NDR AUTO COMPONENTS LIMITED

Corporate office: Plot No.1, Maruti Joint Venture Complex, Gurugram, Haryana-122015
CIN: U29304DL2019PLC347460 **Website:** www.ndrauto.com
Email id: info@ndrauto.com **Phone No.:** 9643339870-74

7th December, 2020

BSE Limited Corporate Relationship Deptt. PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Code No: 543214	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Code No. NDRAUTO

Sub: Notice of 1st Annual General Meeting and Annual Report for the for the period ended 31st March, 2020

Dear Sir

This is Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice for the 1st Annual General Meeting of Company scheduled to be held on 29th December, 2020 at 10.30 a.m. along with Annual Report of the Company for the period ended 31st March, 2020.

This is for your information and record.

FOR **NDR AUTO COMPONENTS LIMITED**

(Nitasha Sinha)
COMPANY SECRETARY
Encl: As Above

1^ST^ ANNUAL REPORT

NDR AUTO COMPONENTS LIMITED

Corporate Information

Board of Directors	1.	Mr. Sanjiv Kapur	Chairman and Director (DIN: 00755441)
	2.	Mr. Rohit Relan	Co-Chairman and Director (DIN: 00257572)
	3.	Ms. Shyamla Khera	Independent Director (DIN: 06929439)
	4.	Ms.Vanita Chhabra	Independent Director (DIN: 02161276)
	5.	Ms. Deepa Gopalan Wadhwa	Independent Director (DIN: 07862942)
	6.	Mr. Rishabh Relan	Director (DIN: 07726444)
	7.	Mr. Pranav Relan	Whole Time Director (DIN: 07177944)
	8.	Mr. Ayush Relan	Director (DIN: 07716326)
	9.	Mr. Rajat Bhandari	Director (DIN: 02154950)

Corporate Identity Number
CIN: U29304DL2019PLC347460

Bankers
ICICI Limited
Kotak Mahindra Bank

Registered Office
Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity,
IGI Airport, New Delhi 110037

Works
Plant 1
C506, Block-C, Pioneer Industrial Park (Village Bhudaka),
Pathredi, Gurgaon, Haryana
Plant 2
Plot No. 366-P, Pace City II, Gurgaon, Haryana

Auditors
Gupta Vigg & Co.
Chartered Accountants
New Delhi

Listed at
BSE Limited
National Stock Exchange of India Limited

Chief Financial Officer
Mr. Vinod Kumar

Company Secretary And Compliance Officer
Ms. Nitasha Sinha

Registrar And Share Transfer Agent
Beetal Financial & Computer Services (P) Limited
Beetal House, 3rd Floor
99 Madangir, Behind Local Shopping Centre
Near Dada Harsukhdas Mandir, New Delhi - 110 062
Phone : +91 11 2996 1281; Email Id : beetal@beetalfinancial.com
Website : www.beetalfinancial.com

E-Mail and Website
cs@ndrauto.com, www.ndrauto.com

CONTENTS

NDR AUTO COMPONENTS LIMITED

CIN: U29304DL2019PLC347460
Registered Office: Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI Airport, New Delhi 110037
Tel.: +91 11 66544976Email: cs@ndrauto.com Website: www.ndrauto.com

NOTICE

NOTICE is hereby given that the First Annual General Meeting (AGM) of the members of NDR Auto Components Limited ("the Company") will be held on December 29, 2020, Tuesday at 10:30 a.m. through Video Conferencing ('VC') / other Audio Visual Means ('OAVM'), to transact the following business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the period ended 31st March, 2020 including the audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the period ended on that date and the reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited financial statements (including the consolidated financial statements) of the Company for the period ended 31st March, 2020 including the audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the period ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, as amended from time to time and other applicable provisions, if any, M/s. S.S Kothari Mehta & Co., Chartered Accountants, (FRN:000756N), New Delhi, be and are hereby appointed as Statutory Auditors of the Company for a period of 5 years i.e. till the conclusion of Sixth AGM of the Company at such remuneration as may be mutually agreed to between the Board of Directors of the Company and the Auditors.**"**

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. ROHIT RELAN AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rohit Relan (DIN:00257572), be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. APPOINTMENT OF MR. RISHABH RELAN AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rishabh Relan (DIN:07726444) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. APPOINTMENT OF MR. PRANAV RELAN AS A DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT Mr. Pranav Relan (DIN:07177944) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. APPOINTMENT OF MR. AYUSH RELAN AS A DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT Mr. Ayush Relan (DIN:07716326) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. APPOINTMENT OF MR. SANJIV KAPUR AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Sanjiv Kapur (DIN: 00755441) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. APPOINTMENT OF MR. RAJAT BHANDARI AS A DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

RESOLVED THAT Mr. Rajat Bhandari (DIN: 02154950) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. APPOINTMENT OF MS. SHYAMLA KHERA AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and recommendation of Board of Directors and pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to 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, the approval of the Members of the Company be and is hereby accorded for appointment of Ms. Shyamla Khera (DIN:06929439) as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years on the Board of the Company w.e.f. 23rd October, 2020 to 22nd October, 2025."

10. APPOINTMENT OF MS. VANITA CHHABRA AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and recommendation of Board of Directors and pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to 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, the approval of the Members of the Company be and is hereby accorded for appointment of Ms. Vanita Chhabra (DIN: 02161276) as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years on the Board of the Company w.e.f. 30th November, 2020 to 29th November, 2025."

11. APPOINTMENT OF MS. DEEPA GOPALAN WADHWA AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and recommendation of Board of Directors and pursuant to the provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to 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, the approval of the Members of the Company be and is hereby accorded for appointment of Ms. Deepa Gopalan Wadhwa (DIN:07862942) as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years on the Board of the Company w.e.f. 30th November, 2020 to 29th November, 2025."

12. APPROVAL OF ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass the following Resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force and subject to approvals, permissions and sanctions from the appropriate authority, if any the Articles of Association of the Company be and are hereby altered in the manner following:

A) Existing article no. 66(ii) be deleted

B) Existing article no. 66(i) be renumbered as 66

C) Existing article no. 89(v)(a) be replaced with following:

Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their members to the office of Managing Directors or Whole Time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Managing Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but immediately cease to be a Managing Director if he ceases to hold the office of Director.

D) The existing article no. 89 (ii) (ba) and 89 (ii)(bb) be renumbered to 89 (ii) (b) and 89 (ii)(c)

E) The existing article no. 89 (iii) to 89 (x) be renumbered to 89 (ii)(d) to 89 (ii)(k)

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

13. APPROVAL OF APPOINTMENT OF MR. PRANAV RELAN AS WHOLE TIME DIRECTOR

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

RESOLVED THAT pursuant to Section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 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), consent be and is hereby accorded for appointment of Mr. Pranav Relan (DIN: 07177944) as a Whole Time Director for a period of three years on the following terms and conditions and for the payment of the following remuneration with effect from 27th October, 2020 to 26th October, 2023:

DETAILS OF REMUNERATION, INCLUDING PERQUISITES:

1. Salary: Rs.3,00,000 p.m. with a provision of annual increment of 10% per annum.
2. Perquisites and Allowances: Upto a maximum of 50% of Salary

However, contribution to provident fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Pranav Relan same remuneration as stated above.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

14. TO CONSIDER AND APPROVE APPOINTMENT OF MR. AYUSH RELAN AS WHOLE TIME DIRECTOR

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent be and is hereby accorded for appointment of Mr. Ayush Relan (DIN: 07716326) as a Whole Time Director for a period of three years on the following terms and conditions and for the payment of the following remuneration with effect from 2nd January, 2021 to 1st January, 2024:

DETAILS OF REMUNERATION, INCLUDING PERQUISITES:

1. Salary: Rs.3,00,000 p.m. with a provision of annual increment of 10% per annum.
2. Perquisites and Allowances: Upto a maximum of 50% of Salary

However, contribution to provident fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Ayush Relan same remuneration as stated above.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

15. TO CONSIDER AND APPROVE APPOINTMENT OF MR. RAJAT BHANDARI AS WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR

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

RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent be and is hereby accorded for appointment of Mr. Rajat Bhandari (DIN: 02154950) as a Whole Time Director for a period of three years on the following terms and conditions and for the payment of the following remuneration with effect from 2nd January, 2021 to 1st January, 2024.

DETAILS OF REMUNERATION, INCLUDING PERQUISITES:

1. Salary: Rs.3,30,000 p.m. with a provision of annual increment of 10% per annum.
2. Perquisites and Allowances: Upto a maximum of 50% of Salary. Additionally entitled to chauffer driven company car along with reimbursement of car maintenance.
3. Variable pay: 15% of Basic salary and perquisites

However, contribution to provident fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Rajat Bhandari same remuneration as stated above.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

16. APPROVAL TO GIVE LOAN AND GUARANTEE

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate from time to time in one or more trenches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 30 Crores (Indian Rupees Thirty Crores Only) outstanding at any time not with standing that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board
For **NDR AUTO COMPONENTS LIMITED**

Nitasha Sinha
Company Secretary
Membership Number: A27439

Date : 04.12.2020
Place : Gurugram

NOTES:

1. **In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Tuesday, 29 December, 2020 at 10.30 A.M. (IST).**

   The deemed venue for the 1st AGM will be 25, Sardar Patel Marg, ChanakyaPuri, New Delhi 110021.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed / continuation of Director/ Auditor is also annexed.

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 PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT**

OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 1st AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Company at cs@ndrauto.com and to RTA at beetalrta@gmail.com atleast two days before the date of Meeting.

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. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 1st AGM has been uploaded on the website of the Company at www.ndrauto.com under 'AGM Notices' section of Shareholders Information and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice is also available on the website of CDSL at www.evotingindia.com. The Members are also requested to register their e-mail ID's and other details with the Company and Depository Participant.

7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the National Securities Depository Limited's ('NSDL') e-Voting website at www.evotingindia.com. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars but this will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The Members can pose their questions / queries on financial statements or any agenda item proposed in the notice of AGM by giving due intimation in atleast 2 days prior to the Meeting at cs@ndrauto.com.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29th December, 2020. Members seeking to inspect such documents can send an email to cs@ndrauto.com.

10. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, Beetal Financial & Computer Services (P) Limited ('Registrar') at beetal@beetalfinancial.com for assistance in this regard.

11. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at beetal@beetalfinancial.com in case the shares are held in physical form, quoting their folio number. Further, Members may note that Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.

13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent Beetal Financial & Computer Services (P) Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Beetal Financial & Computer Services (P) Limited.

14. Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company and Members holding shares in demat mode are requested to register their email IDs with their respective DPs in case same is still not registered.

15. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services (P) Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

16. Members can avail of the nomination facility by filing form SH-13, as prescribed under section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company/ RTA.

17. In compliance with the provisions of Section 108 of the Act and the rules framed there under, and Regulation 44 of the Listing Regulations as amended and the MCA Circulars, Company is pleased to provide facility of remote e-voting and e-voting during the AGM to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility to cast vote through remote e-voting as well as e-Voting during the AGM to all its Members.

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on "Shareholders" module.

(iv) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@ndrauto.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@ndrauto.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting

2. Only those shareholders, who are present in the AGM through VC/OAVM 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 system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@ndrauto.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(B) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to (xvii) above to cast vote.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) The Remote e-voting period will commence on Saturday, 26th December, 2020 (09:00a.m. IST) and ends on Monday, 28th December, 2020 (05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. 22nd December, 2020, 2020, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently.

20. Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. 22nd December, 2020), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

21. 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 at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

22. The Members who have cast their vote by remote-evoting prior to the AGM may also attend / participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM.

23. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

    i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**. at cs@ndrauto.com or beetal@beetalfinancial.com

    ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA emailid**.

    iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

24. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

    a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

    b. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

    c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

    d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **two days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **two days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

    f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during themeeting.

25. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

    i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

    ii. Only those shareholders, who are present in the AGM through VC/OAVM 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 system available during the AGM.

    iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

    iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

26. Mr. R S Bhatia (Membership No. FCS 2599) Practicing Company Secretary, having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process in a fair and transparent manner.

27. The results of the voting on resolutions shall be declared by the Chairman/Co-Chairperson or any other person authorised by them in writing after the AGM within the prescribed time limits. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. www.ndrauto.com and will also be available on the website of CDSL i.e. www.cdslindia.com and will be communicated to the stock exchanges, where the shares of the Company are listed.

28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can

submit their PAN details to the Company.

29. All the documents referred to in the notice and accompanying explanatory statement will be available for inspection at the Registered Office of the Company during 11:00 a.m. to 01:00 p.m. on all working days i.e. Monday to Friday upto the date of AGM and will also be available for inspection at the meeting.

