the year	Loan written off	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2023	Purpose
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	-	65.00	-	-	-	65.00	Loan given to subsidiary company in pursuant to business support.
Sandhar Technologies Barcelona SL	-	894.43	-	-	-	894.43	Loan given to subsidiary company in pursuant to business support.

Name of the loanee	Loan given in earlier years	Loan given during the year	Loan written off	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2022	Purpose
Sandhar Automotive System Pvt Ltd (formerly known as Sandhar Daewha Automotive Systems Pvt Ltd)	133.18	-	-	133.18	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Amkin Industries Private Limited	505.00	200.00	-	215.00	490.00	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Private Limited	-	100.00	-	100.00	-	-	Loan given to joint venture company in pursuant to business support.
Sandhar Engineering Private Limited	-	3,900.00	-	3,900.00	-	-	Loan given to subsidiary company in pursuant to business support.

ii) Particulars of Corporate guarantee/ standby letter of credit given to:

Name of the entity	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
Sandhar Technologies Barcelona SL	9,504.51	-	9,504.51	To secure term loan & working capital loan
Sandhar Han Sung Technologies Private Limited	1,212.32	-	1,212.32	To secure term loan & working capital loan
Sandhar Amkin Industries Private Limited	1,128.69	-	1,128.69	To secure term loan & working capital loan
Sandhar Engineering Private Limited	10,021.73	-	10,021.73	To secure term loan & working capital loan
Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited)	1,687.27	-	1,687.27	To secure term loan & working capital loan

iii) Particulars of investments made:

Refer note 6A for investments made by the Company.

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

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

34 Leases

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

ii) Impact of adoption of Ind AS 116 on the Standalone Statement of Profit and Loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities (refer note 24)	147.76	172.57
Amortization of Right-of-use assets (refer note 4)	777.62	723.52
Impact on the statement of profit and loss for the year	925.38	896.09

iii) Amount recognised in the statement of cash flow

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of lease liabilities including interest expenses	938.38	872.40
Impact on the statement of cash flows for the year	938.38	872.40

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

35 Financial Instruments- Fair Values

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

Particulars	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial assets				
A. FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	112.36	97.24	112.36	97.24
B. Amortised Cost:				
Security deposit	987.07	1,078.07	987.07	1,078.07
Loans recoverable from related parties	959.43	-	959.43	-
Loans to employees	44.75	41.48	44.75	41.48
Total	2,103.61	1,216.79	2,103.61	1,216.79
Financial liabilities				
A. Amortised Cost:				
Borrowings				
Loans	12,012.55	24,355.86	12,012.55	24,355.86
Lease liabilities	2,547.28	1,966.84	2,547.28	1,966.84
Total	14,559.83	26,322.70	14,559.83	26,322.70

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

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

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

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

The following methods and assumptions were used to estimate the fair values:

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

The fair value of unquoted instruments, is calculated by arriving at intrinsic value of the investee. The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company has entered into derivative financial instruments with financial institutions/ banks through Cross currency interest rate swap and principals swap.

Such derivatives are valued using valuation techniques, which employs the use of market observable inputs. Valuation technique applied by the company is Mark to Market as provided by the bank as on the date of valuation.

Discount rates used in determining fair value:

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

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

36 Fair value hierarchy

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

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

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

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

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

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

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

The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Financial 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.

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

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

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

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

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	112.36	-	-	112.36
Assets measured at amortised cost for which fair values are disclosed (refer note 35):				
Security deposit	987.07	-	-	987.07
Loans recoverable from related parties	959.43	-	-	959.43
Loans to employees	44.75	-	-	44.75
Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):				
Loans	12,012.55	-	-	12,012.55
Lease liabilities	2,547.28	-	-	2,547.28

During the year ended 31 March 2023, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL:				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	97.24	-	-	97.24
Assets measured at amortised cost for which fair values are disclosed (refer note 35):				
Security deposit	1,078.07	-	-	1,078.07
Loans recoverable from related parties	-	-	-	-
Loans to employees	41.48	-	-	41.48
Liabilities measured at amortised cost for which fair values are disclosed (refer note 35):				
Loans	24,355.86	-	-	24,355.86
Lease liabilities	1,966.84	-	-	1,966.84

During the year ended 31 March 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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

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

37 Financial risk management objectives and policies

The Company is primarily engaged in the manufacturing and assembling of automotive components such as lock-set, mirrors and various sheet metal components including cabins for two wheelers, four wheelers and off road vehicle industry. The Company's principal financial liabilities, comprises loans and borrowings, trade and other payables and finance lease obligation. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, employee advances, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company has exposure to the following risks arising from financial instruments

- Market risk (see (b));
- Credit risk (see (c)); and
- Liquidity risk (see (d)).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

a) Risk Management Framework

The Company's activities make it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

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

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

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, Sensitivity analysis	Availability of borrowing facilities.
Market risk - foreign currency risk	Future commercial transactions, Recognised financial liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting, Sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk, currency risk, price risk, and commodity risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2023.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

Particulars	31 March 2023	31 March 2022
Financial Liabilities		
Fixed rate instruments		
- Term Loan	11,031.25	9,500.00
- Vehicle Loan	-	5.31
Variable rate instruments		
- Cash credit from bank	-	14,290.70
- Credit card from bank	981.30	559.85
Financial Assets		
Fixed rate instruments		
- Fixed Deposits	186.85	83.10
- Loans	1,004.18	41.48
Security Deposits	987.07	1,078.07

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

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

The Company does not account for fixed rate financial assets or financial liabilities at fair value through profit or loss, and the company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Interest Rate sensitivity

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Increase / decrease in basic points	Profit or loss	Profit or loss (net of tax)
31 March 2023			
Secured term loan	100	110.31	82.55
Cash credit from bank	100	-	-
Other borrowings	100	9.81	7.34
Secured term loan	(100)	(110.31)	(82.55)
Cash credit from bank	(100)	-	-
Other borrowings	(100)	(9.81)	(7.34)
31 March 2022			
Secured term loan	100	95.05	71.13
Cash credit from bank	100	142.91	106.94
Other borrowings	100	5.60	4.19
Secured term loan	(100)	(95.05)	(71.13)
Cash credit from bank	(100)	(142.91)	(106.94)
Other borrowings	(100)	(5.60)	(4.19)

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).

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Details of unhedged foreign currency exposures:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount In Foreign Currency	Amount in Rs	Amount In Foreign Currency	Amount in Rs
Trade Payables (USD)	15.47	1,271.39	19.19	1,454.23
Trade Payables (JPY)	647.00	398.55	2,150.50	1,336.11
Trade Payables (GBP)	0.002	0.20	-	-
Trade Payables (EUR)	1.84	164.85	0.24	20.53
Trade Receivables (USD)	5.04	414.32	3.94	298.35
Trade Receivables (EUR)	1.67	149.46	0.90	75.74

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

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

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

Particulars	Year end rates	
	As at 31 March 2023	As at 31 March 2022
INR/ JPY	0.62	0.62
INR/ USD	82.17	75.80
INR/ GBP	101.65	-
INR/ EUR	89.44	83.96

Sensitivity Analysis

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

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure JPY	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/JPY Increases by 1%	Import Trade payables	0.6160	0.0062	647.00	(3.99)	(2.98)
	INR/JPY Decreases by 1%		0.6160	(0.0062)	647.00	3.99	2.98
As at 31 March 2022	INR/JPY Increases by 1%	Import Trade payables	0.6213	0.0062	2,150.50	(13.36)	(10.00)
	INR/JPY Decreases by 1%		0.6213	(0.0062)	2,150.50	13.36	10.00

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 2023	INR/USD Increases by 1%	Import Trade payables	82.1700	0.8217	15.47	(12.71)	(9.51)
	INR/USD Decreases by 1%		82.1700	(0.8217)	15.47	12.71	9.51
As at 31 March 2022	INR/USD Increases by 1%	Import Trade payables	75.7975	0.75798	19.19	(14.54)	(10.88)
	INR/USD Decreases by 1%		75.7975	(0.75798)	19.19	14.54	10.88

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure GBP	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/GBP Increases by 1%	Import Trade payables	101.6475	1.0165	0.002	(0.0020)	(0.0015)
	INR/GBP Decreases by 1%		101.6475	(1.0165)	0.002	0.0020	0.0015
As at 31 March 2022	INR/GBP Increases by 1%	Import Trade payables	-	-	-	-	-
	INR/GBP Decreases by 1%		-	-	-	-	-

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

(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 EURO	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/EURO Increases by 1%	Import Trade payables	89.4425	0.8944	1.84	(1.65)	(1.23)
	INR/EURO Decreases by 1%		89.4425	(0.8944)	1.84	1.65	1.23
As at 31 March 2022	INR/EURO Increases by 1%		83.96	0.8396	0.24	(0.21)	(0.15)
	INR/EURO Decreases by 1%		83.96	(0.8396)	0.24	0.21	0.15

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 2023	INR/USD Increases by 1%	Trade Receivables	82.1700	0.8217	5.04	4.14	3.10
	INR/USD Decreases by 1%		82.1700	(0.8217)	5.04	(4.14)	(3.10)
As at 31 March 2022	INR/USD Increases by 1%		75.7975	0.7580	3.94	2.98	2.23
	INR/USD Decreases by 1%		75.7975	(0.7580)	3.94	(2.98)	(2.23)

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 2023	INR/EUR Increases by 1%	Trade Receivables	89.4425	0.8944	1.67	1.4946	1.1184
	INR/ EUR Decreases by 1%		89.4425	(0.8944)	1.67	(1.49)	(1.12)
As at 31 March 2022	INR/ EUR Increases by 1%		83.96	0.8396	0.90	0.76	0.57
	INR/ EUR Decreases by 1%		83.96	(0.8396)	0.90	(0.76)	(0.57)

Equity price risk

The Company's listed & non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments.

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

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

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables of Rs. 29,300.54 lacs as at 31 March 2023 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

Company's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of 31 March 2023 and 31 March 2022 however there was no default on account of those customers in the past.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(a) Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans	1,004.18	41.48
Other financial assets	1,206.83	1,192.90
Total	2,211.01	1,234.38

(b) The ageing analysis of trade receivables for which loss allowance is measured using Life Time Expected Credit Losses as of the reporting date is as follows:

Particulars	As at 31 March 2023	0- 6 Month	6 - 12 Month	More than 12 months
Gross Carrying Amount	29,599.14	29,192.69	105.60	300.85
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	29,300.54	29,192.69	105.60	2.25

Particulars	As at 31 March 2022	0- 6 Month	6 - 12 Month	More than 12 months
Gross Carrying Amount	40,957.86	40,656.43	1.40	300.03
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	40,659.26	40,656.43	1.40	1.43

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

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

(c) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is represented by the carrying amount of each financial asset.

(d) Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2023	0- 1 year	1- 5 year	More than 5 year
Trade Payable	25,444.04	25,444.04	-	-
Borrowings	12,012.55	3,606.30	8,406.25	-
Lease liabilities	2,547.28	655.02	1,892.26	-
Other financial liabilities	864.28	864.28	-	-
Total	40,868.15	30,569.64	10,298.51	-

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2022	0- 1 year	1- 5 year	More than 5 year
Trade Payable	28,115.25	28,115.25	-	-
Borrowings	24,355.86	15,324.61	9,031.25	-
Lease liabilities	1,966.84	762.10	1,204.74	-
Other financial liabilities	1,694.93	1,694.93	-	-
Total	56,132.88	45,896.89	10,235.99	-

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

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

38 Capital management

The Company's capital management objectives are:

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

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

The Company uses debt equity ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	31 March 2023	31 March 2022
Net Debt (A)*	11,943.02	24,247.79
Equity (B)	92,884.28	85,994.38
Debt Equity Ratio (A/B)	0.13	0.28

* Net debt includes Non-Current borrowing, Current borrowing, Current maturities of non-current borrowing net off cash and cash equivalent and other bank balance.

39 Segment Reporting

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

The operating segment of the Company is identified to be "Automotive components" as the CODM reviews business performance at an overall Company level as one segment.

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

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

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the year	7,997.22	11,301.89
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.08	3.87
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 alongwith the amounts of the payments made to the supplier beyond the appointed day during each accounting year		
- Interest paid	13.64	8.87
- Payment to Suppliers	6,374.75	15,591.23
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	59.54	59.19
(e) Amount of Interest accrued and remaining unpaid at the end of the year	59.62	63.07
(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.	174.37	128.38

41 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as require by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from 1 April 2022 and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

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

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

42 Additional Information:

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) 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.
- vi) 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.
- vii) 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).
- viii) The Company is not declared as a wilful defaulter by any bank of financial institution or other lender.
- ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- xi) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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

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

43 Analytical Ratios

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Reason for variance (if variance exceeds 25%)
Current ratio	Total current assets	Total current liabilities	1.45	1.20	20.33%	-
Debt-equity ratio	Total Debt	Shareholder's equity	0.13	0.28	(54.34%)	Working capital loan has been decreased in FY 2022-23
Debt service coverage ratio	Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans + Loss on sale of PPE	Total amount of interest , lease payments & principle repayments of loan paid during the period	6.20	7.91	(21.66%)	-
Return on equity ratio	Net profit after tax*100	Average Shareholder's equity	9.37%	7.37%	27.08%	Due to increase in net profit after tax
Inventory turnover ratio	Cost of goods sold	(Opening inventory + closing inventory)/2	10.20	9.02	13.10%	-
Trade receivables turnover ratio	Total Net Revenue	Average Account Receivables (Opening+ Closing)/2	6.85	5.14	33.28%	Due to timely collection from customers
Trade payables turnover ratio	Total Purchases	Average Account Payables (Opening+ Closing)/2	6.14	4.35	41.38%	Due to timely payment to vendors
Net Capital turnover ratio	Total Net Revenue from operations	Working capital (Current Assets-Current liabilities)	15.70	19.51	(19.55%)	-
Net Profit ratio	Net Profit after tax*100	Net Revenue from operations	3.49%	3.16%	10.42%	-
Return on capital employed	Earnings Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	0.13	0.09	41.32%	Due to increase in earnings
Return on Investment	Income generated from invested funds	Average Investment	0.01	0.01	(35.31%)	Due to increase in investment in subsidiaries and loan given to related parties

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 25 May 2023

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

D.N. Davar
Chairman
DIN:00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Komal Malik
Company Secretary
ICSI M. No. 6430

Arjun Sharma
Director
DIN:00003306

Arvind Kapur
Director
DIN: 00096308

Archana Capoor
Director
DIN: 01204170

Place: Gurugram
Date: 25 May 2023

Independent Auditor's Report

To the Members of Sandhar Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sandhar Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Revenue recognition

See Note 19 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Group and its external stakeholders focus on revenue as a key performance metric.</p> <p>Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient and appropriate audit evidence.</p> <ul style="list-style-type: none">• We assessed the appropriateness of the Group's accounting policies for revenue recognition by comparing with applicable accounting standard.• We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue.• On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred.• We tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred.• We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.• We assessed the adequacy of the disclosures in accordance with the relevant accounting standard.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Board of Directors of its joint ventures

are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of nine subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 77,513 lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 51,367 lacs and net cash inflows (before consolidation adjustments) amounting to Rs.224 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 131 lacs for the year ended 31 March 2023, in respect of four joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely

on the reports of the other auditors.