By Order of the Board
For **NDR AUTO COMPONENTS LIMITED**

Nitasha Sinha
Company Secretary
Membership Number: A27439

Date : 04.12.2020
Place : Gurugram

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Rohit Relan (DIN 00257572) as an Additional Director w.e.f. 23rd October, 2020.

According to the provisions of Section 161 of the Act, Mr. Rohit Relan is to hold office up to the date of this Annual General Meeting ("AGM").

On the recommendation of Nomination and Remuneration Committee in line with the Nomination and Remuneration Policy of the Company and considering his vast experience the Board is of the opinion that he be Appointed as a director of the company, liable to retire by rotation.

Brief Profile of Mr. Rohit Relan

He is a Chartered Accountant (CA) and has also undertaken Owner President Program - Harvard Business School and Management Development Program - INSEAD France. He is a dynamic entrepreneur having 40 years of experience in the manufacturing Industry. He has experience in collaborating with Japanese and other international partners.

Presently Mr. Rohit Relan is Chairman and Managing Director of Bharat Seats Limited, a listed company. Under his dynamic leadership the said company has grown leaps & bounds and has earned a good reputation with stakeholders.

Mr. Rohit Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company. He is promoter of the company and he along with other Person acting in concert with him controls the majority of shareholding of the company. Mr. Rohit Relan has also confirmed that he is not debarred from holding the office of director by virtue of the SEBI Order in this regard and pursuant to circular dated 20/06/2018 issued by BSE Limited and the NSE pertaining to the enforcement of the SEBI orders regarding appointment of directors by the listed companies.

Except Mr. Rohit Relan and his sons Mr. Rishabh Relan, Mr. Pranav Relan and Mr. Ayush Relan none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 3 to be passed as an Ordinary Resolution for consideration and approval of the shareholders.

Item No. 4

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Rishabh Relan (DIN 07726444) as an Additional Director w.e.f. 23rd October, 2020.

According to the provisions of Section 161 of the Act, Mr. Rishabh Relan is to hold office up to the date of this Annual General Meeting ("AGM").

On the recommendation of Nomination and Remuneration Committee in line with the Nomination and Remuneration Policy of the Company and considering his vast experience the Board is of the opinion that he be Appointed as a director of the company, liable to retire by rotation.

Brief Profile of Mr. Rishabh Relan

He did his graduation- Bachelors in Science in Industrial Engineering from Georgia Institute of Technology, Atlanta, U.S.A and Diploma – 6 Sigma in lean manufacturing from Institute of Industrial Engineering in United States. He is a dynamic entrepreneur having experience in business development and finance planning.

Mr. Rishabh Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company. He is part of the promoter group of the company and he along with other Person acting in concert with him controls the majority of shareholding of the company. Mr. Rishabh Relan has also confirmed that he is not debarred from holding the office of director by virtue of the SEBI Order in this regard and pursuant to circular dated 20/06/2018 issued by BSE Limited and the NSE pertaining to the enforcement of the SEBI orders regarding appointment of directors by the listed companies.

Except Mr. Rishabh Relan, his father Mr. Rohit Relan and his brothers Mr. Pranav Relan and Mr. Ayush Relan none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 4 to be passed as an Ordinary Resolution for consideration and approval of the shareholders.

Item Nos. 5 & 13

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Pranav Relan (DIN 07177944) as an Additional Director w.e.f. 23rd October, 2020.

According to the provisions of Section 161 of the Act, Mr. Pranav Relan is to hold office up to the date of this Annual General Meeting ("AGM").

On the recommendation of Nomination and Remuneration Committee in line with the Nomination and Remuneration Policy of the Company and considering his vast experience the Board is of the opinion that he be Appointed as a regular director of the company, liable to retire by rotation.

Mr. Pranav Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company. He is part of the promoter group of the company and he along with other Person acting in concert with him controls the majority of shareholding of the company. Mr. Pranav Relan has also confirmed that he is not debarred from holding the office of director by virtue of the SEBI Order in this regard and pursuant to circular dated 20/06/2018 issued by BSE Limited and the NSE pertaining to the enforcement of the SEBI orders regarding appointment of directors by the listed companies.

Further the Board of Directors of the Company at its meeting held on the recommendations of NRC committee and subject to approval of the members appointed Mr. Pranav Relan as Whole Time Director for a period of 3 years i.e. from 27th October, 2020 to 26th October, 2020.

Pursuant to the provisions of Section 152, 196,197, 203 and schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17, 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time members approval is sought for the appointment of Mr. Pranav Relan (DIN07177944) as a director and Whole Time Director and remuneration payable to him. General Information pursuant to the provision of schedule V, SS-2 on general meetings issued by the ICSI and regulation 26(4) and 36(3) of SEBI LODR is as under is as under:

General information:

(1) Nature of industry

The Company is engaged in manufacture of seat frames and trims at their plants at Gurgaon in Haryana.

(2) Date or expected date of commencement of commercial production

The Company is already in production.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: The Company was incorporated on 19th March, 2019 and pursuant to scheme of arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited the Automobile Seating Undertaking was transferred to and vested in NDR Auto Components Limited (Resulting Company) vide Hon'ble National Company Law Tribunal, Delhi Bench ("NCLT") order dated 20th February, 2020 which was effective from 16th March, 2020 (i.e. effective date). The said undertaking had already commenced activities.

(4) Financial performance based on given indicators:

The 1st financial period of the company ended on 31st March, 2020. Financial performance of the Company in relation to various indicators during the period ended 31st March, 2020 is hereunder:

(Rs. in lakhs)

	2019-20
Revenue from operations (Gross)	10,580.17
Net Profit after tax	166.59
Dividend	Nil

(5) Foreign investments or collaborations, if any- NIL

II. Information about Mr Pranav Relan, Whole Time Director:

(1) Background details

He is Graduate in Economics from Emory College of Arts and Sciences, Emory University, Georgia, United States and has also cleared certification examination in "NISM – Series – VIII: Equity Derivatives Certification Examination. He has rich experience in Stock Market and managing internal financial controls, operating controls and compliance controls of company. He was a Whole Time Director of Relan Industrial Finance Limited for a period of three years, from 21st July, 2015 to 20th July, 2018, a Company having membership of National Stock Exchange of India and having membership of Future and Cash market segment.

Mr. Pranav has also worked with Bharat Seats Limited as Assistant Chief Operating Officer and handled internal financial controls, operating controls and compliance controls.

(2) Past remuneration-NIL

(3) Recognition or awards: He has cleared certification examination in "NISM – Series – VIII: Equity Derivatives Certification Examination

(4) Job profile and his suitability

His job profile comprises of handling internal financial controls, operating controls and compliance controls.

(5) Remuneration proposed

a. Salary: Rs.3,00,000 p.m. with a provision of annual increment of 10% per annum.

b. Perquisites and Allowances: Upto a maximum of 50% of Salary

However, contribution to provident fund, superannuation fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into account the turnover of the Company and responsibilities of Mr. Pranav Relan, the remuneration being paid to the Whole Time Director is reasonable and in line with the remuneration levels in the industry across the country and befits his position.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Except for the remuneration as Whole Time Director and his shareholding, Mr. Pranav Relan has no other pecuniary relationship with the Company. Mr. Pranav Relan is related to Mr. Rohit Relan, Director of the Company, who is his father and Mr. Rishabh Relan and Mr. Ayush Relan, Directors, who are his brothers.

III. Other information:

(1) Reasons of loss or inadequate profits

The Company was incorporated on 19th March, 2020, being its 1st financial period ended on 31st March, 2020. The company has taken off and going forward, will be receiving fresh projects, the benefits of which will accruein future years.

(2) Steps taken or proposed to be taken for improvement

The Company has taken the following steps to improve the profitability:

a. Cost reduction and productivity improvement.

b. Upgrading the Seating frame and trim manufacturing facilities to International Standard.

(3) Expected increase in productivity and profits in measurable terms

With the above measures, the operating efficiencies and profits of the Company are expected to increase significantly.

IV. Disclosures

Since there are more than one Whole Time Directors, the aggregate and annual remuneration to such directors exceeds 10 per cent of the net profits of the Company resolution being passed through Special Resolution.

Except Mr. Pranav Relan, his father Mr. Rohit Relan and his brothers Mr. Rishabh Relan and Mr. Ayush Relan none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Pranav Relan as per provisions of section 190 of the Companies Act, 2013. The Board recommends this resolution as set forth in the Notice as Item No. 5 as Ordinary Resolution & 13 as Special Resolution.

Item Nos. 6 &14

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Ayush Relan (DIN 07716326) as an Additional Director w.e.f. 23rd October, 2020.

According to the provisions of Section 161 of the Act, Mr. Ayush Relan is to hold office up to the date of this Annual General Meeting ("AGM").

On the recommendation of Nomination and Remuneration Committee in line with the Nomination and Remuneration Policy of the Company and considering his vast experience the Board is of the opinion that he be appointed as a director of the company, liable to retire by rotation.

Mr. Ayush Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company. He is part of the promoter group of the company and he along with other Person acting in concert with him controls the majority of shareholding of the company. Mr. Ayush Relan has also confirmed that he is not debarred from holding the office of director by virtue of the SEBI Order in this regard and pursuant to circular dated 20/06/2018 issued by BSE and NSE pertaining to the enforcement of the SEBI orders regarding appointment of directors by the listed companies.

Further the Board of Directors of the Company at its meeting held on the recommendations of NRC committee and subject to approval of the members appointed Mr. Ayush Relan as Whole Time Director for a period of 3 years i.e. from 2nd January, 2021 to 1st January,2024.

Pursuant to the provisions of Section 152, 196,197, 203 and schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17, 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time members approval is sought for the appointment of Mr. Ayush Relan (DIN 07716326) as a director and Whole Time Director and remuneration payable to him. General Information pursuant to the provision of schedule V, SS-2 on general meetings issued by the ICSI and regulation 26(4) and 36(3) of SEBI LODR is as under is as under:

General information:

(1) Nature of industry

The Company is engaged in manufacture of Seating System at their plants at Gurgaon in Haryana.

(2) Date or expected date of commencement of commercial production

The Company is already in production.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: The Company was incorporated on 19th March, 2019 and pursuant to scheme of arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited the Automobile Seating Undertaking was transferred to and vested in NDR Auto Components Limited (Resulting Company) vide Hon'ble National Company Law Tribunal, Delhi Bench ("NCLT") order dated 20th February, 2020 which was effective from 16th March, 2020 (i.e. effective date). The said undertaking had already commenced activities.

(4) Financial performance based on given indicators:

The 1st financial period of the company ended on 31st March, 2020. Financial performance of the Company in relation to various indicators during the period ended 31st March, 2020 is hereunder:

(Rs. in lakhs)

	2019-20
Revenue from operations (Gross)	10,580.17
Net Profit after tax	166.59
Dividend	Nil

(5) Foreign investments or collaborations, if any-NIL

II. Information about Mr Ayush Relan, Whole Time Director:

(1) Background details

He did his Bachelor of Science in Business Administration with specialization in Entrepreneurship & Marketing from North Eastern University in Boston, U.S.A. He has specialization business development and new projects.

Mr. Ayush Relan is currently working with Bharat Seats Limited as Assistant Chief Operating Officer and handled internal financial controls, operating controls and compliance controls.

(2) Past remuneration-NIL

(3) Recognition or awards: NIL

(4) Job profile and his suitability

His job profile comprises of handling internal financial controls, operating controls and compliance controls.

(5) Remuneration proposed

a. Salary: Rs.3,00,000 p.m. with a provision of annual increment of 10% per annum.

b. Perquisites and Allowances: Upto a maximum of 50% of Salary.

However, contribution to provident fund, superannuation fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into account the turnover of the Company and responsibilities of Mr. Ayush Relan, the remuneration being paid to the Whole Time Director is reasonable and in line with the remuneration levels in the industry across the country and befits his position.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Except for the remuneration as Whole Time Director and his shareholding, Mr. Ayush Relan has no other pecuniary relationship with the Company. Mr. Ayush Relan is related to Mr. Rohit Relan, Director of the Company, who is his father and Mr. Rishabh Relan and Mr. Pranav Relan, Directors, who are his brother.

III. Other information:

(1) Reasons of loss or inadequate profits

The company was incorporated on 19th March, 2020, being its 1st financial year ended on 31st March, 2020. The company has to go way long and is in the process of receiving fresh projects, the benefits of which will come in future years.

(2) Steps taken or proposed to be taken for improvement

The Company has taken the following steps to improve the profitability:

a. Cost reduction and productivity improvement.

b. Upgrading the Seating System with International Standard.