- b. Four subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in IFRS and which have been audited by other auditor under generally accepted auditing standards applicable in IFRS. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in IFRS to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- c. The financial statements of three subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. Nil as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditor. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 0.03 lacs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of three joint ventures, whose financial information have not been audited by us or by other auditor. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A.b. above.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its joint ventures. Refer Note 32 to the consolidated financial statements.
 - b. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture companies incorporated in India during the year ended 31 March 2023.
 - d. (i) The respective management of the Holding Company and its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 43 to the consolidated 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 Holding Company or any of such subsidiary companies and joint venture companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and joint venture companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(ii) The respective management of the Holding Company and its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and joint venture companies

from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and joint venture companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company and its subsidiary company incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 10 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary company incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General

Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies and joint venture companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram
Date: 25 May 2023

Membership No.: 095109
ICAI UDIN:23095109BGZAE55743

Annexure A to the Independent Auditor's Report

on the Consolidated Financial Statements of Sandhar Technologies Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary / Joint venture	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sandhar Technologies Limited	L74999DL1987PLC029553	Holding company	Clause 3(i)(c) of Annexure A to Independent Auditor's Report
2	Sandhar Engineering Private Limited	U35999HR2021PTC098487	Subsidiary Company	Clause 3(xvii) of Annexure A to Independent Auditor's Report
3	Sandhar Auto Castings Private Limited	U28100HR2020PTC087939	Subsidiary Company	Clause 3(xvii) of Annexure A to Independent Auditor's Report
4	Jinyoung Sandhar Mechatronics Private Limited	U36990HR2017PTC068220	Joint venture company	Clause 3(xvii) of Annexure A to Independent Auditor's Report
5	Kwangsung Sandhar Technologies Private Limited	U29100HR2019PTC078337	Joint venture company	Clause 3(xvii) of Annexure A to Independent Auditor's Report
6	Kwangsung Sandhar Automotive Systems Private Limited	U29309HR2019PTC083787	Subsidiary of joint venture company	Clause 3(xvii) of annexure A to Independent Auditor's Report
7	Sandhar Automotive Systems Private Limited	U36100HR2017PTC069555	Subsidiary Company	Clause 3(xvii) of Annexure A to Independent Auditor's Report
8	Sandhar Auto Electric Tehnologies Private Limited	U35990HR2021PTC092545	Step down subsidiary Company	Clause 3(xvii) of annexure A to Independent Auditor's Report

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:23095109BGZAES5743

Place: Gurugram
Date: 25 May 2023

Annexure B to the Independent Auditor's Report

on the consolidated financial statements of Sandhar Technologies Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sandhar Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies and its joint venture companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, 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 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 consolidated 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 consolidated 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 consolidated 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to six subsidiary companies and three joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies.

The internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and three joint venture companies, which are companies incorporated in India and included in these consolidated financial statements,

have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies and joint venture companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram
Date: 25 May 2023

Membership No.: 095109
ICAI UDIN:23095109BGZAES5743

Consolidated Balance Sheet as at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3A	99,082.45	79,284.53
Capital work-in-progress	3B	9,543.40	8,907.19
Intangible assets under development	3B	1,918.50	3,895.16
Right-of-use assets	4	13,415.38	11,449.23
Goodwill	5	553.30	553.30
Other intangible assets	5	4,159.76	2,921.43
Equity accounted investees	6	3,945.17	4,311.83
Financial assets	7		
- Investments	7A	346.74	429.39
- Other financial assets	7F	1,626.39	2,156.54
Deferred tax assets (net)	18	641.94	276.98
Income-tax assets (net)	9B	637.49	610.41
Other non-current assets	9A	1,574.17	3,118.95
Total non-current assets		137,444.69	117,914.94
Current assets			
Inventories	8	30,044.55	25,969.79
Financial assets	7		
- Investments	7A	612.49	585.23
- Loans	7B	44.75	43.48
- Trade receivables	7C	35,535.90	44,537.42
- Cash and cash equivalents	7D	651.23	410.39
- Other bank balances	7E	56.35	251.77
- Other financial assets	7F	2,247.36	1,535.86
Other current assets	9C,D,E	8,131.45	6,542.90
Total current assets		77,324.08	79,876.84
Assets held for sale	3A	768.90	-
Total assets		215,537.67	197,791.78
Equity and liabilities			
Equity			
Equity share capital	10	6,019.07	6,019.07
Other equity	11	86,026.12	79,875.08
Equity attributable to owners of the Company		92,045.19	85,894.15
Non controlling interest	12	446.32	387.13
Total equity		92,491.51	86,281.28
Non-current liabilities			
Financial liabilities			
- Borrowings	13	30,476.67	24,692.34
- Lease liabilities	15	10,163.15	8,328.50
- Other financial liabilities	15	608.07	36.89
Provisions	17	140.83	100.91
Government grant	17A	2,157.19	-
Deferred tax liabilities (net)	18	1,149.87	1,480.02
Total non current liabilities		44,695.78	34,638.66
Current liabilities			
Financial liabilities			
- Borrowings	13	24,266.23	27,431.67
- Trade payables	14		
• total outstanding dues of micro enterprises and small enterprises		8,802.45	11,225.38
• total outstanding dues of creditors other than micro enterprises and small enterprises		32,374.36	27,627.32
- Lease liabilities	15	1,728.34	1,526.34
- Other financial liabilities	15	3,159.52	2,833.09

Consolidated Balance Sheet as at 31 March 2023

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

Particulars	Note	As at	As at
		31 March 2023	31 March 2022
Other current liabilities	16	6,418.53	4,672.77
Income-tax liabilities (net)	17	458.27	617.67
Provisions	17	1,142.68	937.60
Total current liabilities		78,350.38	76,871.84
Total equity and liabilities		215,537.67	197,791.78
Significant accounting policies	2		

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

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

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

Shashank Agarwal
Partner
Membership No. 095109

D. N. Davar
Chairman
DIN: 00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.:6430

Place: Gurugram
Date: 25 May 2023

Place: Gurugram
Date: 25 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

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

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
REVENUE			
Revenue from operations	19	290,890.73	232,370.23
Other income	20	1,249.29	698.11
Total income (I)		292,140.02	233,068.34
EXPENSES			
Cost of raw materials and components consumed	21	183,331.78	143,890.47
Changes in inventories of finished goods and work-in-progress	22	(644.38)	(2,306.86)
Employee benefits expense	23	38,460.86	31,836.97
Finance costs	26	3,577.90	1,771.03
Depreciation and amortisation expense	24	12,152.35	10,003.23
Other expenses	25	44,833.83	38,346.81
Total expenses (II)		281,712.34	223,541.65
Profit before share of loss of investment accounted for using equity method, exceptional items and tax (III = I - II)		10,427.68	9,526.69
Exceptional items	27	110.47	110.86
Profit before share of loss of investment accounted for using equity method, and tax (IV)		10,317.21	9,415.83
Share in loss of joint ventures accounted for using equity method, net (V)		280.81	1,271.59
Profit before tax (VI = IV - V)		10,036.40	8,144.24
Tax expense	30		
Current tax		3,461.40	2,663.42
Deferred tax (credit)/ charge		(780.66)	(112.11)
Total tax expense (VII)		2,680.74	2,551.31
Profit for the year (VIII = VI - VII)		7,355.66	5,592.93
Other comprehensive income	28		
<i>Items that will not be reclassified to profit or loss</i>			
(a) Re-measurement loss on defined benefit plans		(181.49)	(310.47)
Income tax relating to re-measurement loss on defined benefit plans		45.41	78.17
(b) Gain on acquisition of equity interest in joint venture		-	904.72
Income tax on above		-	(180.22)
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences in translating the financial statements of foreign operations		462.62	(3.13)
Income tax relating to exchange difference in translation		(115.66)	0.78
Total other comprehensive income for the year, net of tax (IX)		210.88	489.85
Total comprehensive income for the year (X = VIII + IX)		7,566.54	6,082.78
(Comprising Profit and Other Comprehensive Income for the year)			
Profit attributable to			
- Owners of the Company		7,296.86	5,572.87
- Non-controlling interest		58.80	20.06
		7,355.66	5,592.93
Other comprehensive income attributable to			
- Owners of the Company		210.49	491.84
- Non-controlling interest		0.39	(1.99)
		210.88	489.85
Total comprehensive income attributable to			
- Owners of the Company		7,507.35	6,064.71
- Non-controlling interest		59.19	18.07
		7,566.54	6,082.78
Earnings per equity share	29		
(1) Basic-Par value of Rs. 10 per share		12.22	9.29
(2) Diluted-Par value of Rs. 10 per share		12.22	9.29
Significant accounting policies	2		

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

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

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

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

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

Shashank Agarwal
Partner
Membership No. 095109

D. N. Davar
Chairman
DIN: 00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Capoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.:6430

Place: Gurugram
Date: 25 May 2023

Place: Gurugram
Date: 25 May 2023

Consolidated Statement of Change in equity for the year ended 31 March 2023

(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 1 April 2021	10	60,190,708	6,019.07
Changes during the year		-	-
Balance as at 31 March 2022		60,190,708	6,019.07
Changes during the year		-	-
Balance as at 31 March 2023		60,190,708	6,019.07

B. Other equity

Particulars	Attributable to owners of the Company					Total attributable to owners of the Company	Attributable to non-controlling interest	Total
	Reserves and surplus (1)			Items of other comprehensive income (2)				
	Retained earnings	Securities premium	Capital reserves	Exchange differences on translation of foreign operations	Remeasurements of defined benefit liabilities			
Balance as at 1 April 2021	42,594.79	27,859.67	3,190.97	649.53	123.47	74,418.43	369.06	74,787.49
Total Comprehensive income for the year ended 31 March 2022								
Profit for the year	5,574.87	-	-	-	-	5,574.87	18.07	5,592.94
Other comprehensive income (net of tax)	-	-	724.49	(2.35)	(232.30)	489.84	-	489.84
Adjustment on account of conversion of joint venture into subsidiary	(0.13)					(0.13)		(0.13)
Contribution by and distribution to owner								
Dividend on equity shares (Final)	(607.93)	-	-	-	-	(607.93)	-	(607.93)
Balance as at 31 March 2022	47,561.60	27,859.67	3,915.46	647.18	(108.83)	79,875.08	387.13	80,262.21
Total Comprehensive income for the year ended 31 March 2023								
Profit for the year	7,296.46	-	-	-	-	7,296.46	59.19	7,355.65
Other comprehensive income (net of tax)	-	-	-	346.96	(136.08)	210.88	-	210.88
Adjustment on account of cessation of subsidiary	1.00					1.00		1.00
Contribution by and distribution to owner								
Dividend on equity shares (Final)	(1,357.30)	-	-	-	-	(1,357.30)	-	(1,357.30)
Balance as at 31 March 2023	53,501.76	27,859.67	3,915.46	994.14	(244.91)	86,026.12	446.32	86,472.44

Notes:

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

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

As per our report of even date attached
For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

Shashank Agarwal

Partner

Membership No. 095109

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

D. N. Davar

Chairman

DIN: 00002008

Jayant Davar

Co-Chairman and

Managing Director

DIN:00100801

Yashpal Jain

Chief Financial Officer

Arjun Sharma

Director

DIN:00003306

Archana Capoor

Director

DIN:01204170

Arvind Kapur

Director

DIN:00096308

Komal Malik

Company Secretary

ICSI M. No.:6430

Place: Gurugram

Date: 25 May 2023

Place: Gurugram

Date: 25 May 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flows from operating activities		
1 Profit before tax	10,036.40	8,144.24
2 Adjustments for		
Depreciation and amortisation expense	12,152.35	10,003.23
Impairment loss on investment in joint venture and subsidiary	110.47	110.86
Share in loss of joint ventures accounted for using equity method	280.81	1,271.59
Gain on account of fair value of investment exceeds its carrying value	-	(1.67)
Gain on liquidation proceeds of joint venture	(0.89)	-
Profit on cessation of lease liability	(47.13)	-
Profit on sale of property, plant and equipment	(344.40)	(52.95)
Provision for doubtful debts and advances	14.61	-
Unrealised foreign exchange gain/(loss) (net)	(24.90)	(48.50)
Interest expense	3,577.90	1,771.03
Bad debts and advances written off	0.96	1.68
Interest income on security deposits measured at amortised cost	(13.95)	(3.55)
Loss on investments carried at fair value through profit or loss	(21.07)	(71.14)
Interest income	(99.26)	(109.21)
3 Operating profit before working capital changes (1+2)	25,621.90	21,015.61
4 Movements in working capital		
Decrease/(increase) in trade receivables	8,985.95	(5,015.67)
Increase in inventories	(4,074.76)	(4,832.89)
Decrease/(increase) in non current financial assets	636.18	(945.91)
(Increase)/decrease in current financial assets	(1,488.98)	598.81
Increase in other current assets	(1,588.55)	(3,573.32)
Increase in trade payables	2,349.01	75.92
Decrease in current provisions	(745.45)	(484.96)
(Decrease)/increase in other financial liabilities	2,056.98	(54.26)
Increase in other current liabilities	1,745.76	34.29
Total movement in working capital	7,876.14	(14,197.99)
5 Cash flows generated from operations (3+4)	33,498.04	6,817.62
6 Less : Income tax paid (net of refunds)	2,707.95	1,955.14
7 Net cash flows generated from operating activities (5-6)	30,790.09	4,862.48
B Cash flows from investing activities		
Purchase of property, plant and equipment, capital work in progres and other intangible assets	(25,664.88)	(29,702.91)
Proceeds from sale of property, plant and equipment	649.33	105.90
Purchase of non-current investment in joint ventures	(0.09)	(1,523.73)
Sale of non-current investment in joint venture	72.96	-
Purchase of investments	(21.31)	(373.46)
Increase in bank deposits	89.39	263.18
Interest received	120.52	108.51
Net cash flows used in investing activities	(24,754.08)	(31,122.51)
C Cash flows from financing activities		
Repayment of long-term borrowings	(474.06)	(18.54)
Proceeds from long-term borrowings	12,354.83	16,656.95
(Repayment)/proceeds of/from short-term borrowings (net)	(9,186.52)	12,899.26
Payment of lease liabilities	(1,522.53)	(1,211.81)
Interest paid on lease liabilities	(443.77)	(397.47)
Dividend paid during the year	(1,357.30)	(607.93)
Interest paid	(3,059.57)	(1,350.02)
Net cash flows (used in)/generated from financing activities	(3,688.92)	25,970.44

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,347.09	(289.59)
Impact on cash flow on account of foreign currency translation	(2,106.25)	103.08
E - Cash and cash equivalents as at the beginning of year 1	410.39	596.90
E - Cash and cash equivalents as at end of the year 2	651.23	410.39
Cash and cash equivalents include		
Balances with banks:		
- In current accounts	532.85	399.62
Cash on hand	13.37	10.77
Deposits with original maturity for less than three months	105.01	-
Cash and cash equivalents at the end of the year	651.23	410.39

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

Particulars	Non - current borrowings*	Current borrowings
Opening balance as at 1 April 2022	27,341.07	24,808.74
Cash flows during the year	11,909.35	(9,186.52)
Non-cash changes due to:		
- Foreign currency translation	-	(75.36)
Closing balance as at 31 March 2023	39,250.42	15,546.86

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

Notes:

- The Consolidated Statement of Cash Flows has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash Flows".
- Refer note 2 for significant accounting policies.
- The Company paid in cash Rs. 161.29 Lacs for the year ended 31 March 2023 and Rs. 209.33 Lacs for the year ended 31 March 2022 towards Corporate Social Responsibility (CSR) expenditure.

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number 101248W/W-100022

For and on behalf of the Board of Directors of

Sandhar Technologies Limited

Shashank Agarwal
Partner
Membership No. 095109

D. N. Davar
Chairman
DIN: 00002008

Jayant Davar
Co-Chairman and
Managing Director
DIN:00100801

Yashpal Jain
Chief Financial Officer

Arjun Sharma
Director
DIN:00003306

Archana Kapoor
Director
DIN:01204170

Arvind Kapur
Director
DIN:00096308

Komal Malik
Company Secretary
ICSI M. No.:6430

Place: Gurugram
Date: 25 May 2023

Place: Gurugram
Date: 25 May 2023

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

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

1. Corporate Information

Sandhar Technologies Limited ('STL' or 'the Company' or 'the Parent Company') is a Public Limited Company domiciled in India and was incorporated on 19 October 1987 in New Delhi, India under the provisions of the Companies Act in India. It is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Sandhar Group (the Parent Company and its subsidiary companies together referred to as "the Group") and its joint ventures are principally engaged in the manufacturing and assembling of automotive components for the automotive industry in India, designing and manufacturing of moulds, dies and dies parts, machine tools, jigs and fixtures and fabrication and assembly and construction, agri - farm and railway products.