(3) Expected increase in productivity and profits in measurable terms

With the above measures, the operating efficiencies and profits of the Company are expected to increase.

IV. Disclosures

Since Corporate Governance is not applicable to the Company no other disclosure is required to be made.

Except Mr. Ayush Relan, his father Mr. Rohit Relan and his brothers Mr. Rishabh Relan and Mr. Pranav Relan none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Ayush Relan as per provisions of section 190 of the Companies Act, 2013. The Board recommends this resolution as set forth in the Notice as Item No. 6 as Ordinary Resolution & 14 as Special Resolution.

Item No. 7

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Sanjiv Kapur (DIN 00755441) as an Additional Director w.e.f. 23rd October, 2020.

According to the provisions of Section 161 of the Act, Mr. Sanjiv Kapur is to hold office up to the date of this Annual General Meeting ("AGM").

On the recommendation of Nomination and Remuneration Committee in line with the Nomination and Remuneration Policy of the Company and considering his vast experience the Board is of the opinion that he be Appointed as a director of the company, liable to retire by rotation.

Brief profile of Mr. Sanjiv Kapur:

B.Tech (Electrical Engg.) from IIT Delhi and has done MS from UNIV OF WISCONSIN-MADISON, USA. Presently he is associated with Medelec Systems Pvt. Ltd. and NUI CRYSTALS PVT. LTD as director. He has over 37 years of experience in the Medical Equipment and Devices industry. He is the Promoter/Director of Medelec Systems Pvt. Ltd which is involved in the manufacture of sophisticated medical devices for the domestic and international market. He has rich experience in the manufacture of components for the automobile industry with a wide exposure to the various technologies involved in manufacturing automobile components including machining, pressed metal components tool room etc.

Except Mr. Sanjiv Kapur, none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 7 (being Special Business), be passed as Ordinary Resolution for consideration and approval of the shareholders

Item Nos. 8 & 15

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Mr. Rajat Bhandari (DIN 02154950) as an Additional Director, designated as Executive Non-Independent Director on the Board of the Company w.e.f. 30th November, 2020.

According to the provisions of Section 161 of the Act, Mr. Rajat Bhandari is to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director.

In view of the above and based on the recommendation of Nomination and Remuneration Committee (considering his background, experience) and through his vast experience as provided above, the Company will be benefited immensely through his association. Therefore the Company recommends his appointment as an Executive Non-Independent Director on the Board of the Company.

Further the Board of Directors of the Company at its meeting held on the recommendations of NRC committee and subject to approval of the members appointed Mr. Rajat Bhandari as Whole Time Director for a period of 3 years i.e. from 2nd January, 2021 to 1st January, 2024.

Pursuant to the provisions of Section 152, 196,197, 203 and schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17, 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time members approval is sought for the appointment of Mr. Rajat Bhandari (DIN 02154950) as a director and Whole Time Director and remuneration payable to him. General Information pursuant to the provision of schedule V, SS-2 on general meetings issued by the ICSI and regulation 26(4) and 36(3) of SEBI LODR is as under is as under:

General information:

(1) Nature of industry

The Company is engaged in manufacture of Seating System at their plants at Gurgaon in Haryana.

(2) Date or expected date of commencement of commercial production

The Company is already in production.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: The Company was incorporated on 19th March, 2019 and pursuant to scheme of arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited the Automobile Seating Undertaking was transferred to and vested in NDR Auto Components Limited (Resulting Company) vide Hon'ble National Company Law Tribunal, Delhi Bench ("NCLT") order dated 20th February, 2020 which was effective from 16th March, 2020 (i.e. effective date). The said undertaking had already commenced activities.

(4) Financial performance based on given indicators:

The 1st financial period of the company ended on 31st March, 2020. Financial performance of the Company in relation to various indicators during the period ended 31st March, 2020 is hereunder:

(Rs. in lakhs)

	2019-20
Revenue from operations (Gross)	10,580.17
Net Profit after tax	166.59
Dividend	Nil

(5) Foreign investments or collaborations, if any-NIL

II. Information about Mr. Rajat Bhandari, Whole Time Director:

(1) Background details

Mr Rajat Bhandari is a Chartered Accountant & a Company Secretary with over 34 years of post-qualification experience in Indian automotive component industry. He has worked across various functions such as Finance, Secretarial, Purchase& Supply Chain in various companies of Escorts group, Federal Mogul Goetze India Limited and Bharat seats Limited.

(2) Past remuneration-NIL

(3) Recognition or awards: NIL

(4) Job profile and his suitability

His job profile comprises of handling internal financial controls, operating controls and compliance controls.

(5) Remuneration proposed

1. Salary: Rs.3,30,000 p.m. with a provision of annual increment of 10% per annum.
2. Perquisites and Allowances: Upto a maximum of 50% of Salary. Additionally entitled to chauffer driven company car along with reimbursement of car maintenance.
3. Variable pay: 15% of Basic salary and perquisites

However, Contribution to Provident fund, Superannuation fund, payment of gratuity and leave encashment will not be accounted for the purpose of value of perks.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into account the turnover of the Company and responsibilities of Mr. Rajat Bhandari, the remuneration being paid to the Whole Time Director is reasonable and in line with the remuneration levels in the industry across the country and befits his position.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Except for the remuneration as Whole Time Director, Mr. Rajat Bandari has no other pecuniary relationship with the Company.

III. Other information:

(1) Reasons of loss or inadequate profits

The company was incorporated on 19th March, 2020, being its 1st financial year ended on 31st March, 2020. The company has to go way long and is in the process of receiving fresh projects, the benefits of which will come in future years.

(2) Steps taken or proposed to be taken for improvement

The Company has taken the following steps to improve the profitability:

a. Cost reduction and productivity improvement.

b. Upgrading the Seating System with International Standard.

(3) Expected increase in productivity and profits in measurable terms

With the above measures, the operating efficiencies and profits of the Company are expected to increase.

IV. Disclosures

Since Corporate Governance is not applicable to the Company no other disclosure is required to be made.

Except Mr. Rajat Bhandari none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Rajat Bhandari as per provisions of section 190 of the Companies Act, 2013. The Board recommends this resolution as set forth in the Notice as Item No. 8 as Ordinary Resolution and 15 as Special Resolution.

Item No. 9

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Ms. Shyamla Khera (DIN 06929439) as an Additional Director, designated as Non-executive Independent Director on the Board of the Company for a period of 5 years w.e.f. 23rd October, 2020 for a tenure upto 22nd October, 2025, subject to approval of the Members.

According to the provisions of Section 161 of the Act, Ms. Shyamla Khera is to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received a declaration from Ms. Khera, that she meets the criteria of independence as prescribed 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI(LODR) Regulations, as amended from time to time. Ms. Khera is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013. In the opinion of the Board, Ms. Khera fulfils the conditions for appointment as Independent Director as specified in the Act and the rules framed there under and is independent of the management.

Brief profile of Ms. Shyamla Khera:

Ms. Khera is a graduate with B. Com (Hons) from Delhi University. She completed her M.Com (Prev.) from Delhi School of Economics and CAIIB (Part I).

Ms. Khera has an experience of about 38 years in Banking Business. She has headed various prestigious posts including heading various functional departments of State Bank of India, businesses for the Northern Region of Centurion Bank and Corporate Banking Business with Kotak Mahindra Bank. She was successful in winning majority of mandates from the Government and PSU sector and was closely associated with large deals like Coal India IPO, NTPC FPO, BHEL Block deal, Maruti Block deals etc. in KMCC.

Ms. Khera, being an eminent personality and proven experience is a valuable asset to the Company. Your board is of the opinion that Ms. Khera is a lady of integrity and possesses relevant expertise and experience and her continued association would be of immense benefit to the Company. Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out in this item of the Notice for appointment of Ms. Khera as an Independent Director of the Company.

Except Ms. Shyamla Khera, none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 9 (being Special Business), be passed as Ordinary Resolution for consideration and approval of the shareholders.

Item No. 10

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Ms. Vanita Chhara (DIN 02161276) as an Additional Director, designated as Non-executive Independent Director on the Board of the Company w.e.f. 30th November, 2020 for a tenure of upto 29th November, 2025, subject to approval of the Members.

According to the provisions of Section 161 of the Act, Ms. Vanita Chhabra is to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received a declaration from Ms. Chhabra, that she meets the criteria of independence as prescribed 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI(LODR) Regulations, as amended from time to time. Ms. Chhabra is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013. In the opinion of the Board, Ms.

Chhabra fulfils the conditions for appointment as Independent Director as specified in the Act and the rules framed there under and is independent of the management.

Brief profile of Ms. Vanita Chhara us as under:

Ms. Chhabra has done B.Sc and M.Sc from Lady Irwin College, Delhi University. Ms. Chhabra has Partnered, collaborated and managed with International Business Strategy, Product Development teams & Brand representatives in the US to develop and implement global initiatives, focusing on market expansion, product innovation, risk mitigation plans and process improvement.

She has generated creative ideas, evaluate and lead expansion opportunities. Developing innovative global ready products across multiple product categories and Brands and align with corporate sourcing teams and lead short- and long-term strategic sourcing plan from India, Bangladesh, Nepal and Europe.

She has also formulated drive costing strategy for the countries in concurrence with the respective Brand Margin Strategy and also worked on expansion of the Global Sustainability & CSR Projects and translate them for country level implementation.

Except Ms. Vanita Chhabra, none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 10 (being Special Business), be passed as Ordinary Resolution for consideration and approval of the shareholders.

Item No. 11

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Ms. Deepa Gopalan Wadhwa (DIN 07862942) as an Additional Director, designated as Non-executive Independent Director on the Board of the Company w.e.f. 30th November, 2020 for a tenure of upto 29th November, 2025, subject to approval of the Members.

According to the provisions of Section 161 of the Act, Ms. Deepa Gopalan Wadhwa is to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received a declaration from Ms. Wadhwa, that she meets the criteria of independence as prescribed 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI(LODR) Regulations, as amended from time to time. Ms. Wadhwa is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013. In the opinion of the Board, Ms. Wadhwa fulfils the conditions for appointment as Independent Director as specified in the Act and the rules framed there under and is independent of the management.

<u>Brief profile of Ms. Deepa Gopalan Wadhwa:</u>

Ms Deepa Gopalan Wadhwa has been a distinguished career diplomat who joined the Indian Foreign Service (IFS) in 1979 and retired in December 2015.

She has served as Ambassador of India to Japan (2012-2015), Qatar (2009-2012) and Sweden (2005-2009). She was concurrently accredited as Ambassador to Latvia (from Stockholm), and Republic of the Marshall Islands (from Tokyo). During her career, she has also held other significant assignments in China, Geneva, The Netherlands, the International Labour Organization (ILO) and the Ministry of External Affairs.

In the course of her career spanning over 36 years, she has handled a wide swathe of issues and subjects related to India's relations with key countries such as Pakistan, China, and Japan; participated in international conferences and negotiations related to climate change, sustainable development, disarmament and human rights and was instrumental in the active promotion of India's economic interests in areas of trade, technology, investments and energy security during postings in Europe, the GCC and Japan.

Ms Wadhwa is currently Chairperson of the India- Japan Friendship Forum, Member Governing Council of the Institute of Chinese Studies and is on the Governing Council of the Asian Confluence, based in Shillong. She also serves as independent Director and advisor on the Boards of a few companies.

Except Ms. Deepa Gopalan Wadhwa, none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 11 (being Special Business), be passed as Ordinary Resolution for consideration and approval of the shareholders.

Item No.12

In order to update the articles of the Company in line of the present day requirement and to remove certain ambiguity it is proposed to carry out certain amendments in the Articles of Association of the company as mentioned in the resolution given in Item no. 12.

Pursuant to Section 14 of the Companies Act, 2013, approval of the shareholders by special resolution is required for alteration in Articles of Association. A copy of the proposed new set of Memorandum and Articles is available for inspection by the members at the registered office of the Company during normal business hours on all working days and is also available on the website of the Company at www.ndrauto.com

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends this resolution for approval of the members.

Item No.16

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Extra-Ordinary General Meeting for an amount not exceeding INR 30 Crores (Indian Rupees Thirty crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

By Order of the Board
For **NDR AUTO COMPONENTS LIMITED**

Nitasha Sinha
Company Secretary
Membership Number: A27439

Date : 04.12.2020
Place : Gurugram

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD - 2 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

As required under Listing Regulations and Secretarial Standard-2, the particulars of Directors who are proposed to be appointed /re-appointed, during the year under review are furnished below:

Particulars	**Mr. Rohit Relan**	**Mr. Rishabh Relan**	**Mr. Pranav Relan**
Date of Birth	2/07/1955	16/12/1990	09/06/1992
Nationality	Indian	Indian	Indian
DIN	00257572	07726444	07177944
Date of First Appointment on the Board of the Company	23/10/2020	23/10/2020	23/10/2020
Qualification	Chartered Accountant	Graduate in Bachelors in Science in Industrial Engineering	Graduate in Economics from Emory College of Arts and Sciences
EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	He is having 40 years of experience in the manufacturing Industry. He has experience in collaborating with Japanese and other international partners. Mr. Rohit Relan is Chairman and Managing director of Bharat Seats Limited, a listed company.	He is a dynamic entrepreneur having experience in business development and finance planning. Mr. Rishabh Relan is Chief Operating Officer in Bharat Seats Limited, a listed company	He has rich experience in Stock Market and managing internal financial controls, operating controls and compliance controls of company. He was a for a period of three years, from 21st July, 2015 to 20th July, 2018, Company having membership of National Stock exchange of India and having membership of Future and Cash market segment. Mr. Pranav has also worked with Bharat Seats Limited as Asst. Chief Operating Officer and handled internal financial controls, operating controls and compliance controls.
TERMS & CONDITIONS OF APPOINTMENT/ RE-APPOINTMENT	As per the resolution at item no.3 of the Notice convening Annual General Meeting	As per the resolution at item no.4 of the Notice convening Annual General Meeting	As per the resolution at item no.5 of the Notice convening Annual General Meeting
REMUNERATION LAST DRAWN, INCLUDING SITTING FEES IF ANY	NIL	NIL	**NIL**
REMUNERATION PROPOSED TO BE PAID	Only sitting fees as per Nomination and remuneration policy	Only sitting fees as per Nomination and remuneration policy	As per the resolution at item no.13 of the Notice convening Annual General Meeting
RELATIONSHIP WITH OTHER DIRECTORS/ KMP	Mr. Rishabh Relan, Mr. Pranav Relan and Mr. Ayush Relan are his sons	Mr. Rohit Relan is father and Mr. Pranav Relan and Mr. Ayush Relan are brothers	Mr. Rohit Relan is father and , Mr. Rishabh Relan and Mr. Ayush Relan are brothers
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	NIL	NIL	NIL

CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2020	i. Bharat Seats Limited-Chairman and Managing Director ii. Sharda Motor Industries Ltd. iii. Sharda Inoac Pvt. Ltd. iv. Toyo Sharda India Pvt. Ltd. v. Toyota Boshoku Relan India Pvt. Ltd. vi. Progressive Engineering and Automation Pvt. Ltd. vii. Relan Industrial Finance Limited viii. Ndrelan Industries Pvt. Ltd.	Ndrelan Industries Pvt. Ltd.	i. Ndrelan Industries Pvt. Ltd. ii. Relan Industrial Finance Limited
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2020	NIL	NIL	NIL
NO. OF SHARES HELD IN THE COMPANY	3,546,353 Shares	2,933 Shares	3,315 Shares
CONFIRMATION PURSUANT TO BSE CIRCULAR DATED 20.06.2018	Mr. Rohit Relan has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Mr. Rishabh Relan has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Mr. Pranav Relan has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority

Particulars	**Mr. Ayush Relan**	**Mr. Sanjiv Kapur**	**Ms. Shyamla Khera**
Date of Birth	09/06/1992	01/06/1959	03/10/1955
Nationality	Indian	Indian	Indian
DIN	07716326	00755441	06929439
Date of First Appointment on the Board of the Company	23rd October, 2020	23rd October, 2020	23rd October, 2020
Qualification	Bachelor of Science in Business Administration with specialization in Entrepreneurship & Marketing	B.TECH and M.S. in Electrical Engineering	M.Com and CAIIB (PartI)

EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	He has specialization business development and new projects. Mr. Ayush Relan is currently Asst. Chief Operating Officer in Bharat Seats Limited,	He has over 36 years of experience in the Medical Equipment and Devices industry and he is Promoter/Director of Medelec Systems Pvt. Ltd which is involved in the manufacture of sophisticated medical devices for the domestic and international market. He also has over 10 years experience in the manufacture of components for the automobile industry	Over 38 years of experience in Banking, including a 7 years stint with SBI Capital Markets and a 8 year stint with Kotak Investment Banking (Kotak Mahindra Capital Company)
TERMS & CONDITIONS OF APPOINTMENT/ RE-APPOINTMENT	As per the resolution at item no.6 of the Notice convening Annual General Meeting	As per the resolution at item no.7 of the Notice convening Annual General Meeting	As per the resolution at item no.9 of the Notice convening Annual General Meeting
REMUNERATION LAST DRAWN, INCLUDING SITTING FEES IF ANY	NIL	NIL	**NIL**
REMUNERATION PROPOSED TO BE PAID	As per the resolution at item no.14 of the Notice convening Annual General Meeting	Only sitting fees as per Nomination and remuneration policy	Only sitting fees as per Nomination and remuneration policy
RELATIONSHIP WITH OTHER DIRECTORS/ KMP	Mr. Rohit Relan is father and Mr. Rishabh Relan and Mr. Pranav Relan are brothers	NIL	NIL
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	NIL	NIL	NIL
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2020	Ndrelan Industries Pvt. Ltd.	i. Medelec Systems Pvt. Ltd. ii. NUI Crystals Pvt. Ltd	Bharat Seats Limited
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2020	NIL	NIL	In Bharat Seats Limited part of following committees: a. Stakeholders Relationship Committee-Chairperson b. Audit Committee-Member c. Corporate Social Responsibility Committee-Member
NO. OF SHARES HELD IN THE COMPANY	4421 shares	11000 Shares	NIL
CONFIRMATION PURSUANT TO BSE CIRCULAR DATED 20.06.2018	Mr. Ayush Relan has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Mr. Sanjiv Kapur has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Ms. Shyamla Khera has confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority

Particulars	Ms. Vanita Chhabra	Ms. Deepa Gopalan Wadhwa	Mr. Rajat Bhandari
Date of Birth	07/08/1957	28/11/1955	16/02/1964
Nationality	Indian	Indian	Indian
DIN	02161276	07862942	02154950
Date of First Appointment on the Board of the Company	30th November, 2020	30th November, 2020	30th November, 2020
Qualification	M.Sc, Community Resource Management	Retired IFS	Chartered Accountant and Company Secretary
EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	40 years Experience of International Sourcing.	She has over 36 years experience and has handled wide swathe of issues and subjects related to India relations with key countries such as Pakistan, China, Japan.	He has over 34 years of post-qualification experience in Indian automotive component industry. He has worked across various functions such as Finance, Secretarial, Purchase & Supply Chain in various companies of Escorts group, Federal Mogul Goetze India Limited and Bharat seats Limited.
TERMS & CONDITIONS OF APPOINTMENT/ RE-APPOINTMENT	As per the resolution at item no.10 of the Notice convening Annual General Meeting	As per the resolution at item no.11 of the Notice convening Annual General Meeting	As per the resolution at item no.8 of the Notice convening Annual General Meeting
REMUNERATION LAST DRAWN, INCLUDING SITTING FEES IF ANY	NIL	NIL	Nil
REMUNERATION PROPOSED TO BE PAID	Only sitting fees as per Nomination and remuneration policy	Only sitting fees as per Nomination and remuneration policy	As per the resolution at item no.15 of the Notice convening Annual General Meeting
RELATIONSHIP WITH OTHER DIRECTORS/ KMP	NIL	NIL	NIL
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	NIL	NIL	NIL
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2020	Williams-Sonoma India Private Limited	• J.K. Cement Limited • JK Paper Limited • Bengal & Assam Company Limited • Mindtree Limited • Mukund Sumi Special Steel Limited • Corporate Catalyst India Pvt. Ltd. • Artemis Medicare Services Limited	NIL

CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2020	NIL	J.K. Cement Limited part of following committees: 1. Stakeholder Relationship Committee 2. Risk Management Committee In Mindtree Limited part of following committees 1. Corporate Social Responsibility Committee 2. Nomination and Remuneration Committee	NIL
NO. OF SHARES HELD IN THE COMPANY	NIL	NIL	NIL
CONFIRMATION PURSUANT TO BSE CIRCULAR DATED 20.06.2018	Ms. Vanita Chhabra has confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Ms. Deepa Gopalan Wadhwa has confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority	Mr. Rajat Bhandari has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 1st Annual Report together with the Audited Accounts for the period ended 31st March, 2020.

STANDALONE FINANCIAL SUMMARY

Rupees in Lakhs

Particulars	For period January 01, 2019 to March 31, 2020
Revenue from Operations	9661.52
Other Income	918.65
Profit before Financial Charges & Depreciation	852.52
Less: Finance Costs	15.48
Profit before Depreciation & Taxation	837.04
Less:	
A) Depreciation	737.54
B) Provision for Taxation	
- Current Tax	50.40
- Deferred Tax	(117.49)
Net Profit after Tax	166.59
Add: Other Comprehensive Income, Net of Taxes	(24.11)
Total Comprehensive Income for the year	142.48
Balance Carried Forward to Balance Sheet	142.48

Your Company is a newly incorporated Company under the Companies Act, 2013 on 19th March, 2019.

The Company operates in the auto components industry and is engaged in production and manufacturing of seat frames and trims for four-wheeler and two-wheeler vehicles and other accessories relating to car seats. Its Manufacturing facilities are located at Gurugram.

KEY HIGHLIGHTS

The standalone and consolidated financial statements for the financial period ended 31st March, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Standalone Performance

During the period under review, the total revenue from operations and other income was Rs.10,580.17 Lakhs, Profit before depreciation and taxation was Rs. 837.04 Lakhs during the period. Net Profit after taxes was Rs.166.59 Lakhs.

This being the 1st financial period the comparative figures of previous year is not applicable.

Consolidated Financial Statements

In accordance with Indian Accounting Standard (IND AS) - 110 on Consolidated Financial Statements read with Indian Accounting Standard (IND AS) - 28 on Investments in Associates and Joint Ventures, the audited consolidated financial statements are provided in the annual report.

A report containing the names of the companies which have become or ceased to become subsidiaries, joint ventures and associates, their performance, financial position and their contribution to the overall performance of the Company as required by the Companies Act, 2013 ('the Act') is provided as an annexure to the consolidated financial statements and hence are not repeated here for the purpose of brevity. (Form AOC-1).

DIVIDEND

The Board has not recommended any divided for this financial period.

TRANSFER TO GENERAL RESERVE

During the period ended March 31st, 2020, the Company has not transferred any amount to General Reserve.

CHANGE IN BUSINESS

During the period under review; the company has not changed the nature of its business.

SCHEME OF ARRANGEMENT

As you are aware, the Company had filed a Scheme of Arrangement before the Hon'ble National Company Law Tribunal (NCLT), Delhi. Pursuant to the Scheme of Arrangement between Sharda Motor Industries Limited (SMIL) and NDR Auto Components Limited, the "Automobile Seating Undertaking" was demerged and transferred to NDR Auto Components Limited on going concern basis along with all assets and liabilities pertaining to "Automobile Seating Undertaking". The Scheme was sanctioned by NCLT vide order dated February 20, 2020 (certified copy received on March 11, 2020) and is effective from March 16, 2020 i.e. the date on which order of NCLT was filed with ROC. The appointed date being end of day of December 31, 2018.

Pursuant to the Scheme, the Automobile Seating Business of Sharda Motor Industries Limited stood demerged in your Company. Further,the investmentsmade by SMIL in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited also stood transferred in the name of the Company. Consequently, these Companies became associates/Joint Venture of the Company as per the provisions of the Companies Act, 2013.

SHARE CAPITAL

Consequent to the approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal (NCLT) the following changes have been made in the Share Capital of the Company;

a) The authorized Share Capital of the Company stands increased from Rs. 1,00,000 divided into 10,000 Equity Shares of face value of Rs. 10 each to Rs. 6,00,00,000 divided into 60,00,000 Equity shares of face value of Rs. 10 each.

b) The existing Paid up capital of Rs.100,000 consisting of 10000 equity shares issued to the Subscribers to the Memorandum stood cancelled.

c) 59,46,326 equity shares aggregating Rs. 5,94,63,260 were allotted to the shareholders of Sharda Motor Industries Ltd. (SMIL) whose names appeared in their Register of Members on record date 27th March, 2020.

d) Shares were allotted in demat form, except those shareholders who had shares in physical form were issued share certificates.

e) Your company was admitted withNSDL and CDSL and has been allotted ISIN No. INE07OG01012

f) The paid up Equity Capital as on March 31, 2020 was Rs. 5,94,63,260.

During the period under review, the Company has not issued any other Equity Shares except as mentioned above.