The Consolidated Financial Statements for the year ended 31 March 2023 comprise Financial Statements of the Group and its joint ventures.

2. Significant Accounting Policies, Principles of Consolidation and Basis of preparation

2.1 Principles of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The subsidiary companies which are included in the Consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
1	Sandhar Tooling Private Limited (STPL)	Subsidiary	79.92	79.92	India
2	Sandhar Technologies Barcelona S.L. (STB)	Subsidiary	100	100	Spain
A	Breniar Project, SL (BP) (Liquidated on 23 April 2021)	Step Down Subsidiary	-	100	Spain
B	Sandhar Technologies Poland sp. Zoo (STP)	Step Down Subsidiary	100	100	Poland
C	Sandhar Technologies de Mexico S de RL de CV (STM)	Step Down Subsidiary	100	100	Mexico
D	Sandhar Technologies Ro SRL (w.e.f. 4 March 2021)	Step Down Subsidiary	100	100	Romania
3.	Sandhar Strategic Systems Private Limited (strike off w.e.f. 18 October 2022)	Subsidiary	99.99	99.99	India
4.	Sandhar Engineering Private Limited (SEPL) (w.e.f. 14 October 2021)	Subsidiary	100	100	India

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

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

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
5.	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (w.e.f 1 October 2021, Joint Venture Company upto 30 September 2021)	Subsidiary	100	100	India
6.	Sandhar Auto Electric Solution Private Limited (w.e.f. 6 January 2022)	Subsidiary	100	100	India
7.	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (w.e.f. 28 December 2021 Joint venture Company upto 27 December 2021)	Subsidiary	100	100	India
A.	Sandhar Autotech Private Limited (w.e.f 28 December 2021, Subsidiary of Joint venture Company upto 27 December 2021) (strike-off w.e.f. 11 January 2023)	Step Down Subsidiary	100	100	India
B.	Sandhar Auto Electric Technologies Private Limited (w.e.f 28 December 2021, Subsidiary of Joint venture Company upto 27 December 2021)	Step Down Subsidiary	100	100	India

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Financial Statements of all entities used for the purpose of Consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for Consolidation purposes, additional Financial Information as of the same date as the Financial Statements of the parent to enable the parent to Consolidate the Financial Information of the subsidiary, unless it is impracticable to do so.

The joint venture companies which are included in the Consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
1.	Sandhar Han Sung Technologies Private Limited	Han Sung Imp Co. Limited	50	50	India
2.	Sandhar Ecco Green Energy Private Limited (Voluntary liquidated on 10 February 2023)	DMRG Investment Private Limited and Tarun Agarwal	50	50	India
3.	Jinyoung Sandhar Mechatronics Private Limited	Jinyoung Electro-Mechanics Co. Ltd.	50	50	India
4.	Sandhar Amkin Industries Private Limited	Amkin Group Private Limited	50	50	India

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in its joint ventures.

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

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

S. No.	Name of the Joint Venture Company	JV Partner	% Share in JV		Country of Incorporation and Principal place of Business
			2022-23	2021-22	
5.	Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (Joint venture Company upto 27 December 2021)	Daehwa fuel pump Ind., Limited	-	-	India
6.	Sandhar Daeshin Auto Systems Private Limited (strike-off w.e.f. 18 October 2022)	Daeshin Machinery Ind. Co. Ltd.	50	50	India
7.	Sandhar Whetron Electronics Private Limited	Whetron Electronics Co. Ltd.	50	50	India
8.	Kwangsung Sandhar Technologies Private Limited	Kwangsung Corporation Limited	50	50	India
9.	Winnercom Sandhar Technologies Private Limited	Winnercom Co. Ltd.	50	50	India
10.	Sandhar Han Shin Automotive Private Limited (under strike-off)	Han Shin Corporation	50	50	India
11.	Sandhar Han Shin Auto Technologies Private Limited	Han Shin Corporation	50	50	India
12.	Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (Joint Venture Company upto 30 September 2021)	Daeshin Machinery Ind. Co. Ltd.	-	-	India

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and

equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on Consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity

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

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

- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities
- Recognition and estimation of tax expense including deferred tax – Note 18
- Estimated impairment of financial assets and non-financial assets – Note 2.3(k)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3(d)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 31
- Valuation of Inventories – Note 2.3(m)
- Recognition and measurement of provisions and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources – Note 32
- Lease classification – Note 35
- Fair value measurement – Note 2.2(v)

2.2 Basis of preparation

i. Statement of compliance

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013, (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

ii. Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

iii. Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability	Fair value
Investment in preference shares (unquoted)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

iv. Use of estimates and judgements

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

v. Measurement of fair values

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

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

Significant valuation issues are reported to the Parent Company's audit committee.

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 36 – Financial instrument.

vi. Current - non-current classification

Asset

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

2.3 Summary of significant accounting policies

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- b. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- c. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets held for Sale and Discontinued Operations are measured in accordance with that standard.
- d. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the

impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity

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

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

joint venture, the Group recognizes its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in joint venture), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of joint venture. If the joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

c. Foreign currency transactions

The Group's Consolidated Financial Statements are presented in INR, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Group companies

On Consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for Consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

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

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

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

i. Recognition and Measurement

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

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use the cost of replacing part of the plant and equipment and borrowing costs for long – term construction projects if the recognition criteria are met and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.2 (iv) regarding significant accounting judgements, estimates and assumptions.

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

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

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

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

Once classified as held-for-sale, intangible assets, property, plant and equipment are no longer amortized or depreciated.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on PPE is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Consolidated Statement of Profit and Loss. The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the

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Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land is amortized on a straight line basis over the period of the lease which ranges between 89-99 years.

The Group has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act, on its PPE, except for temporary erection, Computers (Servers and networks) and Non-commercial vehicles.

Asset category	Useful lives estimated by the management (years)
Factory Buildings	30 years
Other Buildings	60 years
Carpeted RCC Roads	10 years
Tube wells	5 years
Plant and Machinery	7.5 - 20 years
Electrical Installations	10 - 25 years
Office Equipment	5 years
Racks and Bins	10 years
Furniture & Fixtures	10 - 20 years
Commercial Vehicles	8 years
Tools, Moulds and Dies	5 - 6 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful lives of temporary erection is estimated one year, which is lower than those indicated in Schedule II
- Computers (Servers and networks) are depreciated over the estimated useful lives of three - four years, which is lower than those indicated in Schedule II.
- Non Commercial Vehicles are depreciated over the estimated useful lives of six years, which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

In case of Sandhar Technologies Barcelona S.L., the costs of acquisition of equipment, systems or installations for the elimination, reduction or control of the possible environment impacts of the business are capitalized.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

e. Goodwill and other intangible assets

i. Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Consolidated Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

iii. Amortization

The useful lives of intangible assets are assessed as either finite or indefinite

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are

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not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

- **Technical knowhow**

Amounts paid towards technical know-how fees for specifically identified projects/products being development expenditure incurred towards product design is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 60 to 72 months on straight line basis based on past trends, commencing from the month of commencement of commercial production.

- **Software**

Software purchased by the Group are amortized on a straight line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

- **Goodwill**

Goodwill is not amortized but is tested for impairment annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate

- f. **Assets held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be

withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

- g. **Capital work-in-progress**

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

- h. **Capital advance**

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

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i. Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases.

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

i. Right-of-use assets

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

If ownership of the leased asset transfers to the Group 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-2.2 (d) for Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Group recognizes 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group 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.

j. Borrowing costs

Borrowing costs includes interest, and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

k. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If

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any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Groups's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable

amount. Impairment losses, if any, are recognized in the Consolidated Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Consolidated Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

I. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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m. Inventories

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

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

- **Raw materials and components:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Companies in the Group, adopt First-in-first-out (FIFO) method for valuing raw materials, components, stores and spares (RM & Stores).
- **Finished goods and work in progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of work-in-progress (WIP) and finished goods (FG) is based on FIFO method.

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

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

n. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised

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

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

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Use of significant judgements in revenue recognition:

- a. The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

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

Dividends

Revenue is recognized when the Group's right to receive the payment is established by the reporting date.

o. Income tax

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

Current tax

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

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

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

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applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax

consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

p. Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

The Group and its joint ventures are governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group and its joint ventures business activities fall within a single primary business segment. The principal geographical segments are classified as India, Europe and others since there are different risks and returns of the geographies.

q. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events

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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.

r. Provisions (other than for employee benefits)

General

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

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

Warranties

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount

cannot be made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

s. Employee benefits

India

i. Short-term employee benefits

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

ii. Defined contribution plans

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

iii. Defined benefit plans

The Group operates a defined benefit gratuity plan, which requires contributions to be made to Kotak Mahindra Old Mutual Life Insurance Limited and LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum

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

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

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

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

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

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

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

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

iv. Other long term employee benefits

Compensated absences

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

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

Europe

In case of Sandhar Technologies Barcelona S.L. according to the sector social agreement (Convenio Siderometalurgico de la provincia de Barcelona) the Company pays 2 additional payrolls in June and December. The 2 additional payments, as well as the holiday payroll are provisioned every month on accrual basis.

t. Financial instruments

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

i. Recognition and initial measurement

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

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

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

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

or issue.

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

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

Financial assets: Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingents events that would change the amounts or timings of cash flows;

- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non - recourse features)

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

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

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

The Group uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is 90 days or more past due.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to Consolidated Statement of Profit and Loss and is recognized in OCI.

Write-off

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

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

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

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

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

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

u. Recognition of interest expense

Interest expense is recognized using effective interest method.

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

- The amortized cost of the financial liability.

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

v. Cash and cash equivalents

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

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Group's cash management.

w. 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 Group are segregated.

x. Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Group, or in respect of the final dividend when approved by shareholders of the Group.

y. Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Consolidated Statement of the Profit and Loss.

z. Expenditure

Expenses are accounted for on the accrual basis.

aa. Exceptional items

Exceptional items refer to items of income or expense within the Standalone Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

bb. Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

cc. Research and development:

Expenditure on research and development activities is recognized in the Consolidated Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses, if any.

dd. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

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

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

3A. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Office equipments	Vehicles	Furnitures and Fixtures	Total
Gross carrying value as at 1 April 2021	11,496.79	19,681.86	70,614.21	2,227.00	479.08	927.86	105,426.80
Additions	691.69	573.99	14,200.10	306.34	58.86	101.14	15,932.12
Disposals	100.71	43.16	1,163.47	340.03	113.57	10.08	1,771.02
Exchange difference on translation of foreign operations	(9.48)	-	(242.69)	(1.27)	-	(0.78)	(254.22)
Gross carrying value as at 31 March 2022	12,078.29	20,212.69	83,408.15	2,192.04	424.37	1,018.14	119,333.68
Additions	201.81	7,113.03	20,558.27	558.55	48.94	167.72	28,648.32
Disposals	30.98	53.17	933.82	66.26	32.08	13.82	1,130.13
Reclassification to assets held for sale*	768.90	-	-	-	-	-	768.90
Exchange difference on translation of foreign operations	19.96	472.23	2,334.92	33.47	-	2.15	2,862.73
Gross carrying value as at 31 March 2023	11,500.18	27,744.78	105,367.52	2,717.80	441.23	1,174.19	148,945.70
Accumulated depreciation							
Balance as at 1 April 2021	-	3,710.65	27,537.14	1,483.86	155.52	446.29	33,333.46
Depreciation for the year	-	901.67	6,934.50	306.83	114.63	93.86	8,351.49
Depreciation on disposal	-	14.63	1,070.60	339.12	113.20	10.07	1,547.62
Exchange difference on translation of foreign operations	-	-	(86.45)	(1.73)	-	-	(88.18)
Balance as at 31 March 2022	-	4,597.69	33,314.59	1,449.84	156.95	530.08	40,049.15
Depreciation for the year	-	1,067.74	8,020.08	315.24	104.26	93.82	9,601.14
Depreciation on disposal	-	25.60	336.76	64.36	30.72	10.06	467.50
Exchange difference on translation of foreign operations	-	2.81	662.55	15.10	-	-	680.46
Balance as at 31 March 2023	-	5,642.64	41,660.46	1,715.82	230.49	613.84	49,863.25
Net carrying value							
As at 31 March 2023	11,500.18	22,102.14	63,707.06	1,001.98	210.74	560.35	99,082.45
As at 31 March 2022	12,078.29	15,615.00	50,093.56	742.20	267.42	488.06	79,284.53

*During the current year, the Board of Directors has decided to sell Company's land situated at Jaipur, Rajasthan which is available for sale in its present condition. The Company expects to sell the land within twelve months from its classification. The asset held for sale has been measured at lower of cost and fair value less cost to sell i.e., Rs. 768.90 lacs.

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

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

3B. Capital work-in-progress and Intangible assets under development

Balance as at 31 March 2023

Capital work in progress	11,461.90
	11,461.90
Breakup of Capital Work in Progress is as follows:	
Plant and equipment	9,543.40
Intangible assets under development	1,918.50
	11,461.90

Amount in CWIP for a period of						
S. No	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress	9,465.62	1,980.32	-	15.96	11,461.90
2	Project Temporarily suspended	-	-	-	-	-

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

To be completed in						
S. No	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress (SMT Line)	1,906.16	-	-	-	1,906.16
2	Projects in Progress (Others)	15.96	-	-	-	15.96

Balance as at 31 March 2022

Capital work in progress	12,802.35
	12,802.35
Breakup of Capital Work in Progress is as follows:	
Plant and equipment	8,907.19
Intangible assets under development	3,895.16
	12,802.35

Amount in CWIP for a period of						
S. No	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress	12,788.67	-	-	13.68	12,802.35
2	Project Temporarily suspended	-	-	-	-	-

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

To be completed in						
S. No	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress (SMT Line)	1,906.16	-	-	-	1,906.16
2	Projects in Progress (Others)	13.68	-	-	-	13.68

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

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

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

As at 31 March 2023

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value 31 March 2023	Gross Carrying Value 31 March 2022	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
1	Property, plant and equipment - Land	12C& 13A, KIABD Industrial Area, Attibele Bangalore	30.98	30.98	Adeep Roloforms Ltd	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
2	Property, plant and equipment - Land	12C, KIABD Industrial Area, Attibele Bangalore	4.04	4.04	Adeep Locks Ltd	No	28.12.2005	The property has been sold out during the financial year.
3	Property, plant and equipment - Land	Plot no. 640 P&T Quarters Road, Thiruvottiyur, Chennai 600019	-	21.31	Adeep Roloforms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
4	Property, plant and equipment - Land	Plot no. 44 Sector-3 IMT MANESAR Gurugram	317.77	317.77	Adeep Roloforms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
5	Property, plant and equipment - Land	Plot no. 24 Sector-3 IMT MANESAR Gurugram	192.69	192.69	Sandhar Auto Components, Ltd	Yes	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
6	Property, plant and equipment - Building	12C& 13A, KIABD Industrial Area, Attibele Bangalore	747.36	747.36	Adeep Roloforms Ltd	No	28.12.2005	The title deed is in the name of company i.e., Adeep Roloforms Limited and Adeep Locks Limited. The valuation of the stamp duty was done by the Government agency. The Company is in the process of getting the name changed which is pending as on balance sheet date.
7	Property, plant and equipment - Building	12C, KIABD Industrial Area, Attibele Bangalore			Adeep Locks Ltd	No	28.12.2005	The property has been sold out during the financial year.
8	Property, plant and equipment - Building	Plot no. 640, P&T Quarters Road, Thiruvottiyur, Chennai 600019	-	53.17	Adeep Roloforms Ltd	No	28.12.2005	The property has been sold out during the financial year.

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

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

S. No.	Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value 31 March 2023	Gross Carrying Value 31 March 2022	Title deeds held in the Name of	Whether title deed holder is a promoter, director or relative of their relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in Name of the Company
9	Property, plant and equipment - Building	Plot no 44 Sector-3, IMT MANESAR Gurugram	411.08	411.08	Adeep Roloforms Ltd	No	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.
10	Property, plant and equipment - Building	Plot no 24 Sector-3, IMT MANESAR Gurugram	132.55	132.55	Sandhar Auto Components, Ltd	Yes	28.12.2005	The company has filed an application in the Haryana state Industrial and Infrastructure development corporation for change the name which is pending as on balance sheet date.