LISTING

Your company made an application to the BSE and NSE for listing of its Equity Shares as a consequence of the approval of the Scheme of Arrangement by NCLT. The BSE and NSE have given their approval and Company's shares were listed w.e.f.July 30, 2020.

WEBSITE

As per provisions of the Regulation 46 of the SEBI LODR, 2015 all necessary information as is required to be given to the shareholders/ stakeholders, are available at www.ndrauto.com. Shareholders/ stakeholders are requested to refer to investor section.

CHANGE IN CONTROL AND MANAGEMENT

Members may note that at the time of the listing of the equity shares of the Company Mr. Ajay Relan, Ms. Sharda Relan and Mr. Rohit Relan were the core promoters of the Company along with 18 number of persons as per details mentioned in information memorandum filed with the stock exchanges at the time of getting listing approval. There was a family settlement according to which the control and management of the company was to vest in Mr. Rohit Relan along with his associates and Mr. Ajay Relan along with his associates were to exit. All shares held by Mr. Ajay Relan and associates stood transferred to Mr. Rohit Relan on 24th October, 2020.

Consequently, Mr. Rohit Relan along with his associates hold 72.31% stake in the voting power of the Company.

All necessary disclosures in this regard, were made to the Stock Exchanges for the information of the shareholders/stakeholders.

MATERIAL EVENTS

Except as stated above, no other material event has occurred affecting the affairs of the company.

ISSUE OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Subsequent to the Scheme of arrangement between Sharda Motor Industries Limited (Demerged entity) and NDR Auto Components Limited (Resulting Company) vide Hon'ble National Company Law Tribunal, Delhi Bench ("NCLT") order dated 20th February, 2020 which was effective from16th March, 2020 (i.e. effective date) 7,100 shares were issued to Investor Education and Protection Fund (IEPF) against the shares transferred to IEPF by Sharda Motor Industries Limited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive professional Directors. The Chairman of the Board is a Non-Executive Director. As on the date of this report, the Board of Directors consists of nine(9) Directors consisting of one Whole-Time Director and eight (8) Non-executive Directors, out of which three (3) are Independent Directors including Women Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013 All the Directors possess requisite qualifications and experience in general corporate management, strategy, finance, banking and other allied fields which enable them to contribute affectively to the Company in their capacity as Directors of the Company.

Declaration from all Independent Directors

Declaration from all Independent Directors has been received confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Regulations, 2015.

Retirement by Rotation

As all existing directors are Additional Directors therefore no one is liable to retire by rotation at the forthcoming Annual general Meeting.

Further all the Directors of the Company have given declaration that they are / was not debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any order passed by the Ministry of Corporate Affairs or any such Statutory Authority. All the Independent Directors meet/ fulfill the criteria / conditions of Independence as prescribed under the Companies Act, 2013 and are Independent of the Management of the Company.

Appointments

Pursuant to the provisions of the Articles of the Article of Association ("AOA") of the Company and Section 152 of the Companies Act, 2013 read with rules made there under, Ms. Sharda Relan, Mr. Ajay Relan and Mr. Dharam Asrey Aggarwal were appointed as the First Directors of the Company w.e.f. March 19, 2019.

Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, the shareholders of the Company in their Extra-ordinary General Meeting ("EGM") held on March 12, 2020, had accorded their approval for continuation of Directorship of Ms. Sharda Relan as Non-Executive Director on the Board of the Company.

During the period under review, Mr. Udayan Banerjee and Mr. Kishan Nagin Parikh were appointed as Additional Directors, designated as Non-Executive Independent Director on the Board of the Company w.e.f. March 12, 2020 to hold office for a term upto March 11, 2025 and Mr. Ashok Kumar Bhattacharya was appointed as an Additional Director, designated as Non-Executive Independent Director on the Board of the Company w.e.f. June 17, 2020, to hold office for a term upto June 16, 2025, both subject to the approval of members i.e. proposed before this Annual General Meeting.

The Board of Directors of the Company at its Meeting held on March 3, 2020, had appointed Mr. Dharam Asrey Aggarwal as a Whole Time Director for a period of 1 (One) year effective from May 1, 2020 and by the shareholders of the Company in their Extra-Ordinary General Meeting held on March 12, 2020.

Further, Board on the recommendation of Nomination and Remuneration Committee, appointed Mr. Rohit Relan, Mr. Rishabh Relan, Mr. Pranav Relan, Mr. Ayush Relan, Ms. Shyamla Khera and Mr. Sanjiv Kapur as additional directors w.e.f October 23, 2020. Ms. Vanita Chhabra, Ms. Deepa Gopalan Wadhwa and Mr. Rajat Bhandari were appointed as additional directors w.e.f November 30, 2020. Mr. Pranav Relan was appointed as Whole Time Director w.e.f October 27, 2020.

The appointment of Ms. Shyamla Khera has been recommended to shareholders as an Independent director for a period of five years w.e.f. 23rd October, 2020. Ms. Vanita Chhabra and Ms. Deepa Gopalan Wadhwa have been recommended to shareholders as Independent Directors is for a period of five years w.e.f. 30/11/2020

Resignations

Ms. Sharda Relan, Mr. Ajay Relan, Mr. Udayan Banerjee, Mr. Kishan Nagin Parikh and Mr. Ashok Kumar Bhattacharya ceased to be Directors w.e.f close of business hours of October 24, 2020. Mr. Dharam Asrey Aggarwal cease to be Director w.e.f close of business hours of October 26, 2020.

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the schedules and rules made there under along with declaration for compliance with clause 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment and had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

EVALUATION OF BOARD

In compliance with the provisions of Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board would carry out an evaluation of its own performance, Committees and performance of individual Directors for the financial year 2020-21.

All the Directors who are presently on the Board of the Company have joined recently i.e. in the month of October/November, 2020. The evaluation of the Directors shall be carried either at the end of the financial year or at the beginning of the new financial year.

The evaluation framework for assessing the performance of Directors would comprise of criteria like quality of contribution to the Board deliberations, strategic perspective or inputs regarding future growth of Company and its performance, attendance of Board Meetings and Committee Meetings and commitment to shareholder and other stakeholder interests. The evaluation would involve Self-Evaluation by the Board Members and subsequent assessment by the Board. A member of the Board would not participate in the discussion of his/her evaluation.

KEY MANAGERIAL PERSONNEL (KMP)

During the period under review there was no KMP in terms of Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

However, the Board of Directors of the Company appointed Mr. Dharam Asrey Aggarwal as a Whole Time Director (KMP) w.e.f 1st May, 2020 and he resigned w.e.f close of business hours of October 26, 2020. Mr. Pranav Relan was appointed as Whole Time Director w.ef. 27th October, 2020 and Mr. Ayush Relan and Mr. Rajat Bhandari were appointed as Whole Time Director w.e.f 2nd January, 2021, all for a period of three years

Mr. Ashutosh Vedi was appointed as a Company Secretary w.e.f. April 1, 2020 and he resigned w.e.f. October 31, 2020. Ms. Nitasha Sinha was appointed as Company Secretary w.e.f 1st November, 2020.

Mr. Dharam Asrey Aggarwal, Whole Time Director was appointed as Chief Financial Officer of the Company effective from May 1, 2020 and he resigned w.e.f close of business hours of 26th October, 2020. Mr. Vinod Kumar was appointed as Chief Financial Officer w.e.f. October 27, 2020.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by the Regulators/ applicable laws.

The company is not required to comply with the provisions of Regulation 27 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 as both paid-up capital and net worth is below the prescribed limits.

DETAILS OF DEPOSIT AS PROVIDED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 but there was an outstanding loan of Rs. 7.06 Lakhs as on 31.03.2020 from Mr. Ajay Relan, Director of the Company which is exempted as deposit under Rule 2(c)(viii) of Companies(Acceptance of Deposit) Rules, 2014.

However, there is no outstanding deposit as on the date of the report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as stipulated under Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

RELATED PARTY TRANSACTIONS

All contracts/ transactions entered into by the Company during the financial periodwith related parties were in the ordinary course of business and on arms' length basis.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the web link https://ndrauto.com/wp-content/uploads/2020/10/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf.

The information relating to particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure I, forming part of this Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review, the Hon'ble National Company Law Tribunal, New Delhi bench, vide its Order dated February 20, 2020 (certified copy received by the Company on March 11, 2020) had approved the Scheme of Arrangement among Sharda Motor

Industries Limited and NDR Auto Components Limited and their respective Shareholders and Creditors for demerger and transfer of the "Automobile Seating Undertaking" of Sharda Motor Industries Limited (Demerged Company) into NDR Auto Components Limited (Resulting Company) under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013. The copy of the said Order was filed by both Sharda Motor Industries Limited and NDR Auto Components Limited with the Registrar of Companies on March 16, 2020.

Except for the above no other material order has been passed.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically.

MEETINGS OF THE BOARD

Eight meetings of the Board of Directors were held during the period ended 31st March, 2020 and the gap between the two meetings was not more than 120 days.

COMMITTEES OF THE BOARD:

a) AUDIT COMMITTEE

The Audit Committee was constituted with effect from 1st April, 2020 and at present the constitution of the committee is as under:

Sr. No.	Name of Member	Designation	Remarks
1.	Ms. Shyamla Khera	Chairperson	Independent Director
2.	Mr. Rohit Relan	Member	Non-Executive – Promoter
3.	Ms. Vanita Chhabra	Member	Independent Director

Role and responsibilities of the Audit Committee are as under:

(a) Functions of the Audit Committee

i) 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;

ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) 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 Companies Act, 2013;.

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.

v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi) 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;

vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the company with related parties;

ix) Valuation of undertakings or assets of the company, wherever it is necessary;

x) Evaluation of internal financial controls and risk management systems;

xi) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

xii) 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;

xiii) Discussion with internal auditors of any significant findings and follow up there on;

xiv) 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;

xv) 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;

xvi) 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;

xvii) To review the functioning of the Whistle Blower mechanism;

xviii) Approval of appointment of Chief Financial Officer, the whole-time Finance Director or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

xix) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Powers of Audit Committee

i) To investigate any activity within its terms of reference.

ii) To seek information from any employee.

iii) To obtain outside legal or other professional advice.

iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(c) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

i) Management Discussion and Analysis of financial condition and results of operations;

ii) Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;

iv) Internal audit reports relating to internal control weaknesses; and

v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

vi) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

(c) To frame and review the policies in relation to the implementation of the Company's Code of Conduct for Prevention of Insider Trading and to supervise implementation of the same.

b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted with effect from 1st April, 2020 and at present the constitution of the committee is as under:

Sr. No.	Name of Member	Designation	Remarks
1.	Mr. Sanjiv Kapur	Chairperson	Non-Executive Director
2.	Ms. Shyamla Khera	Member	Independent Director
3.	Mr. Rishabh Relan	Member	Non- Executive Director

c) Nomination and Remuneration Committee

The Stakeholders Relationship Committee was constituted with effect from 1st April, 2020 and at present the constitution of the committee is as under:

Sr. No.	Name of Member	Designation	Remarks
1.	Ms. Shyamla Khera	Chairperson	Independent Director
2.	Mr. Sanjiv Kapur	Member	Non-Executive Director
3.	Mr. Rohit Relan	Member	Non- Executive Director
4.	Ms. Vanita Chhabra	Member	Independent Director

AUDIT AND AUDITORS

Secretarial Auditors

Mr. R S Bhatia has been appointed as Secretarial Auditor by the Board in its meeting held on 30thNovember, 2020.

Secretarial Audit

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions and Regulation 24A of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the provisions of the Secretarial Audit are not applicable on the Company for the period ended 31st March, 2020.

Statutory Auditors & Auditors' Reports

Existing Auditors

Pursuant to the provisions of sections 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Gupta Vigg & Co., Chartered Accountants, (FRN: 001393N) were appointed by the Board in its meeting held on 20th March, 2020 as First Statutory Auditors of the Company, till the conclusion of the 1st Annual General Meeting of the Company.

Auditor's report

The Auditors have not given any observation /modified opinion on standalone financial statements which needs to be explained and the remarks of Auditors on the consolidated financial statement are self explanatory hence no further clarification is required.

New firm's appointment as statutory auditors

The Board of Directors of the Company at their meeting held on 30th November, 2020, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s S. S. Kothari Mehta & Co, Chartered Accountants (Firm Registration No. 000756N) as the Statutory Auditors of the Company for a consecutive term of five years i.e. from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of 6th AGM for approval of the members.

The said firm is a peer reviewed firm andfulfills the criteria laid down in regulation 33 of SEBI LODR, 2015.

The above said forms part of the notice of the 1st Annual General meeting of the Company. The Company has received a written consent and a certificate from M/s S.S Kothari Mehta & Co, Chartered Accountants (Firm Registration No. 000756N) that they satisfy the criteria provided under section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and the rules framed thereunder.

During the period under review, there was no incident related to fraud which was reported to Board of Directors under Section 143(12) of the Companies Act, 2013 by the Statutory Auditors of the Company. Hence, no detail is required to be disclosed under Section 134 (3) (ca) of the said Act. The Auditors' Reports (Standalone & Consolidated) to the Shareholders does not contain any qualification, reservation or adverse remarks. The notes on financial Statement referred to in the Auditors' Report are self-explanatory and do not require any further comments.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 read with rules made there under and schedule to the Act are not applicable to the Company.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There is no subsidiary of the Company. However, the Company has one associate company i.e. Bharat Seats Limited and two joint venture companies i.e. Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited.

Information about the Financial Performance / Highlights of performance of the Associate/ Joint Ventures:

Bharat Seats Limited

Your Company owns 28.66% stake in Bharat Seats Ltd., which carries on the business of manufacturing of Car Seats Assemblies, Carpet Sets for Automobiles and Motorcycle seats. The Company posted a profit after tax of Rs. 1251.89 Lakhs during the financial year 2019-2020.

Toyo Sharda India Private Limited

Your Company owns 50% stake in Toyo Sharda India Pvt. Ltd., which carries on the business of manufacturing of Car Seat Lifter & Recliner. The Company posted a profit after tax of Rs. 163.44 Lakhs during the financial year 2019-2020.

Toyota Boshoku Relan India Private Limited

Your Company owns 50% stake in Toyota Boshoku Relan India Pvt. Ltd. which had no operations during the financial year 2019-2020 and incurred loss of Rs. 1.81 Lakhs..

Financial performances of the Associate and Joint Venture Companies are disclosed in the financial statements forming part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the joint ventures/ associate companies is provided as **Annexure II.**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed herewith marked as **Annexure-III** to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013,an extract of the **annual return** in the prescribed format is appended as **Annexure IV** to the Directors' Report. The Annual Report for period is available on website of the Company www.ndrauto.com .

PARTICULARS OF EMPLOYEES

The provisions of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company during the period under review since no remuneration waspaid to Directors and KMP(s).

Further during the year under review, the top 10 employees in terms of remuneration is attached as Annexure-V in terms of disclosure pursuant to Rule 5 (2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS PROVIDED UNDER SUB SECTION(3) OF SECTION OF THE COMPANIES ACT, 2013

The Company has formulated a Nomination and Remuneration Policy which is available on the website of the company. The link of the same is https://ndrauto.com/wp-content/uploads/2020/10/NRC-Policy.pdf.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to provisions of Section 186 of the Companies Act, 2013 during the period under review no loans/guarantees were given and no investments were made.

VIGIL MECHANISM

The Company has in place an established Whistle Blower Policy. The Audit Committee and the Board periodically reviews the policy and its implementation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees.

The Whistle Blower Policy may be accessed at the Company's website at web link: https://ndrauto.com/wp-content/uploads/2020/10/Whistle-blower-policy.pdf.

HUMAN RESOURCES

Our relations with the employees are very cordial. Your Directors would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the Company, without whose whole hearted efforts, the overall satisfactory performance of the Company would not have been possible

RISK ASSESSMENT AND RISK MINIMIZATION PROCEDURE

In line with the regulatory requirements, the Company has formally framed a Risk Assessment and Risk Minimization policy to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks.

Details on the Company's risk management framework, risk evaluation, risk identification etc. is provided in the Management Discussion and Analysis Report forming part of this report.

ENVIRONMENT

The Company strictly adheres to the provisions of environmental laws. There is no trade effluent generated by the Company which may cause pollution. Our Company is an IATF 16949:2016 certified Company.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company had employees of seating division of Sharda Motor Industries Ltd. working on deputation since incorporation till 15th March, 2020. Since 16th March, 2020, these employees are on the payrolls of the Company. Subsequently, the POSHA committee has been constituted.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3) (c) read with 134(5) of the Companies Act, 2013, it is hereby stated that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed;

(b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2020 and of the profit of the company for the period ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a going concern basis;

(e) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SHARES

a. Buy Back of Securities

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

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Issue of Shares with differential voting rights

The Company has not issued any shares with differential rights during the year under review.

e. Issue of Shares under Employee Stock Option Scheme

No such issue of shares under employee stock option scheme was made.

f. Issue of shares through private placement – Nil

g. Issue of Shares without differential voting rights - Nil

ACKNOWLEDGMENT

Your Company has been able to operate efficiently because of the professionalism, creativity, integrity and continuous improvement in all functional areas to ensure efficient utilization of the Company's resources for sustainable and profitable growth. The Directors acknowledge their deep appreciation to employees at all levels for their total dedication, hard work, commitment and collective team work, which has enabled the Company to remain at the forefront of the industry despite increased competition and challenges.

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its customers, Your Directors also extend their appreciation to Bankers and various departments of Central and State Government(s).

Your Directors also would like to thank all the shareholders for their continued support & co-operation.

On behalf of the Board of Directors

For NDR Auto Components Limited

Date : 30.11.2020	**Rohit Relan**	**Pranav Relan**
Place : Gurugram	**Co-Chairman**	**Whole Time Director**
	(DIN: 00257576)	**(DIN: 07177944)**

ANNEXURE-I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules,2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: -NONE-

Sl. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
				NONE				

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1.	Bharat Seats Limited	Associate Company	Sale, Purchase, Transfer or receipt of products, goods, materials, assets or services	Transaction of repetitive nature	Rs. 9579.49 Lakhs	14/2/2020	Nil	20/02/2020
2.	Sharda Motor Industries Ltd.	Holding company till 29.3.2020	Management Services	Transaction of repetitive nature	Rs. 284.08 Lakhs	-	Nil	-
3.	Sharda Enterprises	Enterprises over which KMP having significant influence	Rent	Transaction of repetitive nature	Rs. 22.50 Lakhs	-	Nil	-
4.	Toyo Sharda India Private Limited	Joint Venture Company	Sale, Purchase, Transfer or receipt of products, goods, materials, assets or services	Transaction of repetitive nature	Rs. 1.32 Lakhs	12/3/2020	Nil	-

ANNEXURE-II

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

SI No.	
Name of the Subsidiary	**Nil**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Nil**
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	**Nil**
Share capital	**Nil**
Reserves & surplus	**Nil**
Total assets	**Nil**
Total Liabilities	**Nil**
Investments	**Nil**
Turnover	**Nil**
Profit before taxation	**Nil**
Provision for taxation	**Nil**
Profit after taxation	**Nil**
Proposed Dividend	**Nil**
% of shareholding	**Nil**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Currency: Rs. in Lakhs except otherwise specified)

	Name of associates/Joint Ventures	**Bharat Seats Limited***	**Toyota Boshoku Relan India Private Limited ***	**Toyo Sharda India Private Limited ***
1.	Latest audited Balance Sheet Date	31st March, 2020	31st March, 2020	31st March, 2020
2.	Date on which the Associate and Joint Venture was associated or acquired	17th October 1988	21st March, 2014	28th January, 2015
3.	Shares of Associate/Joint Ventures held by the company on the year end			
	No. (in no.)	90,00,000	5,000	7,50,000
	Amount of Investment in Associates/ Joint Venture	90.00	0.50	75.00
	Extent of Holding (in percentage)	28.66%	50.00%	50.00%
4.	Description of how there is significant influence	Shareholding	Shareholding	Shareholding
5.	Reason why the associate / joint venture is not consolidated	N.A.	N.A.	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	3247.36	(9.8)	454.08
7.	Profit/Loss for the year			
i.	Considered in Consolidation	504.17	(0.38)	113.25
ii.	Not Considered in Consolidation	1254.99	(1.46)	113.25

* The figures are for the period of 15 months. The consolidated financial statements, in respect of an associate and a joint venture i.e. Bharat Seats Limited and Toyo Sharda India Private Limited respectively, whose financial statements/ financial information have not been audited for the 15 months period ended March 31, 2020.

Notes

1. There are no associates or joint ventures which are yet to commence operations.
2. None of the associates or joint ventures have been liquidated or sold during the year.

ROHIT RELAN
Co-Chairman
DIN:00257572

PRANAV RELAN
Whole Time Director
DIN:07177944

Vinod Kumar
Chief Financial Officer

Nitasha Sinha
Company Secretary
Membership No. A27439

ANNEXURE-III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

A. CONSERVATION OF ENERGY:

(i) The steps taken by the company for conservation of energy or impact on conservation of energy

- Auto Timer provided in the Weld Shop to reduce the energy consumption in break time.
- Productivity increased in the 2 Wheeler line to reduce the working hours of the section.
- Air leakage equipment established to identify leakages and arrest the same.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Planning and study done for installing the solar equipment at the Pathredi plant. Negotiation under process.

(iii) The capital investment on energy conservation equipments: - **None**

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

(a) Manufacture parts with high Tensile Steel.

(1) Inhouse development done towards the manufacturing of a High Tensile press tools for Front Back Side bracket. Also procured the welding fixture and the AWP attachment for the Robot.

(2) Process control established from receipt and storage of Raw Material to establishing the working protocol upto final dispatch of the high tensile components.

(b) Two Wheeler parts such as swing arm, down tube and tank rail to be processed in house

(1) The key parts of 2 wheeler operation requires very large diameter pipe bending. Your company has recently procured the 54 mm diameter single axis pipe bending machine for processing the 2 wheeler parts in house to give better quality control

(c) Special Training cells like Dojo Centre and Karakuri Centre established in-house

(1) To enhance the level of all personnel in the plant a special Dojo Centre with 8 steps (as guided by MSIL) has been established. This training cell covers all aspects of the company included the advance development of the types of processes like steels, welding and pressing.

(2) A Karakuri Centre is a practical training centre for developing the dexterity of the employees to absorb new technologies.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Better Quality control of the new projects.
- New business opportunity in terms of establishing a new customer viz. Bellsonica.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

No Technology has been imported during the last three years.

(iv) The expenditure incurred on Research and Development

There was no expenditure on research and development during the period under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the period but there was foreign exchange outgo of Rs.12.54 Lakhs.

ANNEXURE IV

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U29304DL2019PLC347460
ii)	Registration Date	19th March, 2019
iii)	Name of the Company	NDR Auto Components Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	Level 5, Regus Caddie Commercial Tower, Hospitality District, Aerocity, IGI Airport, New Delhi - 110037 Phone: +91- 11-66544976 Email: cs@ndrauto.com Website: www.ndrauto.com
vi)	Whether listed company	No (Listed w.e.f. July 30, 2020)
vii)	Name, Address and Contact details of Registrar and Transfer Agent if any	Beetal Financial & Computer Services (P) Limited Beetal House, 3rd Floor 99 Madangir, Behind Local Shopping Centre Near Dada Harsukhdas Mandir, New Delhi - 110 062 Phone : +91 11 2996 1281; Email Id : beetal@beetalfinancial.com Website : www.beetalfinancial.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THECOMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main Products / Services	NIC code of the Product/ Service	% to Total Turnover of the Company
1	Manufacturing Car Seat Structure	29303	54%
2	Seats Cover	29303	46%
	Total		**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Bharat Seats Limited Reg. off.:-1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070	L34300DL1986PLC023540	Associates	28.66	2(6)
2	Toyota Boshoku Relan India Private Limited Reg. off.:- D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U34106DL2014PTC266723	Joint Venture	50.00	2(6)
3	Toyo Sharda India Private Limited Reg. off.:- Level 5, Regus Caddie Commercial Tower, Hospitality District, Aerocity, IGI Airport, New Delhi - 110037	U29304DL2019PLC347460	Joint Venture	50.00	2(6)

(i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No.of Shares held at the beginning of the year i.e.19.03.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	0	0	0	0	43,52,579	0	43,52,579	73.20	73.20
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate *	10,000	0	10,000	100.00	0	0	0	0	(100)
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
Sub Total(A)(1)	**10,000**	**0**	**10,000**	**100.00**	**43,52,579**	**0**	**43,52,579**	**73.20**	**(26.08)**
(2) Foreign									
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Any Others	0	0	0	0	0	0	0	0	0
Sub Total(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**10,000**	**0**	**10,000**	**100.00**	**43,52,579**	**0**	**43,52,579**	**73.20**	**(26.08)**
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	45437	0	45437	0.76	0.76
Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors/ Foreign Portfolio Investors	0	0	0	0	13623	0	13623	0.23	0.23
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	**0**	**0**	**0**	**0**	**59060**	**0**	**59060**	**0.99**	**0.99**
(2) Non-institutions									
Bodies Corporate	0	0	0	0	2,78,872	1850	2,80,722	4.72	4.72
Individuals	0	0	0	0					
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lac	0	0	0	0	6,15,011	20,042	6,35,053	10.68	10.68
Individual - ii Individual shareholders holding nominal share capital in excess of Rs.1 lac	0	0	0	0	4,68,434	62,700	5,31,134	8.93	8.93
Any Other									
NBFC	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	14,627	0	14,627	0.25	0.25
Trust	0	0	0	0	33	0	33	0.00	0.00
Non Resident Indian Non Repatriable	0	0	0	0	15,380	0	15,380	0.26	0.26
Resident HUF	0	0	0	0	37,412	0	37,412	0.63	0.63
IEPF	0	0	0	0	7,100	0	7,100	0.12	0.12