4. Right-of-use asset*

Particulars	Leasehold Land	Total
Gross carrying value as at 1 April 2021	13,321.75	13,321.75
Additions	2,234.15	2,234.15
Exchange difference on translation of foreign operations	(51.17)	(51.17)
Gross carrying value as at 31 March 2022	15,504.73	15,504.73
Additions	3,506.09	3,506.09
Disposals	1,054.90	1,054.90
Exchange difference on translation of foreign operations	540.14	540.14
Gross carrying value as at 31 March 2023	18,496.06	18,496.06
Accumulated depreciation		
Balance as at 1 April 2021	2,742.16	2,742.16
Amortization for the year	1,343.74	1,343.74
Accumulated depreciation on disposal	-	-
Exchange difference on translation of foreign operations	(30.40)	(30.40)
Balance as at 31 March 2022	4,055.50	4,055.50
Amortization for the year	1,646.44	1,646.44
Accumulated depreciation on disposal	783.84	783.84
Exchange difference on translation of foreign operations	162.58	162.58
Balance as at 31 March 2023	5,080.68	5,080.68
Net carrying value		
As at 31 March 2023	13,415.38	13,415.38
As at 31 March 2022	11,449.23	11,449.23

* Refer note 35

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

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

5. Intangible assets

Particulars	Computer software	Technical know-how	Goodwill*	Total
Gross carrying value as at 1 April 2021	1,116.10	1,370.97	553.30	3,040.37
Additions	72.08	2,300.00	-	2,372.08
Disposals	436.09	288.17	-	724.26
Exchange difference on translation of foreign operations	(4.86)	(8.42)	-	(13.28)
Gross carrying value as at 31 March 2022	747.23	3,374.38	553.30	4,674.91
Additions	164.60	2,064.12	-	2,228.72
Disposals	-	-	-	-
Exchange difference on translation of foreign operations	15.99	23.19	-	39.18
Gross carrying value as at 31 March 2023	927.82	5,461.69	553.30	6,942.81
Accumulated amortisation				
Balance as at 1 April 2021	792.45	741.95	-	1,534.40
Amortisation for the year	125.69	269.30	-	394.99
Accumulated amortisation on disposal	434.60	288.17	-	722.77
Exchange difference on translation of foreign operations	(3.56)	(2.88)	-	(6.44)
Balance as at 31 March 2022	479.98	720.20	-	1,200.18
Amortisation for the year	140.61	864.89	-	1,005.50
Amortisation on disposal	-	-	-	-
Exchange difference on translation of foreign operations	12.51	11.56	-	24.07
Balance as at 31 March 2023	633.10	1,596.65	-	2,229.75
Net carrying value				
As at 31 March 2023	294.72	3,865.04	553.30	4,713.06
As at 31 March 2022	267.25	2,654.18	553.30	3,474.73

* Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 2% to 3% representing management view on the future long-term growth rate.
- Discount rate ranging from 7% to 13% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

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

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

6. Equity accounted investees

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in equity shares (unquoted)		
In joint ventures		
172.206 Lacs (31 March 2022: 172.206 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Sung Technologies Private Limited	1,052.35	959.36
Nil (31 March 2022: 6.89 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Ecco Green Energy Private Limited	-	139.18
68.65 Lacs (31 March 2022: 68.65 Lacs) equity shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	-	-
266.20 Lacs (31 March 2022: 266.20 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Amkin Industries Private Limited	1,276.28	1,170.96
97.845 Lacs (31 March 2022: 97.845 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Whetron Electronics Private Limited	768.72	854.63
100.84 Lacs (31 March 2022: 100.84 Lacs) equity shares of Rs. 10/- each fully paid-up in Kwangsung Sandhar Technologies Private Limited	283.58	671.57
0.099 Lacs (31 March 2022: 0.099 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Automotive Private Limited	0.50	2.67
27.50 Lacs (31 March 2022: 27.50 Lacs) equity shares of Rs. 10/- each fully paid-up in Sandhar Han Shin Auto Technologies Private Limited	210.35	180.31
4 Lacs (31 March 2022: 4 Lacs) equity shares of Rs. 100/- each fully paid-up in Winnercom Sandhar Technologies Private Limited	477.63	417.12
0.98655 Lacs (31 March 2022: 0.98655) equity shares of Rs.10/- each fully paid-up in Kwangsung Sandhar Automotive Systems Private Limited	98.66	98.66
Total equity accounted investees	4,168.07	4,494.46
Less: Loss allowance in investment value (investment in joint ventures) *	(222.90)	(182.63)
Total aggregate amount of impairment in the value of investments	(222.90)	(182.63)
Total equity accounted investees (net of impairment)	3,945.17	4,311.83

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

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

*Breakup of impairment in the value of investments

1. During the year ended 31 March 2023, the Company performed an impairment assessment of its investment in equity shares of Sandhar Whetron Electronics Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 304.33 Lacs was recognized in the Consolidated Statement of Profit and Loss as an exceptional item.
2. During the year ended 31 March 2022, the Company performed an impairment assessment of its investment in equity shares and preference shares of Jinyoung Sandhar Mechatronics Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 110.36 Lacs was recognized in the Consolidated Statement of Profit and Loss as an exceptional item.
3. During the year ended 31 March 2020, the Company noted an impairment trigger on account of proposed discontinuation of business in its joint venture company ('Sandhar Ecco Green Energy Private Limited'). Company performed an impairment assessment of its investment in equity shares of Sandhar Ecco Green Energy Private Limited to compute the fair value of its investment. Based on management's assessment, as the fair value of the investment was lower than the carrying amount of the investment, an impairment charge of Rs. 69.20 Lacs was recognized in the standalone financial statements. During the current year the Company was voluntary liquidated vide order dated 10 February 2023 by NCLT, New Delhi Bench.
4. During the year ended 31 March 2021, Sandhar Han Shin Automotive Private Limited, a joint venture of the Company had applied for strike off under Section 248 of the Companies Act, 2013. Hence, the Company noted an impairment of investment amounting to Rs. 1.00 Lacs.
5. During the year ended 31 March 2022, Sandhar Daeshin Auto Systems Private Limited, a joint venture of the company was struck-off under section 248 of the Companies Act, 2013. Hence company noted an impairment of investments amounting Rs. 1.07 Lacs. The companies were struck-off on 18 October 2022.

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

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

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

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

7. Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Investments		
A. Non - current Investments		
Investments at fair value through profit and loss		
Investments in joint ventures		
(i) Investments in preference shares (Unquoted)		
65.03 Lacs (31 March 2022: 65.03 Lacs) preference shares of Rs. 10/- each fully paid-up in Jinyoung Sandhar Mechatronics Private Limited	-	97.77
23.43 Lacs (31 March 2022: 23.43 Lacs) preference shares of Rs. 10/- each fully paid-up preference shares in Sandhar Han Sung Technologies Private Limited	234.38	234.38
(ii) Non Trade investment (Unquoted)		
0.2 Lacs (31 March 2022: 0.2 Lacs) shares of Rs. 10/- each fully paid-up in VNM Polymers Private Limited	112.36	97.24
(iii) Investment in unquoted mutual funds		
Franklin India Low Duration Fund Nil units (31 March 2022: 3,769,575 units)	-	1.22
Franklin India Ultra Short Bond Fund Nil units (31 March 2022: 21,543,749 units)	-	7.38
Franklin India Low Duration bond fund- Segregated Portfolio 1,64,563,091 units (31 March 2022: 2,20,514,706 units)	0.59	0.75
ICICI Equity & Debt Fund - Growth 2,56,309,543 units (March 31, 2022: Nil units)	611.90	-
ICICI Prudential Fund Nil units (31 March 2022: 11,62,212.79 units)	-	575.88
Total investments	959.23	1,014.62
Aggregate value of unquoted investments	959.23	1,014.62
Current	612.49	585.23
Non-Current	346.74	429.39

Particulars	As at 31 March 2023	As at 31 March 2022
B. Loans		
Loans recoverable from related parties - Current	-	-
Loans to employees - Current	44.75	43.48
Total loans	44.75	43.48
Break up of total loans		
(a) Unsecured and considered good	44.75	43.48
	44.75	43.48
Current	44.75	43.48
Non-current	-	-

Particulars	As at 31 March 2023	As at 31 March 2022
C. Trade receivables		
(unsecured and considered good, unless otherwise stated)		
Trade receivables*	34,075.20	41,094.71
Unbilled revenue	1,460.70	3,442.71
Total trade receivables	35,535.90	44,537.42

* For explanations on the Company's credit risk management processes, refer to Note 38.
For dues receivables from related parties refer to Note -33

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

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

Trade Receivables ageing schedule as on 31 March 2023

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables- considered good	35,269.55	249.78	15.37	1.20	-	35,535.90
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on 31 March 2022

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed Trade receivables- considered good	44,532.25	2.55	2.62	-	-	44,537.42
ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

* For explanations on the Group's credit risk management processes, refer to Note -38

Particulars	As at 31 March 2023	As at 31 March 2022
D. Cash and cash equivalents		
Balances with banks		
- In current accounts	532.85	399.62
Cash on hand	13.37	10.77
Deposits with original maturity for less than three months	105.01	-
Total cash and cash equivalents	651.23	410.39

Particulars	As at 31 March 2023	As at 31 March 2022
E. Other bank balances		
In current account for equity dividend	1.37	1.07
Deposits with original maturity for more than 3 months but less than 12 months*	54.98	250.70
Total other bank balances	56.35	251.77

*These deposits are held as margin money deposits with government authorities.

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
F. Other financial assets		
Security deposits - non current	1,465.77	2,101.95
Security deposits - current	131.91	-
Interest accrued but not due on fixed deposits	13.07	20.37
Bank deposit with original maturity of more than 12 months	160.62	54.59
Other advances recoverable	2,102.38	1,515.49
Total other financial assets	3,873.75	3,692.40
Current	2,247.36	1,535.86
Non-current	1,626.39	2,156.54

8. Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials {includes goods in transit of Rs. 1031.02 Lacs (31 March 2022: Rs. 575.70 Lacs)}	13,293.51	12,050.75
Work in progress	4,228.54	4,316.03
Finished goods {includes goods in transit of Rs. 782.72 Lacs (31 March 2022: Rs. 458.97 Lacs)}	5,376.48	4,297.33
Stores and spares	7,227.36	5,384.08
	30,125.89	26,048.19
Provision for inventory obsolescence	(81.34)	(78.40)
Total inventories at the lower of cost and net realisable value	30,044.55	25,969.79

9. Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Other non - current assets		
A. Capital advances		
(Unsecured and considered good, unless otherwise stated)		
Unsecured and considered good.	1,574.17	3,118.95
Total capital advances	1,574.17	3,118.95
B. Income-tax asset		
(Unsecured and considered good, unless otherwise stated)		
Advance income-tax (net of provision for taxation) (refer note 17)	637.49	610.41
Total income-tax asset	637.49	610.41
Other current assets		
C. Other advances		
Unsecured, considered good.	819.23	680.40
Doubtful	-	-
Total other advances	819.23	680.40
D. Prepaid expenses		
Prepaid expenses	777.70	606.65
	777.70	606.65
E. Balance with statutory / government authorities		
(Unsecured and considered good, unless otherwise stated)		
Unsecured, considered good	6,534.52	5,255.85
Total balance with statutory / government authorities	6,534.52	5,255.85
Current (C+D+E)	8,131.45	6,542.90
Non-current (A+B)	2,211.66	3,729.36

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

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

10. Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
A. Authorised share capital				
6,80,00,000 equity shares of Rs.10 each (31 March 2022: 6,80,00,000 equity shares of Rs.10 each)	6,800.00		6,800.00	
2,00,000 preference shares of Rs.100 each (31 March 2022: 2,00,000 preference shares of Rs.100 each)	200.00		200.00	
	7,000.00		7,000.00	
B. Issued, subscribed and fully paid equity capital				
Particulars	As at 31 March 2023		As at 31 March 2022	
6,01,90,708 equity shares of Rs. 10 each fully paid up (31 March 2022: 6,01,90,708 equity shares of Rs. 10 each)	6,019.07		6,019.07	
	6,019.07		6,019.07	
C. Reconciliation of the equity share outstanding at beginning and at end of the year				
Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity shares outstanding at the beginning of the year	60,190,708	6,019.07	60,190,708	6,019.07
Issued during the year	-	-	-	-
Outstanding at the end of the year	60,190,708	6,019.07	60,190,708	6,019.07

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of Rs.10 per share (31 March 2022: Rs.10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

The Company has paid final dividend of Rs. 2.25 per equity share of face value Rs. 10 each, which was declared on 18 May 2022.

The Board of Directors at its Meeting held on 25 May 2023, has recommended a final dividend @ 25% i.e. Rs. 2.5 per equity share. The dates of the book closure for the entitlement of such final dividend and Annual General Meeting shall be decided and informed in due course of time.

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.

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

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Jayant Davar*	31,431,396	52.22%	31,431,396	52.22%

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

Details of shares held by promoters as at 31 March 2023

Particulars	No. of Shares (1 April 2022)	Change during the year	No. of shares (31 March 2023)	% change during the year	% of shareholding
Jayant Davar	3,14,31,396	-	31,431,396	0.00%	52.22%
Monica Davar	26,22,930	-	2,622,930	0.00%	4.36%
Neel Jay Davar	15,55,995	-	1,555,995	0.00%	2.59%
Dharmendar Nath Davar	8,39,582	-	839,582	0.00%	1.39%
Santosh Davar	7,85,950	-	785,950	0.00%	1.31%
Poonam Juneja	62,265	-	62,265	0.00%	0.10%
Sanjeevni Impex Private Limited	16,84,738	-	1,684,738	0.00%	2.80%
Ysg Estates Private Limited	16,62,032	-	1,662,032	0.00%	2.76%
Sandhar Infosystems Limited	7,93,569	-	793,569	0.00%	1.32%
Jubin Finance And Investment Limited	5,73,508	-	573,508	0.00%	0.95%
Sandhar Estates Private Limited	3,50,280	-	350,280	0.00%	0.58%

Details of shares held by promoters as at 31 March 2022

Particulars	No. of shares (1 April 2021)	Change during the year	No. of shares (31 March 2022)	% change during the year	% of shareholding
Jayant Davar	3,14,15,426	15,970	31,431,396	0.05%	52.22%
Monica Davar	26,22,930	-	2,622,930	0.00%	4.36%
Neel Jay Davar	15,55,995	-	1,555,995	0.00%	2.59%
Dharmendar Nath Davar	8,39,582	-	839,582	0.00%	1.39%
Santosh Davar	7,85,950	-	785,950	0.00%	1.31%
Poonam Juneja	62,265	-	62,265	0.00%	0.10%
Sanjeevni Impex Private Limited	16,84,738	-	1,684,738	0.00%	2.80%
Ysg Estates Private Limited	16,62,032	-	1,662,032	0.00%	2.76%
Sandhar Infosystems Limited	7,93,569	-	793,569	0.00%	1.32%
Jubin Finance And Investment Limited	5,73,508	-	573,508	0.00%	0.95%
Sandhar Estates Private Limited	3,50,280	-	350,280	0.00%	0.58%

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

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

11. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
At the beginning and end of the year	3,915.46	3,190.97
Add: Addition during the year	-	724.49
	3,915.46	3,915.46
Securities premium		
Balance at the beginning of the year	27,859.67	27,859.67
Balance at the end of the year	27,859.67	27,859.67
Retained earnings		
Balance at the beginning of the year	47,561.60	42,594.79
Adjustment on account of cessation of subsidiary	1.00	(0.13)
Add: Profit for the year	7,296.46	5,574.87
Less: Dividend on equity shares (Final)	(1,357.30)	(607.93)
Balance at the end of the year	53,501.76	47,561.60
Other comprehensive income		
a. Exchange differences on translation of foreign operations		
Balance at the beginning of the year	647.18	649.53
Exchange differences on translation	462.62	(3.13)
Income tax relating to Exchange differences on translation	(115.66)	0.78
Balance at the end of the year	994.14	647.18
b. Remeasurements of defined benefit liability		
Balance at the beginning of the year	(108.83)	123.47
Re-measurement of defined benefit liabilities	(181.49)	(310.47)
Income tax relating to re-measurement (gain)/ loss on defined benefit liabilities	45.41	78.17
Balance at the end of the year	(244.91)	(108.83)
Total other equity	86,026.12	79,875.08

Nature and purpose of other equity

1. Capital Reserve

This represents Capital reserve created during the year ended 31 March 2013, consequent to the approval by the Hon'ble High Court of Delhi of the scheme of amalgamation of MAG Engineering Private Limited with the Company and will be utilised as per the requirements of the Companies Act, 2013.

2. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

3. Re-measurements of defined benefit obligation

Re-measurements of defined benefit obligation comprises actuarial gains and losses.

4. Retained Earnings

This represents the cumulative profits for the Group.

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

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

12. Non - controlling interest

Particulars	As at 31 March 2023	As at 31 March 2022
Sandhar Tooling Private Limited		
Balance at the beginning of the year	387.13	369.06
Share of profit for the year	59.19	18.07
Balance at the end of the year	446.32	387.13
Revenue	1,933.19	1,442.54
Profit	292.83	99.88
Other comprehensive income	1.95	(9.90)
Total comprehensive income	294.78	89.98
Profit allocated to non-controlling interest	58.80	20.06
Other comprehensive income allocated to non-controlling interest	0.39	(1.99)
Total comprehensive income allocated to non-controlling interest	59.19	18.07
Cash flows from operating activities	24.53	2.25
Cash flows from investing activities	1.15	7.49
Cash flows used in financing activities	(13.56)	(19.29)
Net increase/ (decrease) in cash and cash equivalents	12.12	(9.55)

13. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
A. Non-current borrowings		
Term Loans		
Indian rupee loan from banks (secured) (refer note A)	12,397.93	12,460.52
Indian rupee loan from others (secured) (refer note B,C)	4,831.53	2,000.00
EUR Loan from Santander (unsecured) (refer note E)	151.20	351.36
EUR loan from Bankinter (unsecured) (refer note L)	802.08	588.10
EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note H)	957.53	1,576.36
EUR Credit multiple bankers ICO COVID19 (Unsecured) (refer note H)	1,231.62	2,015.31
USD Loan from Banamex (Secured) (refer note I)	995.22	946.02
EUR loan in B. Transilvania (STR) (Unsecured) (refer note M)	5,067.00	-
EUR Loan from ICF (Unsecured) (refer note F)	2,351.80	2,502.16
EUR Loan from ICICI Bank (Secured) (refer note J)	793.53	1,082.78
EUR loan from BBVA (Secured) (refer note K)	567.21	650.12
Lease financing loans from financial institutions (Secured) (refer note G)	330.02	519.61
Total non-current borrowings	30,476.67	24,692.34
Secured	19,915.44	17,659.05
Unsecured	10,561.23	7,033.29
B. Current borrowings		
a) Current maturities of long term borrowings		
Indian rupee loan from banks (secured) (refer note A)	4,655.04	468.75
Indian rupee loan from others (secured) (refer note B)	855.44	-
Indian rupee loan from banks (secured) (refer note D)	-	5.31
EUR Loan from Santander (unsecured) (refer note F)	222.59	73.96
EUR loan from Bankia (unsecured) (refer note L)	136.38	-
EUR Loan multiple bankers ICO COVID19 (Unsecured) (refer note H)	650.03	815.02
USD Loan from Banamex (Secured) (refer note I)	443.03	283.81

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

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

EUR Loan from ICF (Unsecured) (refer note E)	824.54	287.74
EUR loan from BBVA (Secured) (refer note K)	124.40	114.74
EUR loan in B. Transilvania (STR) (Unsecured) (refer note M)	227.88	-
EUR Loan from ICICI Bank (Secured) (refer note J)	358.37	336.86
Lease financing loans from financial institutions (Secured) (refer note G)	221.67	236.74
Total Current maturities of long term borrowings	8,719.37	2,622.93
b) Cash credit from banks (secured) (refer note N)		
Cash credit/WCDL/Buyer's line of credit from banks (secured by CL, CGT or SBLC from STL or by invoices financed)	14,565.56	19,248.89
c) Cash credit from banks (unsecured) (refer note O)	-	5,000.00
d) Credit card payables (unsecured) (refer note P)	981.30	559.85
Total current borrowings	24,266.23	27,431.67
Aggregate secured loans	21,223.51	20,689.78
Aggregate unsecured loans	3,042.72	6,741.89

Particulars	As at 31 March 2023	As at 31 March 2022
Terms of borrowings		
(A) Term loan from CITI Bank Indian rupee Loan of Rs. 750,000,000 carries interest rate of 5.75% p.a. The loan is repayable in 16 quarterly instalments of Rs. 46,875,000 from January, 2023.	17,052.98	12,929.27
(B) Term loan from Bajaj Finserv Ltd Indian rupee Loan of Rs. 400,000,000 carries interest rate of 5.75%-6.00% p.a. The loan is repayable in 16 quarterly instalments of Rs. 250,00,000 from April, 2023.	5,080.53	2,000.00
(C) Term loan from Bajaj Finserv Ltd Indian rupee Loan of Rs. 60,643,676 carries interest rate of 7.10% p.a. The loan is repayable in 16 quarterly instalments of Rs. 3,790,230 from January, 2024.	606.44	-
(D) Vehicle loan are from banks are secured by hypothecation of the financed vehicle and WCDL from Federal bank.	-	5.31
(E) EUR loan from Santander carries interest @ 1.95% p.a. repayable in 24 monthly instalments of Eur 6,250 (plus interest) from May 2020 to April 2022. New loan from Santander carrying interest @ 2.25% repayable in 24 monthly instalments of Eur 21,325.10 (interest included) from Dec. 2022 to Nov. 2024.	373.79	425.32
(F) EUR loan from ICF first for 2,500 Keur, carrying interest 3.42% p.a. repayable in 48 monthly instalments of Eur 74,193 from November 2022 to August 2025, second of 920 Keur, payable in 71 instalments of Eur. 12,777.77 (plus interest, 5.24%) and 1 last instalment of Eur. 12,778.33 (plus interest) from Jan. 2024 to Dec. 2029, with Moratory period from Dec. 2021 to Dec. 2023 third for 1000 KEUR (currently partially drawn 572k) with Moratory period from March to August 2023 repayable in 114 installments of 11,742.43 EUR, including interest of 6.42%.	3,176.34	2,789.90
(G) Lease financing loans from financial institutions (Some of which with Comfort letter from Parent company), carries interest @ 1.75% to 4.28%, monthly instalment ranging from Eur 168 to EUR 8,798. (Secured).	551.69	756.35
(H) EUR loan multiple bankers ICO COVID19 carry interest @ 1.5% to 3.55% (average 2%), repayable from 3 to 5 years in monthly instalment ranging from Eur 3,222 to EUR 38,000.	2,839.18	4,406.70
(I) Loan from Banamex in STM (SBLC guarantee from STL) carries interest of USD SOFR+1.4% payable in 16 quarterly installments of USD 125,000 from July 2021 to January 2025 and USD 0.625 Mln Loan from Banamex in STM (Corporate guarantee from STL) carries interest of USD SOFR +1.4% payable in 16 quarterly installments of USD 39,063 from February 2024 to November 2028.	1,438.25	1,229.83
(J) EUR loan from ICICI Bank (Corporate guarantee from Parent company), carries interest of 3.25% repayable from in 17 quarterly installments of EUR 100,240 (plus interest) from March 2022 to March 2026 and a last installment of EUR 85,920 (plus interest) in June 2026.	1,151.89	1,419.64

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
(K) EUR loan from BBVA (Corporate guarantee from Parent company), carries interest of 1.90% repayable in 84 months installments of EUR 12,723,38 (including interest) from August 2021 to July 2028.	691.61	764.86
(L) EUR loan from Bankinter (Unsecured) carries interest @ 6.48% repayable in 60 monthly instalments of Eur 13,689.20 (including interest) from April 2023 to March 2028. It has 1 year moratory period from April 2022 to March 2023. And 350 KEUR loan from Bankinter (Unsecured) carries interest @ 4.98% repayable in 60 monthly instalments of Eur 6,601.73 (including interest) from Dec. 2023 to Nov, 2028. It has 1 year moratory period from November 2022 to December 2023.	938.46	588.10
(M) EUR loan in B. Transilvania (STR) (Unsecured) carries interest @ 3.86% for both loans; one for building of EUR 2,549,616.00 repayable in 10 years and another is for Machinery of EUR 3,374,460.65 but can be drawn until EUR 65,00,000 and repayable in 11 years.	5,294.88	-
(N) Cash credits from banks are secured by way of first pari passu charge on the inventory and books debts of the Company.	14,565.56	19,248.89
(O) Cash credit from Federal bank (unsecured)	-	5,000.00
(P) Credit card from Axis bank (unsecured)	981.30	559.85

Above term loans are secured by:

1. First pari passu charge on the entire present and future movable property, plant and equipment of the borrower excluding those assets which are specifically funded by other lenders/Financial Institutions
2. First pari passu charge on immovable properties, of the borrower as detailed below:
 - i. 4, HSIDC Industrial Area, Delhi Gurugram Road, Gurugram
 - ii. 3, HSIDC Industrial Area, Delhi Gurugram Road, Gurugram
 - iii. Plant at Village Dhumaspur, P.O Badshahpur, Gurugram
 - iv. Plot no. 24, Sector 3, IMT Manesar, Haryana
 - v. Plot no. 44, Sector 3, IMT Manesar, Haryana
 - vi. Plot no. 8, Bommasandra- Jigani Link Road Industrial Area, Hubli
 - vii. Plot # 12c, Sy No. 47 & 50, KIADB, Bangalore
 - viii. Plot # 13a, Sy No. 47 & 50, KIADB, Bangalore
 - ix. Sandhar Himachal, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh
 - x. Plot No. 7A, KIADB Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore
3. Second Pari passu charge on entire present and future current assets of the borrower other than vehicles which are financed exclusively by other lenders.

Disclosures as per revised schedule III to the Companies Act, 2013

1. The Company has utilised the borrowings for the purpose it was taken.
2. The quarterly returns/ statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.

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

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

14. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables of micro enterprises and small enterprises	8,802.45	11,225.38
Trade payables other than micro enterprises and small enterprises	30,706.27	25,506.14
Acceptances*	1,668.09	2,121.18
Total trade payables	41,176.81	38,852.70

Terms and conditions of the above financial liabilities

For explanations on the Company's credit risk management processes, refer to Note 38.

*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Group continues to recognise the liability till settlement with the banks/financial institutions, which are normally effected within a period of 90 days.

For dues payable to related parties refer to Note -33

Trade Payables ageing schedule as on 31 March 2023

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	8,801.14	1.31	-	-	8,802.45
(ii) Others	32,281.27	61.95	15.76	15.38	32,374.36
(iii) Disputed dues – MSME					-
(iv) Disputed dues – Others					

Trade Payables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	11,215.79	3.81	0.01	5.78	11,225.38
(ii) Others	27,571.43	32.59	2.37	20.93	27,627.32
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

15. Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities at amortised cost		
Payables for capital goods - current*	2,838.93	2,595.89
Payables for capital goods - non current	608.07	36.89
Interest accrued but not due	-	0.03
Interest accrued and due on borrowings	54.38	25.77
Unpaid equity dividend	1.37	1.07
Security deposit payable - current	90.47	81.95
Provision for interest -MSMEDA	174.37	128.38
Lease liabilities - non current (refer note 35)	10,163.15	8,328.50
Lease liabilities - current (refer note 35)	1,728.34	1,526.34
Total financial liabilities at amortised cost	15,659.08	12,724.82
Current	4,887.86	4,359.43
Non-current	10,771.22	8,365.39

*For dues payable to related parties refer to Note -33

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

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

16. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	3,297.86	2,155.46
Statutory dues	2,109.18	1,795.18
Other payables	1,011.49	722.13
Total	6,418.53	4,672.77

17. Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 31)	386.07	245.04
Provision for compensated absences	807.04	728.53
Other provisions		
Provision for income tax (net of tax paid) (refer note 9B)	458.27	617.67
Provision for warranties*	90.40	64.94
Total	1,741.78	1,656.18
Current	1,600.95	1,555.27
Non-current	140.83	100.91
*Provision for warranties		
At the beginning of the year	64.94	51.24
Accrued during the year	102.99	91.23
Utilised during the year	(77.53)	(77.53)
At the end of the year	90.40	64.94

Provision is recognized for expected warranty claims on products sold during the last two to five years, based on past experience of level of repairs and returns. It is expected that the most of this cost will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales level and current information available about returns based on the two to five year warranty period for all products sold.

17A. Government grant

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-	-
Received during the year	2,172.99	-
Recognised in the statement of profit and loss	(15.80)	-
Balance at the year end	2,157.19	-
Current	-	-
Non-current	2,157.19	-

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

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

18. Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Items leading to creation of deferred tax assets		
-Post-employment benefits	297.16	249.32
-Provision for doubtful debt & advances	75.00	75.00
-Employee benefits	653.64	116.67
-Fair value measurement	96.00	34.00
-Impact of IND-AS 116	396.52	531.35
Total deferred tax assets	1,518.32	1,006.34
Items leading to creation of deferred tax liabilities		
-Property, plant and equipment: Impact of difference between tax and depreciation/ amortisation charged for the financial reporting	1,693.23	1,908.55
-Impact of IND-AS 116	331.38	285.85
-Fair value measurement	1.64	14.98
Total deferred tax liabilities	2,026.25	2,209.38
Net deferred tax assets/(liabilities)	(507.93)	(1,203.04)
Reflected in the balance sheet as follows:		
Deferred tax (assets)	641.94	276.98
Deferred tax liabilities	(1,149.87)	(1,480.02)
Net deferred tax liabilities	(507.93)	(1,203.04)

19. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	284,268.96	227,030.26
Sale of services	2,344.21	2,130.83
Other operating revenue		
Scrap sale	4,277.56	3,209.14
Revenue from operations	290,890.73	232,370.23

20. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other non-operating income		
Profit on sale of short term investment	30.30	3.30
Profit on sale of property, plant and equipment	344.40	52.95
Foreign exchange fluctuation gain (net)	-	70.46
Government grant	16.96	1.20
Interest from bank	15.56	10.34
Interest from others	83.70	98.88
Interest income on securities measured at amortised cost	13.95	3.55
Gain on investments carried at fair value through profit or loss	21.07	71.14
Liabilities no longer required written back	-	4.53
Other miscellaneous income	723.35	381.76
	1,249.29	698.11

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

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

21. Cost of raw material and components consumed

Raw material and components consumed		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	12,050.75	10,184.89
Add: Purchases during the year	184,538.54	145,760.97
	196,589.29	155,945.86
Less: Inventory at the end of the year	13,293.51	12,050.75
Cost of raw material and components consumed	183,295.78	143,895.11
Adjustment on account of exchange difference	36.00	(4.64)
Cost of raw material and components consumed	183,331.78	143,890.47

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing inventories		
Finished goods	5,376.48	4,297.33
Work in progress	4,228.54	4,316.03
Adjustment on account of exchange difference	(397.98)	125.14
Total (A)	9,207.04	8,738.50
Opening inventories		
Finished goods	4,297.33	3,399.84
Work in progress	4,316.03	2,983.12
Adjustment on account of exchange difference	(50.70)	48.68
Total (B)	8,562.66	6,431.64
Changes in inventories of finished goods and work-in-progress	(644.38)	(2,306.86)

23. Employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	33,152.13	27,655.17
Contribution to provident and other funds	2,972.74	2,483.60
Staff welfare expenses	2,072.36	1,497.01
Gratuity expense (refer note 31)	263.63	201.19
	38,460.86	31,836.97

24. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	9,601.14	8,351.52
Amortisation on right-of-use assets	1,646.44	1,343.74
Amortisation on intangible assets	1,005.50	394.99
	12,253.08	10,090.25
Less: Depreciation on plant and machinery capitalised during the year	100.73	87.02
	12,152.35	10,003.23

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

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

25. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	9,617.85	9,328.84
Packing material	3,484.60	2,858.69
Job work charges	6,282.33	5,623.45
Rent	349.71	204.73
Rates and taxes	260.70	257.80
Insurance	449.03	384.93
Freight and forwarding charges	3,141.63	2,515.72
Power and fuel	11,393.07	9,356.55
Repairs and maintenance		
- Buildings	430.71	267.97
- Plant and machinery	2,452.86	2,027.13
- Others	1,451.71	1,336.50
Legal and professional charges*	1,353.22	1,157.63
Travelling and conveyance	612.51	271.68
CSR expenditure**	161.29	209.33
Service contractor charges	123.98	34.06
Business and sales promotion	12.98	3.71
Printing and stationery	1.83	1.74
Provision for doubtful debts and advances	14.61	-
Bad debts and advances written off	0.96	1.68
Provision for warranties (net of reversal)	102.99	91.23
Royalty	85.02	94.28
Commission to directors	376.19	333.71
Directors sitting fee	24.20	27.90
Security service charges	645.56	600.54
Testing and development expenses	91.24	67.33
Festival and celebration expenses	78.02	39.12
Foreign exchange fluctuation loss (net)	106.00	-
Miscellaneous expenses	1,729.03	1,250.56
Total other expenses	44,833.83	38,346.81

* Payment to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
- Audit fees	74.45	71.82
- Limited review	12.00	12.00
In other capacity		
- Other services (certification fees)	12.25	6.75
- Reimbursement of expenses	3.79	1.76
Total	102.49	92.33

** Disclosure relating to CSR expenditure

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Gross Amount required to be spent by the Company as per Section 135 of the Companies Act 2013	168.04	205.53
(b) Amount approved by the Board to be spent during the year	168.04	205.53
(c) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	161.29	209.33
(d) Excess amount spent on CSR as per Section 135(5) of Companies Act, 2013:		
(i) Opening balance	6.75	2.94
(ii) Amount required to be spent during the year	168.04	205.53
(iii) Amount spent during the year	161.29	209.33
(iv) Closing balance	-	6.75
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	-	-
(g) Nature of CSR activities	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others

26. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest to banks on		
- Term loan	1,799.62	365.10
- Cash credit	619.15	520.16
- Others	468.81	255.89
Interest to others	73.37	65.15
Finance charges	15.19	35.93
Bank charges	157.99	131.33
Interest on lease liabilities (refer note 35)	443.77	397.47
Total finance costs	3,577.90	1,771.03

27. Exceptional Items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment loss on investment in joint venture (refer note 6)	110.47	110.86
Total Exceptional Items	110.47	110.86

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

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

28. Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2023

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	(181.49)	(181.49)
Tax impact on re-measurement loss on defined benefit plans	45.41	45.41
Exchange differences in translating the financial statements of foreign operations	462.62	462.62
Tax impact on translating the financial statements of foreign operations	(115.66)	(115.66)
	210.88	210.88

During the year ended 31 March 2022

Particulars	Retained earnings	Total
Re-measurement losses on defined benefit plans	(310.47)	(310.47)
Tax impact on re-measurement loss on defined benefit plans	78.17	78.17
Exchange differences in translating the financial statements of foreign operations	(3.13)	(3.13)
Tax impact on translating the financial statements of foreign operations	0.78	0.78
	(234.65)	(234.65)

29. Earnings Per Share (EPS)

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity holders of the Company	7,355.66	5,592.93
Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted) (Number of shares in Lacs)	60,190,708	60,190,708
Earning Per Share (Basic and Diluted) (Rs)	12.22	9.29
Face value per share (Rs)	10	10

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

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share:		
Balance as at 1 April 2021	60,190,708	60,190,708
Issued during the year 2021-22 (Number of shares in lacs)	-	-
Balance as at 31 March 2022	60,190,708	60,190,708
Issued during the year 2022-23 (Number of shares in lacs)	-	-
Balance as at 31 March 2023	60,190,708	60,190,708

As at 31 March 2023, the Group does not have any dilutive potential equity shares.

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

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

30. Income tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:		
Income tax recognised in Consolidated Statement of Profit and Loss		
Current income tax		
Current tax	3,552.29	2,700.63
Current tax relating to earlier years	(90.89)	(37.21)
Deferred tax		
Relating to origination and reversal of temporary differences	(780.66)	(112.11)
Income tax expense reported in the Consolidated Statement of Profit and Loss	2,680.74	2,551.31
Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Net loss on remeasurements of defined benefit plans	45.41	78.17
Exchange differences in translating the financial statements of foreign operations	(115.66)	0.78
Income tax on Gain on acquisition of equity interest in joint venture	-	(180.22)
Income tax charged to other comprehensive income	(70.25)	(101.27)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b) Reconciliation of effective tax rate		
Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2023 and 31 March 2022:		
Profit for the year	10,036.40	8,144.24
Add: Share in loss of joint ventures accounted for using equity method	280.81	1,271.59
Profit for the year for computation of income tax	10,317.21	9,415.83
Statutory tax rate	25.168%	25.168%
Income tax expense at the statutory rate	2,596.63	2,369.78
Tax impact of deductible/ non-deductible expenses		
- Effect of CSR expenses	40.59	52.68
- Effect of interest paid to MSMED	14.95	12.24
- Income tax of earlier years	(90.90)	(37.21)
- Effect of gain on acquisition of equity interest in joint venture*	-	180.22
- Others	119.47	(26.40)
Income tax expense after adjustment of tax impact of non deductible items	2,680.74	2,551.31

*Refer note 6

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

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

31. Gratuity and other post-employment benefit plans

A. Defined Contribution Plans - General Description

The Group has a defined benefit gratuity plan for its employees, governed by the Payment of Gratuity Act, 1972 except for Sandhar Technologies Barcelona. Every employee who has rendered at least five years of continuous service gets a gratuity on departure at the rate of fifteen days of last drawn salary for each completed year of service or part thereof in excess of 6 months. The scheme is funded with insurance companies in the form of qualifying insurance policies. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Liability for gratuity	2,621.94	2,286.50
Plan asset for gratuity	2,235.86	2,041.45
Net plan asset (Current)	(386.08)	(245.05)

II. Reconciliation of present value of defined benefit obligation:

Particulars	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Balance at the beginning of the year	2,286.50	2,033.29
Current service cost	245.94	207.07
Interest cost	165.09	138.67
Benefits paid	(221.44)	(223.54)
Past service cost including curtailment (gains)/losses	-	-
Actuarial (gain) / loss on obligation recognised in other comprehensive income	145.85	131.01
Balance at the end of the year	2,621.94	2,286.50

III. Reconciliation of fair value of plan assets

Particulars	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Balance at the beginning of the year	2,041.45	2,125.68
Actual return on plan asset	147.39	144.54
Contribution paid into the plan	300.00	-
Benefits paid	(217.34)	(187.71)
Actuarial gain / (loss) on plan asset recognised in other comprehensive income	(35.64)	(41.06)
Closing fair value of plan asset	2,235.86	2,041.45

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	245.94	207.07
Past service cost	-	-
Interest cost	17.69	(5.88)
Expense recognised in the Statement of Profit and Loss	263.63	201.19

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

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

V. Remeasurement recognised in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain / (loss) on Defined Benefit Obligation	(145.85)	(131.01)
Return on Plan Assets excluding interest income	(35.64)	(41.06)
Amount recognised in the Other Comprehensive Income	(181.49)	(172.07)

VI. Bifurcation of Actuarial gain/(loss) on Defined benefit obligation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain/(loss) on demographic assumption change	-	-
Actuarial gain/(loss) due to financial assumption change	(166.12)	(106.61)
Actuarial gain/(loss) due to experience adjustment	25.85	7.38
Amount recognised in the Other Comprehensive Income	(140.27)	(99.23)

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

a. Economic assumptions

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

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38% p.a.	7.22% p.a.
Inflation rate	5.50% p.a. – 6.00% p.a.	5.50% p.a. – 6.00% p.a.
Expected rate of return on assets	7.00% p.a.	7.00% p.a.

b. Demographic assumptions

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement Age	58 years	58 years
Attrition Rate		
Up to 30 years	10% p.a.	10% p.a.
From 31 to 44 years	3% p.a.	3% p.a.
Above 44 years	1% p.a.	1% p.a.

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

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

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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(111.80)	120.21	(97.19)	104.55
Expected rate of future salary increase (0.5% movement)	114.45	(108.15)	101.18	(95.27)

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

Expected maturity analysis

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	156.07	140.65
1-2 years	238.36	137.23
2-5 years	474.93	498.31
More than 5 years	1,752.55	1,508.86

Other long-term employee benefits

During the year ended 31 March 2023, the Company has incurred an expense on compensated absences amounting to Rs. 344.05 lacs (previous year Rs. 162.20 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.

32. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	7,583.11	14,563.11

The Company has purchased a land at Pune wherein the Company shall commence the construction on the land and commence production within three years from the date of sub lease deed.

B. Contingent liabilities

Claims against the Group not acknowledged as debts*:

Particulars	31 March 2023	31 March 2022
a. Claims against the Company not acknowledged as debts*		
Service tax matters (refer note A below)	310.55	310.55
Income tax matters (refer note B below)	259.79	259.08
Demand notice against Land (Chakan & Pathredi) (refer note C below)	837.52	837.52
Other matters	60.72	53.44
b. Guarantees given by the Company (refer note D below)	2,584.22	3,715.50

* It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

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

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

- i) Show cause notice received in respect of credit taken on freight outward for the period 2005-2006, 2016-17 and 2017-18. The reply has been submitted and personal hearing is awaited with Assistant Commissioner, Central Excise. The amount involved is Rs.11.73 (31 March 2022: Rs. 11.73).
- ii) Show cause notice received in respect of credit taken on manpower supply for the period 2005-2006 to 2014-15 (up to Feb-15). The matter is pending for personal hearing with the Additional Commissioner, Commissioner, and Joint Commissioner, Central Excise. The amount involved is Rs. 261.07 (31 March 2022: Rs. 261.07).
- iii) Show cause notice received in respect of credit taken on the Services on Commercial and Industrial construction work for the period 2009-2010. The matter is pending with Additional Commissioner, Central Excise and CESTAT, Chandigarh. The amount involved is Rs. 2.11 (31 March 2022: Rs.2.11).
- iv) Show cause notices received in respect of credit taken on outdoor catering & courier services for the period 2010-2011. The matter is pending with the Superintendent and Deputy Commissioner, Central excise. The amount involved is Rs.0.50 (31 March 2022: Rs. 0.50).
- v) Show cause notices received in respect of credit taken on various services such clearing and forwarding agency services, Construction and industrial Construction, repair & maintenance, travel agent, pandal, authorized service station & outward freight, for the period 2004-05 to 2016-17 (up to Mar-2017). The personal hearing attended & final order awaited from Assistant Commissioner, LTU New Delhi. The amount involved is Rs. 35.14 (31 March 2022: Rs. 35.14).

Note B

- i) In respect of assessment year 2013-14, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 64.54 (31 March 2022: Rs. 64.54)
- ii) In respect of assessment year 2014-15, demand was issued against expenses disallowed under section 35(2AB) for which deduction under Chapter-VIA was claimed. The appeal has been filed with ITAT. The amount involved is Rs. 3.12 (31 March 2022: Rs. 3.12)
- iii) In respect of assessment year 2015-16 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 11.80 (31 March 2022: Rs.11.80).
- iv) In respect of assessment year 2016-17 demand was issued against certain expenses disallowed under section 35(2AB), 14A etc. The appeal has been filed with ITAT. The amount involved is Rs. 2.50 (31 March 2022: Rs. 2.50).
- v) In respect of assessment year 2014-15 demand was issued for penalty proceeding. The appeal has been filed with CIT-(Appeal)-22. The amount involved is Rs. 3.12 (31 March 2022: Rs. 3.12).
- vi) In respect of assessment year 2017-18 demand was issued for depreciation on Intangible asset, disallowance u/s 14A, disallowance on membership fee, sponsorship fee and bad debt. The appeal has been filed with CIT (Appeal-22). The amount involved is Rs. 19.40 (31 March 2022: Rs. 19.40).
- vii) In respect of assessment year 2016-17 demand was issued for disallowance of MAT credit. The appeal has been filed with ITAT. The amount involved is Rs. 63.14 (31 March 2022: Rs. 63.14).
- viii) In the respect of assessment year 2013-14 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.64.54 (31 March 2022: Rs.64.54).
- ix) In the respect of assessment year 2015-16 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.16.89 (31 March 2022: Rs.16.89).
- x) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 171(1)(c). The appeal has been filed with CIT (Appeal). The amount involved is Rs.7.42 (31 March 2022: Rs.7.42).
- xi) In the respect of assessment year 2016-17 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.1.15 (31 March 2022: Rs.1.15).
- xii) In the respect of assessment year 2020-21 demand was issued for concealment of income u/s 170A. The appeal has been filed with CIT (Appeal). The amount involved is Rs.2.16 (31 March 2022: Rs. NIL).

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

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

Note C

- i) In respect of Pathredi Land, Rajasthan State Industrial Development and Investment Corporation has issued a letter dated October 23, 2015 whereby demand of Rs. 761.04 has been raised for allowing a time extension for making additional investment in the project on land allotted to the Company (31 March 2022: Rs. 761.04). The Company has filed a request letter to waive off the same.
- ii) In respect of Chakan Land, Maharashtra Industrial Development Corporation has issued a letter dated March 3, 2015, asking Company to pay an additional amount aggregating to Rs. 76.48 for a further time extension (31 March 2022: Rs. 76.48). The Company is in process to file the waiver letter to Maharashtra Industrial Development Corporation.

Based on the status of cases and as advised by Company's tax/legal advisors, wherever applicable, the management believes that the Company has strong chance of success and hence no provision against matters disclosed in "Claims against the Company not acknowledged as debts" are considered necessary.

Note D

In relation to 32(2) above guarantee given by the Company

To facilitate grant of financing facilities to the Company's Joint Ventures Subsidiaries and others, Company has given Corporate Guarantees to banks. As at the year-end, the outstanding Corporate Guarantee/Stand by-Letter of Credits/ bank guarantees so given amounts to Rs. 2,584.22 (31 March 2022: Rs. 3,715.50).

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

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

33. Related Party Transactions

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

1. Joint Ventures	<ul style="list-style-type: none"> a. Sandhar Han Sung Technologies Private Limited b. Jinyoung Sandhar Mechatronics Private Limited c. Sandhar Amkin Industries Private Limited d. Sandhar Whetron Electronics Private Limited e. Kwangsung Sandhar Technologies Private Limited f. Sandhar Han shin Auto Technologies Limited g. Winnercom Sandhar Technologies Private Limited h. Sandhar Automotive Systems Private Limited (formerly known as Sandhar Daewha Automotive Systems Private Limited) (joint venture up-to 27 December 2021) i. Sandhar Auto Castings Private Limited (formerly known as Sandhar Daeshin Technologies Private Limited) (joint venture up-to 30 September 2021) j. Kwangsung Sandhar Automotive Systems Private Limited k. Sandhar Ecco Green Energy Private Limited (Voluntary liquidated on 10 February 2023) l. Sandhar Daeshin Auto Systems Private Limited (strike-off w.e.f. 18 October 2022) m. Sandhar Han Shin Automotive Private Limited (under strike-off) n. Sandhar Auto Electric Technologies Private Limited (joint venture up-to 27 December 2021) o. Sandhar Autotech Private Limited (joint venture up-to 27 December 2021) (strike-off w.e.f. 11 January 2023)
2. Enterprises over which KMP/ relatives of Key Managerial Personnel are able to exercise control/ significant influence with whom transactions have undertaken during the current year/ previous year	<ul style="list-style-type: none"> a. Sandhar Info systems Limited b. Sandhar Estate Private Limited c. Jubin Finance and Investment Limited d. Haridwar Estates Private Limited e. Swaran Enterprises (Mrs. Santosh Davar is a Partner) f. Shorah Realty LLP g. Rico Auto Industries Private Limited h. Khaitan & Co LLP
3. Key Managerial Personnel	<ul style="list-style-type: none"> a. Mr. Jayant Davar (Co-Chairman and Managing Director) b. Mr. Yashpal Jain (Chief Financial Officer) c. Ms. Komal Malik (Company Secretary) d. Mr. Arvind Kapur (Non-Executive Independent Director) e. Mr. Bharat Anand (Non-Executive Independent Director)
4. Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company:	Mr. Jayant Davar

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

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

5. Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them control/ significant influence over the Company with whom transactions have undertaken during the year

- Mr. D. N. Davar
- Mrs. Monica Davar
- Mr. Neel Jay Davar
- Mrs. Santosh Davar
- Mrs. Poonam Juneja

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of Goods	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	4,675.27	3,373.13
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	635.74
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	626.98	350.66
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	124.23	55.40
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1.53	84.88
Sale of goods	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	58.97	36.51
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	832.88
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	4.78	158.77
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	-	1,082.67
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.65	2.80
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	26.99	28.97
Sale of Property, Plant and Equipment	Sandhar Automotive Systems Private Limited (Formally Known As Sandhar Daewha Automotive Systems Private Limited)	Subsidiary	-	0.81
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.19
Purchase of Property, Plant and Equipment	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	2.29	-

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Reimbursement of expenses from	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	63.02	63.47
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	11.02	8.68
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	65.18
	Sandhar Amkin Industries Pvt Limited	Joint Venture of Reporting Enterprises	24.23	48.70
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	17.47	13.33
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	22.73	15.69
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	6.43	16.21
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	7.52	11.40
	Rico Auto Industries Limited	Enterprises under Common control with the Reporting Enterprises	0.56	-
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	-	0.17
Lease rentals (including service tax/ GST) paid to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	32.70	32.70
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	268.36	268.36
	Jayant Davar	Key Managerial Personnel & their relatives	-	8.05
	Shorah Realty LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.71	0.71
Lease rentals received from	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	28.67	28.20
	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	27.73	11.60
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	0.14
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	0.16	-
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	0.46	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	0.09	-
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	39.87	20.16

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Services received from	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	0.04	3.56
	Khaitan & Co LLP	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	-	4.50
Service Given	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	11.83	22.25
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	165.83	59.15
Interest Received	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	13.73
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	25.44
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	1.91
Managerial remuneration	Jayant Davar	Key Managerial Personnel & their relatives	499.91	457.43
	Yashpal Jain	Key Managerial Personnel & their relatives	117.83	105.83
	Komal Malik	Key Managerial Personnel & their relatives	26.54	23.79
Dividend paid	Jayant Davar	Key Managerial Personnel & their relatives	634.64	282.04
	Others	Enterprises under Common control with the Reporting Enterprises	104.38	46.40
	Others	Key Managerial Personnel & their relatives	118.80	52.80
Investment made in JV's	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	-	102.26
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	48.85
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	-	1,130.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.09	-
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	98.66
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	-	146.04

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

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Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Loan & Advances Given to	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	52.38
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	-	264.05
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	-	100.00
	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	0.39	-
Outstanding Receivable	Haridwar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	130.77	130.77
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1.83	0.01
	Sandhar Automotive Systems Private Limited (Formally known as Sandhar Daewha Automotive Systems Private Limited)	Joint Venture of Reporting Enterprises	-	220.82
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	4.10	9.71
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	49.69	10.54
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.17	0.17
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	1.00	1.88
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	1.82	0.05
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	0.56	3.11
	Rico Auto Industries Limited	Enterprises over which relatives of Key Managerial Personnel are able to exercise control/ significant influence	3.83	3.33
	Outstanding Payable	Swaran Enterprises	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	434.09
Shorah Realty LLP		Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	-	0.12
Sandhar Han Sung Technologies Private Limited		Joint Venture of Reporting Enterprises	9.00	35.37

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

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

Nature of transaction	Name of related party	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
Security deposit given to	Sandhar Estates Private Limited	Enterprises under Common control with the Reporting Enterprises	36.00	36.00
	Jubin Finance & Investment Limited	Enterprises under Common control with the Reporting Enterprises	98.88	98.88
Security deposit received	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	5.97	5.97
Corporate guarantee/ standby letter of credit given to	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,212.32	1,744.27
	Sandhar Amkin Industries Private Limited	Joint Venture of Reporting Enterprises	1,128.69	1,890.95
Managerial Remuneration Payable	Jayant Davar	Key Managerial Personnel & their relatives	367.89	325.40
	Yashpal Jain	Key Managerial Personnel & their relatives	9.40	8.40
	Komal Malik	Key Managerial Personnel & their relatives	2.07	1.87
Investment in JV's	Sandhar Han Sung Technologies Private Limited	Joint Venture of Reporting Enterprises	1,956.44	1,956.44
	Sandhar Ecco Green Energy Private Limited	Joint Venture of Reporting Enterprises	-	222.48
	Jinyoung Sandhar Mechatronics Private Limited	Joint Venture of Reporting Enterprises	1,336.87	1,336.87
	Sandhar Amkin Industries Private Ltd	Joint Venture of Reporting Enterprises	2,662.00	2,662.00
	Sandhar Daeshin Auto Systems Private Limited	Joint Venture of Reporting Enterprises	-	1.07
	Sandhar Whetron Electronics Private Limited	Joint Venture of Reporting Enterprises	978.45	978.45
	Winnercom Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	400.00	400.00
	Sandhar Han Shin Auto Technologies Private Limited	Joint Venture of Reporting Enterprises	275.00	275.00
	Kwangsung Sandhar Technologies Private Limited	Joint Venture of Reporting Enterprises	1,008.46	1,008.37
	Kwangsung Sandhar Automotive Systems Private Limited	Joint Venture of Reporting Enterprises	98.66	98.66

C. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances at the year-end are unsecured and interest free and are to be settled in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

34. Disclosure required under Section 186(4) of the Companies Act, 2013

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

Name of the loanee	Loan given in earlier years	Loan given during the year	Loan written off	Repayment during the year	Converted into Equity	Outstanding balance as at 31 March 2022	Purpose
Sandhar Amkin Industries Private Limited	505.00	200.00	-	215.00	490.00	-	Loan given to joint venture company in pursuant to business support.
Kwangsung Sandhar Automotive Systems Private Limited	-	100.00	-	100.00	-	-	Loan given to joint venture company in pursuant to business support.

(ii) Particulars of Corporate guarantee/ standby letter of credit given to

Name of the entity	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
Sandhar Han Sung Technologies Private Limited	1,212.32	-	1,212.32	To secure term loan & working capital loan
Sandhar Amkin Industries Private Limited	1,128.69	-	1,128.69	To secure term loan & working capital loan

(iii) Particulars of investments made

Refer note 6 and 7A for investments made by the Group.

35. Leases

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

ii. Impact of adoption of Ind AS 116 on the Consolidated Statement of Profit and Loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities (refer note 26)	443.77	397.47
Amortisation on Right-of-use assets (refer note 24)	1,646.44	1,343.74
Impact on the statement of profit and loss for the year	2,090.21	1,741.21

iii. Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of lease liabilities including interest expenses	1,966.30	1,609.28
Impact on the statement of cash flows for the year	1,966.30	1,609.28

- iv. The Group does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as offices are long term in nature.

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

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

36. Financial Instruments- Fair Values

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

Particulars	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial assets				
A. FVTPL				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	112.36	97.24	112.36	97.24
Investment in Unquoted Mutual Funds	612.49	585.23	612.49	585.23
B. Amortised Cost				
Security deposit	1,597.68	2,101.95	1,597.68	2,101.95
Loans recoverable from related parties		-		-
Loans to employees	44.75	43.48	44.75	43.48
Total	2,367.28	2,145.43	2,367.28	2,145.43
Financial liabilities				
A. Amortised Cost				
Borrowings				
Loans	54,742.90	52,124.01	54,742.90	52,124.01
Lease liabilities	11,891.49	9,854.84	11,891.49	9,854.84
Total	66,634.39	61,978.85	66,634.39	61,978.85

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

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

The following methods and assumptions were used to estimate the fair values

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

The fair value of unquoted instruments, is calculated by arriving at intrinsic value of the investee. The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group has entered into derivative financial instruments with financial institutions/ banks through cross currency interest rate swap and principals swap.

Such derivatives are valued using valuation techniques, which employs the use of market observable inputs. Valuation technique applied by the Group is Mark to Market as provided by the bank as on the date of valuation.

Discount rates used in determining fair value

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

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

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37. Fair Values hierarchy

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. All financial instruments for which fair value is recognised or disclosed are categorized with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

The company has an established control framework with respect to the measurements of fair values. This includes a valuation team and has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Financial 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.

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 2023

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	112.36			112.36
Investment in Unquoted Mutual Funds	612.49			612.49
Assets measured at amortised cost for which fair values are disclosed (refer note 36)				
Security deposit	1,597.68			1,597.68
Loans recoverable from related parties				
Loans to employees	44.75			44.75
Liabilities measured at amortised cost for which fair values are disclosed (refer note 36)				
Loans	54,742.90			54,742.90
Lease liabilities	11,891.49			11,891.49

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

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

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVTPL				
Investment in Unquoted Equity Shares excluding investment in subsidiaries, joint controlled entities and associate	97.24	-	-	97.24
Investment in Unquoted Mutual Funds	585.23	-	-	585.23
Assets measured at amortised cost for which fair values are disclosed (refer note 36)				
Security deposit	2,101.95	-	-	2,101.95
Loans recoverable from related parties	-	-	-	-
Loans to employees	43.48	-	-	43.48
Liabilities measured at amortised cost for which fair values are disclosed (refer note 36)				
Loans	52,124.01	-	-	52,124.01
Lease liabilities	9,854.84	-	-	9,854.84

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

38. Financial risk management objectives and policies

The Company is primarily engaged in the manufacturing and assembling of automotive components such as lock-set, mirrors and various sheet metal components including cabins for two wheelers, four wheelers and off road vehicle industry. The Company's principal financial liabilities, comprises loans and borrowings, trade and other payables and finance lease obligation. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, employee advances, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions viz. CCIRS and Principal Swaps.

The Company has exposure to the following risks arising from financial instruments

- Market risk (see (b));
- Credit risk (see (c)); and
- Liquidity risk (see (d)).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

a. Risk Management Framework

The Company's activities make it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk

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management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, Sensitivity analysis	Availability of borrowing facilities.
Market risk - foreign currency risk	Future commercial transactions, Recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, Sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	

b. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk, currency risk, price risk, and commodity risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2023.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

c. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

Particulars	31 March 2023	31 March 2022
Financial Liabilities		
Fixed rate instruments		
- Vehicle Loan	-	5.31
Variable rate instruments		
- Term Loans	39,196.04	27,309.96
- Cash credit from bank	14,565.56	24,248.89
- Credit card from bank	981.30	559.85
Financial Assets		
Fixed rate instruments		
- Fixed Deposits	215.60	305.29
- Loans	44.75	43.48

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The Company does not account for fixed rate financial assets or financial liabilities at fair value through profit or loss, and the company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Interest Rate sensitivity

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Increase / decrease in basic points	Profit or loss	Profit or loss (net of tax)
31 March 2023			
Secured term loan from banks	100	265.73	198.85
Cash credit from bank	100	145.66	109.00
Other borrowings	100	144.97	108.48
Secured term loan	(100)	(265.73)	(198.85)
Cash credit from bank	(100)	(145.66)	(109.00)
Other borrowings	(100)	(144.97)	(108.48)
31 March 2022			
Secured term loan from banks	100	191.05	142.97
Cash credit from bank	100	242.49	181.46
Other borrowings	100	87.70	65.63
Secured term loan	(100)	(191.05)	(142.97)
Cash credit from bank	(100)	(242.49)	(181.46)
Other borrowings	(100)	(87.70)	(65.63)

Currency risk

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

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Details of unhedged foreign currency exposures

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount In Foreign Currency	Amount in Rs	Amount In Foreign Currency	Amount in Rs
Trade Payables (USD)	15.47	1,271.39	23.51	1,781.45
Trade Payables (JPY)	647.00	398.55	2,150.50	1,336.11
Trade Payables (GBP)	0.002	0.20	-	-
Trade Payables (EUR)	23.80	2,127.30	6.06	509.27
Trade Payables (MXN)	59.24	269.43	-	-
Trade Receivables (USD)	11.67	958.85	3.94	298.35
Trade Receivables (MXN)	6.14	27.91	54.86	208.28
Trade Receivables (EUR)	3.51	313.84	1.27	106.66

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

Particulars	Year end rates	
	As at 31 March 2023	As at 31 March 2022
INR/ JPY	0.6160	0.6213
INR/ USD	82.1842	75.7741
INR/ GBP	100.0000	-
INR/ EUR	89.3938	84.0380
INR/ MXN	4.5480	3.7966

Sensitivity Analysis

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

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure JPY	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/JPY Increases by 1 %	Import Trade payables	0.6160	0.0062	647.00	(3.99)	(2.98)
	INR/JPY Decreases by 1 %		0.6160	(0.0062)	647.00	3.99	2.98
As at 31 March 2022	INR/JPY Increases by 1 %		0.6213	0.0062	2,150.50	(13.36)	(10.00)
	INR/JPY Decreases by 1 %		0.6213	(0.0062)	2,150.50	13.36	10.00

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 2023	INR/USD Increases by 1 %	Import Trade payables	82.1842	0.8218	15.47	(12.71)	(9.51)
	INR/USD Decreases by 1 %		82.1842	(0.8218)	15.47	12.71	9.51
As at 31 March 2022	INR/USD Increases by 1 %		75.7741	0.7577	23.51	(17.81)	(13.33)
	INR/USD Decreases by 1 %		75.7741	(0.7577)	23.51	17.81	13.33

Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure GBP	Effect on profit before tax (INR)	Effect on profit after tax (INR)	
As at 31 March 2023	INR/GBP Increases by 1 %	Import Trade payables	100.0000	1.0000	0.0020	(0.0020)	(0.0015)	
	INR/GBP Decreases by 1 %		100.0000	(1.0000)	0.0020	0.0020	0.0015	
As at 31 March 2022	INR/GBP Increases by 1 %		-	-	-	-	-	-
	INR/GBP Decreases by 1 %		-	-	-	-	-	-

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Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure MXN	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/MXN Increases by 1%	Import Trade payables	4.5480	0.0455	59.24	(2.69)	(2.02)
	INR/MXN Decreases by 1%		4.5480	(0.0455)	59.24	2.69	2.02
As at 31 March 2022	INR/MXN Increases by 1%		-	-	-	-	-
	INR/MXN Decreases by 1%		-	-	-	-	-
Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure EUR	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/EUR Increases by 1%	Import Trade payables	89.3938	0.8939	23.80	(21.27)	(15.92)
	INR/EUR Decreases by 1%		89.3938	(0.8939)	23.80	21.27	15.92
As at 31 March 2022	INR/EUR Increases by 1%		84.0380	0.8404	6.06	(5.09)	(3.81)
	INR/EUR Decreases by 1%		84.0380	(0.8404)	6.06	5.09	3.81
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 2023	INR/USD Increases by 1%	Export Trade Receivables	82.1842	0.8218	11.67	9.59	7.18
	INR/USD Decreases by 1%		82.1842	(0.8218)	11.67	(9.59)	(7.18)
As at 31 March 2022	INR/USD Increases by 1%		75.7741	0.7577	3.94	2.99	2.23
	INR/USD Decreases by 1%		75.7741	(0.7577)	3.94	(2.99)	(2.23)
Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure MXN	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/MXN Increases by 1%	Export Trade Receivables	4.5480	0.0455	6.14	0.28	0.21
	INR/MXN Decreases by 1%		4.5480	(0.0455)	6.14	(0.28)	(0.21)
As at 31 March 2022	INR/MXN Increases by 1%		3.7966	0.0380	54.86	2.08	1.56
	INR/MXN Decreases by 1%		3.7966	(0.0380)	54.86	(2.08)	(1.56)

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Particulars	Change in currency rate	Nature of Exposure	Year end rates	Changes in rates	Net exposure EUR	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2023	INR/EUR Increases by 1 %	Export Trade Receivables	89.3938	0.8939	3.51	3.14	2.35
	INR/EUR Decreases by 1 %		89.3938	(0.8939)	3.51	(3.14)	(2.35)
As at 31 March 2022	INR/EUR Increases by 1 %		84.0380	0.8404	1.27	1.07	0.80
	INR/EUR Decreases by 1 %		84.0380	(0.8404)	1.27	(1.07)	(0.80)

Equity price risk

The Company's listed & non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables of Rs. 35,535.90 Lacs as at 31 March 2023 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable."

Company's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of 31 March 2023 and 31 March 2022, however there was no default on account of those customers in the past.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

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Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(a) Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans	44.75	43.48
Other financial assets	2,247.36	1,535.86
Total	2,292.11	1,579.34

(b) The ageing analysis of trade receivables for which loss allowance is measured using Life time Expected Credit Losses as of the reporting date is as follows:

Particulars	As at 31 March 2023	0- 6 Month	6 - 12 month	More than 12 months
Gross Carrying Amount	35,834.50	35,269.55	249.78	315.17
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	35,535.90	35,269.55	249.78	16.57

Particulars	As at 31 March 2022	0- 6 Month	6 - 12 month	More than 12 months
Gross Carrying Amount	44,836.02	44,532.25	2.55	301.22
Expected credit loss (Loss allowance provision)	298.60	-	-	298.60
Carrying amount of trade receivables	44,537.42	44,532.25	2.55	2.62

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate finance department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is represented by the carrying amount of each financial asset.

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(d.) Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2023	0- 1 year	1- 5 year	More than 5 year
Trade Payables	41,176.81	41,082.41	94.40	-
Borrowings	54,742.90	24,266.23	30,476.67	-
Lease liabilities	11,891.49	1,728.34	10,163.15	-
Other financial liabilities	3,767.59	3,159.52	608.07	-
Total	1,11,578.79	70,236.50	41,342.29	-

Particulars	Contractual cash flows			
	Carrying value as at 31 March 2022	0- 1 year	1- 5 year	More than 5 year
Trade Payables	38,852.70	38,787.23	65.47	-
Borrowings	52,124.01	27,431.67	24,692.34	-
Lease liabilities	9,854.84	1,526.34	8,328.50	-
Other financial liabilities	2,869.98	2,833.09	36.89	-
Total	1,03,701.53	70,578.33	33,123.20	-

39. Capital management

The Company's capital management objectives are:

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

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

The Company uses debt equity ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	31 March 2023	31 March 2022
Net Debt (A)*	53,422.84	50,876.62
Equity (B)	92,491.51	86,281.28
Debt Equity Ratio (A/B)	0.58	0.59

* Net debt includes Non-Current borrowing, Current borrowing, Current maturities of non-current borrowing net off Current investment and cash, cash equivalent and other bank balance.

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

40. Segment Reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automotive components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue from Operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers		
India	2,47,601.79	1,95,367.78
Overseas	43,288.94	37,002.45
Total	2,90,890.73	2,32,370.23

Non-current Assets

Particulars	As at 31 March 2023	As at 31 March 2022
India	95,170.28	88,138.67
Overseas	42,274.41	29,776.27
Total	1,37,444.69	1,17,914.94

Major customer

Revenue from transactions of the Company with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

41. Interest in Joint venture

The Group has a 50% interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Eco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited, joint venture entities are involved in manufacturing of the group's main automotive products in India.

The Group's interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Ecco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of investment in consolidated financial statements are set out below:

Sandhar Ecco Green Energy Private Limited

Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	-	148.84
Non-Current assets	-	0.74
Current Liabilities	-	3.70
Equity	-	145.88
Proportion of the group's ownership	-	72.94

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

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

Summarised Statement of profit & loss of Sandhar Ecco Green Energy Private Limited

Particulars	31 March 2023	31 March 2022
Revenue	-	-
Other incomes	-	4.51
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Cost	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	-	7.99
(Loss)/ Profit Before Tax	-	(3.48)
Income tax expense	-	-
(Loss)/ Profit for the year (continuing operations)	-	(3.48)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	-	(3.48)
Group's share of profit/ (loss) for the year	-	(1.74)

Sandhar Han Sung Technologies Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	1,782.06	1,466.09
Non-Current assets	3,908.60	4,024.09
Current Liabilities	2,319.26	1,850.24
Non-current liabilities	798.73	1,253.25
Equity	2,572.67	2,386.70
Proportion of the group's ownership	1,286.34	1,193.35

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	5,396.77	3,878.13
Other incomes	21.97	11.58
Cost of Raw Material & Component Consumed	2,889.38	2,222.56
Employee Benefits Expense	882.91	771.01
Finance Costs	138.73	127.05
Depreciation and Amortization Expense	343.11	333.78
Other Expenses	909.77	697.04
Profit/ (Loss) Before Tax	254.84	(261.73)
Income tax expense	(70.53)	(75.68)
(Loss)/ Profit for the year (continuing operations)	184.31	(186.04)
Other comprehensive income for the year, net of tax	1.67	(1.39)
Total Comprehensive income for the year (continuing operations)	185.98	(187.44)
Group's share of profit/ (loss) for the year	92.99	(93.72)

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

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

Sandhar Amkin Industries Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	2,355.70	1,396.47
Non-Current assets	2,245.56	2,132.30
Current Liabilities	2,109.85	1,400.95
Non-current liabilities	1,410.46	1,593.90
Equity	1,080.95	533.92
Proportion of the group's ownership	540.47	266.96

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	5,016.46	2,003.80
Other incomes	44.85	12.40
Cost of Raw Material & Component Consumed	3,202.42	1,612.27
Employee Benefits Expense	326.34	317.27
Finance Costs	211.14	224.44
Depreciation and Amortization Expense	281.84	260.66
Other Expenses	1,083.47	633.74
Loss Before Tax	(43.90)	(1,032.18)
Income tax expense	254.80	(112.75)
Loss for the year (continuing operations)	210.90	(919.43)
Other comprehensive income for the year, net of tax	(0.27)	7.91
Total Comprehensive income for the year (continuing operations)	210.63	(911.52)
Group's share of loss for the year	105.32	(455.76)

Jinyoung Sandhar Mechatronics Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	3,180.34	2,377.04
Non-Current assets	4,443.45	4,463.62
Current Liabilities	4,929.17	3,885.07
Non-current liabilities	2,971.88	2,760.93
Equity	(277.27)	194.66
Proportion of the group's ownership	(138.63)	97.33

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	4,683.24	3,541.48
Other incomes	35.30	39.37
Cost of Raw Material & Component Consumed	3,302.22	2,301.22
Employee Benefits Expense	411.34	497.32
Finance Costs	62.11	50.90
Depreciation and Amortization Expense	274.18	276.86
Other Expenses	1,316.74	925.35
Loss Before Tax	(648.05)	(470.79)
Income tax expense	179.97	(115.35)
Loss for the year (continuing operations)	(468.08)	(355.44)
Other comprehensive income for the year, net of tax	(3.85)	0.61
Total Comprehensive income for the year (continuing operations)	(471.93)	(354.83)
Group's share of loss for the year	(235.96)	(177.41)

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

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

Sandhar Daeshin Auto Systems Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	-	-
Non-Current assets	-	-
Current Liabilities	-	-
Non-current liabilities	-	-
Equity	-	-
Proportion of the group's ownership	-	-

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	-	-
Other incomes	-	-
Cost of Raw Material & Component Consumed	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortization Expense	-	-
Other Expenses	-	0.52
Loss Before Tax	-	(0.52)
Income tax expense	-	0.49
Profit/ (Loss) for the year (continuing operations)	-	(1.01)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year (continuing operations)	-	(1.01)
Group's share of profit/ (loss) for the year	-	(0.51)

Sandhar Whetron Electronics Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	724.00	684.41
Non-Current assets	1,390.18	1,515.05
Current Liabilities	375.14	258.84
Non-current liabilities	213.76	243.51
Equity	1,525.28	1,697.11
Proportion of the group's ownership	762.64	848.55

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	946.04	296.42
Other incomes	3.75	10.03
Cost of Raw Material & Component Consumed	616.05	189.88
Employee Benefits Expense	191.64	133.35
Finance Costs	16.54	17.84
Depreciation and Amortization Expense	150.04	126.87
Other Expenses	93.72	33.64
Profit/ (Loss) Before Tax	(118.20)	(195.14)
Income tax expense	69.62	(44.66)
Profit/ (Loss) for the year (continuing operations)	(187.82)	(150.48)
Other comprehensive income for the year, net of tax	15.99	(10.09)
Total Comprehensive income for the year (continuing operations)	(171.83)	(160.57)
Group's share of profit/ (loss) for the year	(85.91)	(80.29)

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

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

Kwangsung Sandhar Technologies Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	4,847.95	2,036.18
Non-Current assets	3,517.41	3,323.37
Current Liabilities	7,403.67	3,553.37
Non-current liabilities	197.23	270.35
Equity	764.46	1,535.83
Proportion of the group's ownership	382.23	767.91

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	3,542.05	490.73
Other incomes	146.25	8.53
Cost of Raw Material & Component Consumed	3,004.95	366.03
Employee Benefits Expense	492.90	531.83
Finance Costs	56.11	26.44
Depreciation and Amortization Expense	372.18	246.20
Other Expenses	568.14	174.53
Loss Before Tax	(805.98)	(845.77)
Income tax expense	(39.04)	(218.71)
Loss for the year (continuing operations)	(766.94)	(627.06)
Other comprehensive income for the year, net of tax	(5.04)	2.31
Total Comprehensive income for the year (continuing operations)	(771.98)	(624.75)
Group's share of loss for the year	(385.99)	(312.37)

Winnercom Sandhar Technologies Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	1,765.96	1,472.82
Non-Current assets	394.19	348.24
Current Liabilities	1,179.37	966.27
Non-current liabilities	25.55	20.56
Equity	955.23	834.24
Proportion of the group's ownership	477.62	417.12

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

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

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	5,609.69	3,017.98
Other incomes	33.58	3.34
Cost of Raw Material & Component Consumed	4,963.10	2,578.90
Employee Benefits Expense	198.68	161.07
Finance Costs	-	-
Depreciation and Amortization Expense	53.38	49.71
Other Expenses	264.89	142.14
Loss Before Tax	163.22	89.50
Income tax expense	41.86	15.48
Loss for the year (continuing operations)	121.36	74.02
Other comprehensive income for the year, net of tax	(0.36)	(0.66)
Total Comprehensive income for the year (continuing operations)	121.00	73.37
Group's share of loss for the year	60.50	36.68

Sandhar Han Shin Auto Technologies Private Limited Summarised balance sheet as at 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Current assets	685.57	589.23
Non-Current assets	319.45	388.27
Current Liabilities	568.52	603.04
Non-current liabilities	15.81	13.84
Equity	420.69	360.61
Proportion of the group's ownership	210.35	180.31

Summarised Statement of profit & loss

Particulars	31 March 2023	31 March 2022
Revenue	1,768.84	1,069.62
Other incomes	0.61	1.02
Cost of Raw Material & Component Consumed	1,313.06	859.16
Employee Benefits Expense	191.34	165.91
Finance Costs	0.02	1.69
Depreciation and Amortization Expense	36.94	57.11
Other Expenses	145.21	62.06
Profit/ (Loss) Before Tax	82.88	(75.29)
Income tax expense	23.17	(27.15)
Loss for the year (continuing operations)	59.71	(48.15)
Other comprehensive income for the year, net of tax	0.37	0.53
Total Comprehensive income for the year (continuing operations)	60.08	(47.62)
Group's share of loss for the year	30.04	(23.81)

The Group had no contingent liabilities or capital commitment relating to its interest in Sandhar Hang Sung Technologies Private Limited., Sandhar Ecco Green Energy Private Limited, Sandhar Amkin Industries Private Limited, Jinyoung Sandhar Mechatronics Private Limited, Sandhar Whetron Electronics Private Limited, Kwangsung Sandhar Technologies Private Limited, Winnercom Sandhar Technologies Private Limited, Sandhar Han Shin Auto Technologies Private Limited and Sandhar Daeshin Technologies Private Limited as at 31 March 2023 and 31 March 2022.

All the Joint Ventures companies cannot distribute its profits until obtains the consent from the two venture partners.

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

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

42. Disclosure of additional information as required by the Schedule III

Name of the entity	2022-23							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)	As % of consolidated profit or loss	Amount (in Rs.)
Parent								
Sandhar Technologies Limited	86.19%	79,344.78	53.50%	3,903.36	(65.76%)	(138.37)	50.14%	3,764.98
Indian Subsidiaries of Sandhar Technologies Ltd.								
Sandhar Tooling Private Limited	0.27%	246.20	69.85%	5,096.88	0.74%	1.56	67.91%	5,098.43
Sandhar Engineering Private Limited	5.18%	4,772.19	(20.71%)	(1,511.32)	(1.37%)	(2.89)	(20.17%)	(1,514.21)
Sandhar Automotive Systems Private Limited	2.19%	2,019.57	1.19%	87.01	(0.67%)	(1.41)	1.14%	85.60
Sandhar Auto Castings Private Limited	0.54%	497.04	(1.75%)	(127.84)	-	-	(1.70%)	(127.84)
Sandhar Auto Electric Solutions Private Limited	(0.01%)	(4.83)	(0.07%)	(5.33)	-	-	(0.07%)	(5.33)
Minority interest in Sandhar Tooling Private Limited	(0.48%)	(446.32)	(0.82%)	(59.58)	0.19%	0.39	(0.79%)	(59.19)
Foreign subsidiaries of Sandhar Technologies Ltd.								
Sandhar Technologies Barcelona, SL	6.41%	5,897.36	4.62%	336.94	164.83%	346.96	9.11%	683.90
Joint ventures								
Jinyoung Sandhar Mechatronics Private Limited	(0.15%)	(138.63)	(3.21%)	(234.04)	(0.91%)	(1.93)	(3.14%)	(235.96)
Sandhar Amkin Industries Private Limited	0.59%	540.48	1.45%	105.45	(0.06%)	(0.14)	1.40%	105.32
Sandhar Ecco Green Energy Private Limited	-	-	0.00%	0.03	-	-	0.00%	0.03
Sandhar Han Sung Technologies Private Limited	1.40%	1,286.34	1.26%	92.15	0.40%	0.83	1.24%	92.99
Sandhar Whetron Electronics Private Limited	0.83%	762.64	(1.29%)	(93.91)	3.80%	8.00	(1.14%)	(85.92)
Kwansung Sandhar Technologies Private Limited	0.42%	382.23	(5.26%)	(383.48)	(1.20%)	(2.52)	(5.14%)	(386.00)
Winnercom Sandhar Technologies Private Limited	0.52%	477.62	0.83%	60.68	(0.08%)	(0.18)	0.81%	60.51
Sandhar Han Shin Auto Technologies Private Limited	0.23%	210.35	0.41%	29.85	0.09%	0.19	0.40%	30.04
Less: Cost of investment in joint ventures	(4.13%)	(3,801.83)						
Consolidated Net Assets/ Profit after tax	100.00%	92,045.19	100.00%	7,296.85	100.00%	210.49	100.00%	7,507.35

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

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

43. 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.
- 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 wilful defaulter by any bank of financial institution or other lender.
- i. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- l. The Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at 31 March 2023 (as at 31 March 2022: Nil).

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 25 May 2023

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

D.N. Davar Chairman DIN:00002008	Jayant Davar Co-Chairman and Managing Director DIN:00100801	Yashpal Jain Chief Financial Officer
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Arjun Sharma Director DIN:00003306	Archana Capoor Director DIN:01204170	Arvind Kapur Director DIN:00096308	Komal Malik Company Secretary ICSI M. No.: 6430
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Place: Gurugram
Date: 25 May 2023

SANDHAR
Growth. Motivation. Better Life

Sandhar Technologies Limited
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