NRI / FPI	0	0	0	0	13,226	0	13,226	0.22	0.22
00Sub-Total (B)(2)	0	0	0	0	14,50,095	84,592	15,34,687	25.81	25.81
Total Public Shareholding(B)=(B)(1)+(B)(2)	0	0	0	0	15,09,155	84,592	15,93,747	26.80	26.80
TOTAL (A)+(B)	10,000	0	10,000	100.00	58,61,734	84,592	59,46,326	0	0

* Includes 6 nominee shareholders holding One equity share each on behalf of Sharda Motor Industries Limited

IV. (ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 19.03.2019			Shareholding at the end of the year i.e 31.03.2020			% Change in Share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sharda Motor Industries Limited	10000	100.00	0	-	-	-	(100)
2	Ajay Relan	0	0	0	1927219	32.41	0	32.41
3	Ritu Relan	0	0	0	742520	12.49	0	12.49
4	Mala Relan	0	0	0	520826	8.76	0	8.76
5	Rohit Relan	0	0	0	700268	11.78	0	11.78
6	Aashim Relan	0	0	0	304440	5.12	0	5.12
7	Rishabh Relan	0	0	0	2933	0.05	0	0.05
8	Pranav Relan	0	0	0	3315	0.06	0	0.06
9	Ayush Relan	0	0	0	4421	0.07	0	0.07
10	Rohit Relan (HUF)	0	0	0	44400	0.75	0	0.75
11	Narinder Dev Relan (HUF)	0	0	0	30000	0.51	0	0.51
12	Ajay Relan (HUF)	0	0	0	19200	0.32	0	0.32
13	Ram Prakash Choudhary	0	0	0	600	0.01	0	0.01
14	Indira Chowdhry	0	0	0	52437	0.88	0	0.88
	TOTAL	**10000**	**100**	**0**	**4352579**	**73.20**	**0**	**(26.80)**

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginning of the year (19/03/2019)/ end of the year(31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	19200	0.32
		19200	0.32	31-Mar-20			19200	0.32
2	Narinder Dev Relan (HUF)	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	30000	0.50
		30000	0.50	31-Mar-20			30000	0.50
3	Rohit Relan (HUF)	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	44400	0.75
		44400	0.75	31-Mar-20			44400	0.75

4	Rohit Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	700268	11.78
		700268	11.78	31-Mar-20			700268	11.78
5	Ritu Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	742520	12.49
		742520	12.49	31-Mar-20			742520	12.49
6	Ram Prakash Choudhary	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	600	0.01
		600	0.01	31-Mar-20			600	0.01
7	Indira Choudhary	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	52437	0.88
		52437	0.88	31-Mar-20			52437	0.88
8	Aashim Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	304440	5.12
		304440	5.12	31-Mar-20			304440	5.12
9	Mala Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	520826	8.76
		520826	8.76	31-Mar-20			520826	8.76
10	Pranav Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	3315	0.05
		3315	0.05	31-Mar-20			3315	0.05
11	Ayush Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	4421	0.07
		4421	0.07	31-Mar-20			4421	0.07
12	Rishabh Relan	0	0	19-March-19	-			
				30-Mar-20	Increase	Allotment *	2933	0.05
		2933	0.05	31-Mar-20			2933	0.05
13	Ajay Relan	0	0	19-March-19				
				30-Mar-20	Increase	Allotment *	1927219	32.41
		1927219	32.41	31-Mar-20			1927219	32.41

* Allotment pursuant to the scheme of arrangement between Sharda Motor Industries Limited and the Company.

Note: Based on the data received from RTA, for the weekly beneficiary promoter holding.

IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (19/03/2019) / end of the year (31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	0	0	19-Mar-19				
				30-Mar-20	70000	Allotment *	70000	1.18
		70000	1.18	31-Mar-20				

2	BRAHAM ARENJA	0	0.00	19-Mar-19				
				30-Mar-20	60000	Allotment *	60000	1.01
		60000	1.01	31-Mar-20			60000	1.01
3	ANKITA CHANNA	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	50000	0.84
		50000	0.84	31-Mar-20			50000	0.84
4	RUNNER MARKETING PRIVATE LIMITED	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	50000	0.84
		50000	0.84	31-Mar-20			50000	0.84
5	PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA MID CAP OPPORTUNITIES FUND	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	45437	0.76
		45437	0.76	31-Mar-20			45437	0.76
6	USHA CHANNA	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	31014	0.52
		31014	0.52	31-Mar-20			31014	0.52
7	VANDANA CHANNA	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	30000	0.50
		30000	0.50	31-Mar-20			30000	0.50
8	VIJAY AGGARWAL	0		19-Mar-19				
				30-Mar-20	Increase	Allotment *	30000	0.50
		30000	0.50	31-Mar-20			30000	0.50
9	RAJIV TANDON	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	29000	0.49
		29000	0.49	31-Mar-20			29000	0.49
10	ASHISH THAREJA	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment *	27540	0.46
		27540	0.46	31-Mar-20			27540	0.46

* Allotment pursuant to the scheme of arrangement between Sharda Motor Industries Limited and the Company.

Note: As per the data received from RTA according to date of beneficiary position.

IV (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (19/03/2019) / end of the year (31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment	150	0.00
		150	0.00	31-Mar-20			150	0.00

2	Shri Ajay Relan	0	0.00	19-Mar-19				
				30-Mar-20	Increase	Allotment	1927219	32.41
		1927219	32.41	31-Mar-20			1927219	32.41

Note: As per the data received from RTA according to date of beneficiary position.

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year*				
Addition	-	7.06	-	7.06
Reduction	-	-	-	
Net Change	-	**7.06**	-	**7.06**
Indebtedness at the end of the financial year				
i) Principal Amount	-	7.06	-	7.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	**7.06**	**-**	**7.06**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: NIL

B. Remuneration to other directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

D. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**:**

There were no penalties/punishments/ compounding of offences for the year ending 31st March, 2020.

On behalf of the Board of Directors

For NDR Auto Components Limited

Date : 30.11.2020
Place : Gurugram

Rohit Relan
Co-Chairman
(DIN: 00257576)

Pranav Relan
Whole Time Director
(DIN: 07177944)

ANNEXURE V

Particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.20	Last employment held
Love Adlakha	Senior GM	34.33	B.Tech/20.6 yrs	10/1/2018	42	Hero Cycles Limited
Randhir Singh	DGM	20.25	Dip./25 yrs	12/8/2014	45	Parmanand Pvt Ltd
Sanjeev Kr. Jindal	Sr. Manager	13.27	B.Tech/20 yrs	14/07/2003	46	na
Manoj Kumar	Sr, Manager	13.07	Dip./20 yrs	21/10/2016	43	Jackson India Pvt Ltd
Pritee Shakya	Manager	10.3	B.Tech/12 yrs	16/09/2015	33.5	Bony polymers Pvt Ltd
Sunil Kumar	Asst. Manager	8.17	M.COM/12 yrs	29/09/2017	36	Senior India Pvt Ltd
Dushyant Sharma	Manager	8.99	Dip./17 yrs	14/12/2005	37	Sebros Enterprises
Ajay Paul	Deputy Manager	7.45	B.COM.21 yrs	13/01/2016	47	Premier Ingots & Metals Pvt Ltd
Sanjay Kumar	Manager	7.17	P.Graduate/16 yrs	1/5/2018	38	Krishna Maruti Ltd
Rajesh Kumar	Manager	7.17	Dip./20 yrs	18/05/2005	42	Havells India Ltd

Employed for part of the year ended 31st March, 2020 (eight lakh and fifty thousand rupees per month:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.20	Last employment held
			NIL			

Notes:

1. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.

Except Mr. Ajay Relan and Mr. Ashim Relan, who are holding 32.7% and 5.12% equity shares of the Company respectively, none of the above employees holds more than 2% of Equity Share capital of the Company as on 31st March, 2020 and as per Rule 5(3)(8) of the Companies (Appointment & Remuneration) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

The automobile industry in India is the world's fourth largest. Two wheelers and passenger vehicles dominate the domestic Indian auto market, accounted for 81% and 13% market share respectively accounting for combined sale of over 20 million vehicles in financial year 2019-2020. The industry accounts for about 7.1 per cent of the country's Gross Domestic Product (GDP). Indian Auto component Industry also plays an important role by contributing 2.3% in Indian GDP and employs as many as 1.5 million people directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favorable destination for investment.

The automobile industry has gone through a rough patch, and was engaged in a two pronged fight – one against the COVID19 pandemic and lockdown and the other against subdued consumer demand. However, in the last couple of months, there is a definite trend towards revival in consumer demand.

A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

The government aims to develop India as a global manufacturing and research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centers as well as National Automotive Board to act as facilitator between the government and the industry. Under (NATRiP), five testing and research centers have been established in the country since 2015. NATRiP's proposal for "Grant-In-Aid for test facility infrastructure for Electric Vehicle (EV) performance Certification from NATRIP Implementation Society" under FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme was approved by Project Implementation and Sanctioning Committee (PISC) on January 03, 2019.

Overall, automobile export reached 4.77 million vehicles in FY20. The Indian government has also set up an ambitious target of having only EVs being sold in the country. EV sales, excluding e-rickshaws, in India witnessed a growth of 20 per cent and reached 1.56 lakh units in FY20 driven by two wheelers. The government of India expects automobile sector to attract US$ 8-10 billion in local and foreign investment by 2023 and the Indian auto component industry aims to achieve US$ 200 billion in revenue by 2026.

After COVID pandemic the Automobile industry witnessed a substantial increase from August, 2020. The long-term growth outlook for the Indian auto industry is positive. The growth drivers being - Economic growth outlook with improving income levels, Government focus on road and infrastructure development, current low levels of vehicle penetration, rapid urbanization and a large young, aspiring population.

B. OPPORTUNITIES AND THREATS

Despite the challenges faced due to the COVID 19, Global automakers continue to bet on India, as they foresee India as a strategic market that is expected to fuel long term growth. And they do not want to miss this opportunity.

NACL is a dedicated supplier to Bharat Seats Limited and is engaged in manufacture of Seat frames and Seat trims for passenger as well as Utility Vehicles.

Owing to supressed demand from the passenger car industry in 2019-2020, due to overall slowdown in economy, regulatory changes in safety and emission norms and suspension of operations due to COVID-19 pandemic, the Company too experienced an overall decline in sales.0

Due to recent resurgence in the consumer demand for passenger vehicles, the opportunities for growth in the sales of Company's products in the current year has brightened.

Despite the opportunities, the threat revolves round in stricter the changes in regulatory requirements and sagging consumer demand, further spread of COVID-19 and so on..

C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company is operating under single segment since Company's primary business segment involves manufacture of Seat frames and Seat trims for passenger as well as Utility Vehicles.

D. RISKS AND CONCERNS

The Company is exposed to external and internal risks associated with the business.

Business Risk

The operations of the Company are directly dependent on the growth of automotive component industry. General economic conditions impact the automotive component industry and in turn the operations of the Company. The Company is dependent on the several factors such as changes in policies and legislation's, economy's growth, manufacturing inputs cost, cost inflation etc.

Operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete, are major concern for the business. In addition to this, demand of auto component sector is dependent on the automobile sector which makes the market uncertain at times. Constantly changing regulatory environment always carries with it the risk of high taxes or duties which may increase cost to the company and also competition from foreign substitutes.

Financial Risk

The Company may face the risk associated with the foreign exchange, fluctuation in the price of raw material, excess capacity, entry of foreign players in the domestic market, high market share of unorganized sector etc.

To counter these risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity, their potential effect on the performance of the Company through systematic reports and charts. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken. Management of your company is continuously analyzing and evaluating various risks associated with the Company's business and has adopted risk management practices to minimize the adverse impact of these risks.

A. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against any loss from unauthorized use and ensure proper authorization of financial transactions. The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances. The Company takes abundant care in designing, reviewing and monitoring regularly the working of inter control systems and their compliances for all important financial internal control processes.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of applicable Corporate Laws of India. The management of your company accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein.

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'Financial Summary' of Board Report.

C. HUMAN RESOURCES AND DEVELOPMENT

At NACL, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organization. Your company always strives to achieve maximum employee satisfaction and has initiated many programs on up-skilling/ training and empowerment of its employees. The Company has criteria for hiring of suitable talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 79 permanent employees as on 31stMarch, 2020. The industrial relations remained peaceful and cordial throughout the year.

D. SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

Being 1st financial year the comparable data for change in ratios not available but the key ratios of the companies for the period ended March 31 2020 are herein below.

1. Interest coverage ratio : 55.98 times
2. Operating profit margine ratio : 1.19%
3. Return on networth : 1.26%

DISCLAIMER

Statements in the Management Discussion and Analysis describing your Company's views about the industry, expectations/ predictions, objectives, etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. Your Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments etc. Investors should bear the above in mind.

Independent Auditors' Report

To The Members of NDR Auto Components Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of NDR Auto Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the 15 months period then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive loss, changes in equity and its cash flows for the 15 months period ended on that date.

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to Note No. 37 to the standalone financial statements in respect to arrangement between Sharda Motor Industries Limited (Demerged Company) and NDR Auto Components Limited (Resulting Company) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as approved by the Hon'ble Bench of NCLT, New Delhi on February 20, 2020, the Automobile Seating Undertaking of the Sharda Motor Industries Limited has been demerged and transferred to NDR Auto Components Limited with effect from closing business hours of December 31, 2018 (the Appointed Date).
2. We draw attention to Note No. 41 of the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1.	**Completeness and measurement of Contingent Liabilities arising from disputed matters** In the standalone financial statements, contingent liabilities arising from disputed matters as reported under the Note No. 19.1 to the standalone financial statements for the 15 months period ended 31.03.2020. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.	Our audit procedure included the following: • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases.

		• In addition, we engaged our internal expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive loss), 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
    g) In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the period. Accordingly, provisions of section 197 of the Act are not applicable on the Company.
    h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial – refer Note 19.1 to the standalone financial statements.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gupta Vigg & Co.

Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 20524778AAAACS9606

Place of Signature: New Delhi
Date: October 23, 2020

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the 15 months period ended March 31, 2020, we report that:

(i) In respect of fixed assets:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. 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) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the period, except for stock-in-transit and stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under section 185. The Company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans and has not provided any guarantees or securities to parties covered under Section 186 of the Act.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(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 sub-section (I) of Section 148 of the Act in respect of product covered and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other applicable statutory dues with the appropriate authorities though there has been a slight delay in a few cases.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other applicable statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs and duty of excise, which have not been deposited by the Company with the appropriate authorities on account of any disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.

(xi) According to the information and explanations given to us, the Company has not paid or provided for managerial remuneration during the period. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting

Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 20524778AAAACS9606

Place of Signature: New Delhi
Date: October 23, 2020

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of NDR Auto Components Limited)

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

Opinion

We have audited the internal financial controls with reference to financial statements of NDR Auto Components Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the 15 months period ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 20524778AAAACS9606

Place of Signature: New Delhi
Date: October 23, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Currency: ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2020
I. Assets		
Non-current assets		
(a) Property, plant and equipment	4	3,307.47
(b) Capital work in progress	5	-
(c) Right-of-use assets	6	35.92
(d) Intangible assets	7	0.36
(e) Financial assets		
(i) Investments	8	165.50
(ii) Other financial assets	9	40.47
(f) Non-current tax asset (net)	10	17.07
(g) Other non-current assets	11	0.32
(h) Deferred tax assets (net)	31	125.60
Total non-current assets		**3,692.71**
Current assets		
(a) Inventories	12	689.99
(b) Financial assets		
(i) Trade receivables	13	606.30
(ii) Cash and cash equivalents	14	524.07
(iii) Bank balances other than (ii) above	15	9,086.00
(iv) Other financial assets	9	510.59
(c) Other current assets	11	115.33
(d) Asset held for sale		0.08
Total current assets		**11,532.36**
Total assets		**15,225.07**
II. Equity And Liabilities		
Equity		
(a) Equity share capital	16	594.63
(b) Other equity	17	12,668.04
Total equity		**13,262.67**
Liabilities		
Non- current liabilities		
(a) Provisions	19	82.10
Total non- current liabilities		**82.10**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Total outstanding dues to micro and small enterprises	21	67.19
- Total outstanding dues to parties other than micro and small enterprises	21	1,495.82
(ii) Other financial liabilities		
- Lease liabilities	18	37.54
- Others	18	74.89
(b) Other current liabilities	20	95.60
(c) Provisions	19	109.26
Total current liabilities		**1,880.30**
Total liabilities		**1,962.40**
Total equity and liabilities		**15,225.07**
Summary of Significant Accounting Policies	3	
Contingent liabilities and commitments	19.1	
Other notes on accounts	31-43	

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACS9606

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM JANUARY 01, 2019 TO MARCH 31, 2020

(Currency: ₹ in Lakhs except otherwise specified)

	Particulars		Note No.	For the period from January 01, 2019 to March 31, 2020
I	Revenue from operations		22	9,661.52
II	Other income		23	918.65
III	**Total income (I+II)**			**10,580.17**
IV	**Expenses**			
	(a)	Cost of materials consumed	24	7,106.01
	(b)	Changes in inventories of finished goods, work-in-progress and stock in trade	25	103.41
	(c)	Employee benefits expense	26	492.93
	(d)	Finance costs	27	15.48
	(e)	Depreciation and amortization expense	28	737.54
	(f)	Other expenses	29	2,025.30
	Total expenses			**10,480.67**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**			**99.50**
VI	**Exceptional Items**			**-**
VII	**Profit/(Loss) before tax (V-VI)**			**99.50**
VIII	**Tax expense:**			
	(a)	Current tax	30	50.40
	(b)	Deferred tax expense/(credit)	30	(117.49)
	Total tax expense			**(67.09)**
IX	**Profit/(Loss) for the period (VII-VIII)**			**166.59**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans			(32.22)
	- Income tax on items that will not be reclassified to profit or loss			8.11
	Total other comprehensive income for the period, net of tax			**(24.11)**
XI	**Total comprehensive income for the period, net of tax (IX+X)**			**142.48**
XII	**Earnings per share: (Face value ₹ 10 per share)**		**32**	
	1)	Basic (amount in ₹)		2.80
	2)	Diluted (amount in ₹)		2.80
Summary of Significant Accounting Policies			3	
Contingent liabilities and commitments			19.1	
Other notes on accounts			31-43	

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACS9606

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD FROM JANUARY 01, 2019 TO MARCH 31, 2020

(Currency: ₹ in Lakhs except otherwise specified)

	Particulars	For the period from January 01, 2019 to March 31, 2020
A	**Cash Flow From Operating Activities**	
	Profit / (loss) before tax	99.50
	Change in equity	
	Adjustments for:	
	Depreciation and amortization	737.54
	Finance cost	15.48
	Provision for doubtful debts	4.59
	Interest income	(711.29)
	Dividend income	(110.25)
	Loss / (Gain) on sale of property, plant and equipment (net)	(2.31)
	Sundry balances written back	(91.03)
	Excess Provisions written back	(2.77)
	Operating profit / (loss) before adjustments	**(60.54)**
	Adjustments for:	
	Decrease/(increase) in inventories	255.50
	Decrease/(increase) in trade receivables	1,128.23
	Decrease/(increase) in other financial assets	(261.22)
	Decrease/(increase) in other assets	(186.12)
	Increase/(decrease) in trade payables	(377.09)
	Increase/(decrease) in other liabilities	113.82
	Increase/(decrease) in other financial liabilities	(149.01)
	Increase/(decrease) in provisions	(68.28)
	Cash generated /(used in) from operating activities	**395.29**
	Taxes (paid) / refund	(67.47)
	Net cash from operating activities - (A)	**327.82**
B	**Cash Flow From Investing Activities**	
	Acquisition of property, plant and equipment including capital work-in-progress	(18.13)
	Proceeds from sale of property, plant and equipment	19.68
	Proceeds from sale of intangible assets	3.04
	Investments made in fixed deposits	(1,587.11)
	Dividend received - non current investment	110.25
	Interest received	480.14
	Net cash used in investing activities - (B)	**(992.13)**
C	**Cash Flow From Financing Activities**	
	Issue of equity shares	1.00
	Cash payments for the principal portion of the lease liability	(43.25)
	Cash payments for the Interest portion of the lease liability	(4.82)
	Other Finance cost paid	(10.66)
	Net cash from financing activities - (C)	**(57.73)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**(722.04)**
	Cash and cash equivalents acquired pursuant to scheme of arrangements - opening balance (refer note no. 37)	1,246.11
	Cash and cash equivalents at the end of the period [refer note 14]	**524.07**

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS - 7 - "Statement of cash flow".

ii) Cash and cash equivalents consist of balances with scheduled banks in current accounts (refer note 14).

iii) For components of cash and cash equivalents refer note no.14

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACS9606

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Standalone Statement of Changes in Equity for the period January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital	Amount
Opening balance	-
Issue of equity share capital	1.00
Increase in share capital pursuant to scheme of arrangements (refer note no. 37)	594.63
Reduction in share capital pursuant to scheme of arrangements (refer note no. 37)	(1.00)
Balance as at March 31, 2020	**594.63**

5,946,326* equity shares of ₹ 10 each

* Note: Number of Shares are given in absolute numbers

B. Other Equity

	Reserve & Surplus		
	Capital Reserve	Retained earnings	Total
Opening Balance	-	-	-
Balance acquired pursuant to scheme of arrangements *	12,524.56		**12,524.56**
Reduction in share capital pursuant to scheme of arrangements *	1.00	-	**1.00**
Profit/(loss) for the period	-	166.59	**166.59**
Other comprehensive income for the period, net of tax	-	(24.11)	**(24.11)**
Balance as at March 31, 2020	**12,525.56**	**142.48**	**12,668.04**

*Refer to Note No. 37

Summary of Significant Accounting Policies	3
Contingent liabilities and commitments	19.1
Other notes on accounts	31-43

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACS9606

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 1: Corporate Information

NDR Auto Components Limited ('the company') is a public limited company domiciled in India and incorporated on March 19, 2019 under the provisions of Companies Act, 2013 having its registered office at D-188, Okhla Industrial Area, Phase I, New Delhi 110020. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange Limited from July 30, 2020. The Company is primarily engaged in the manufacturing, fabricating and assembling of every kind of automotive components including seats, spare parts and components for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

Pursuant to the National Company Law Tribunal (NCLT) order, dated February 20, 2020, the Automobile Seating Business of Sharda Motor Industries Limited (SMIL) has been demerged into NDR Auto Components Limited (Resulting Company or NACL) w.e.f end of the day of December 31, 2018, being the appointed date and pursuant to NCLT order NDR Auto Components Limited ceased to Subsidiary of Sharda Motor Industries Limited (Demerged Company) w.e.f the appointed date.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on October 23, 2020

2.2 Basis of preparation and presentation:

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities (including derivative instruments) and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

This is the first financial year of the Company, and hence the financial statements have been prepared for a period of 15 months, starting after appointed date January 01, 2019 till March 31, 2020 after giving effect to the scheme of demerger.

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended March 31, 2020:

- measurement of defined benefit obligations: key actuarial assumptions

- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources

- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied."

Use of significant Judgements in Revenue Recognition

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that 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 assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Revenue

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.2 Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

3.3 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

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

3.4 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.5 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, 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.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

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.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/ under development as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continuous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss."

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

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II .

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Trollies	5	15
Tools & Dies	10	15
Plant & Machinery- Others	20	15
Electrical Fittings	15	10

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the period costing ₹ 5,000 or less are depreciated at the rate of 100%

3.6 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware). Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets are amortized on a straight line basis over the estimated life of three years.

3.7 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.8 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the period are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

3.9 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in Transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

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

3.10 Leases:

Determining whether arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At the inception of a contract, the company assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Company's lease asset classes primarily consist of leases for land and buildings. The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated.

Assets held under lease

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease payments

Lease payments included in the measurement of the lease liability comprise the following:

-Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

Upto 31st March 2019, the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or 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.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.11 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the period end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.12 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 recognised as finance cost.

"Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

"When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in 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.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.13 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in associates and joint ventures

Investments representing equity interest in associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.14 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax

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

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

3.15 Operating segment:

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. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.16 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.17 Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.18 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period end, except where the results would be anti-dilutive.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Plant and Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross Carrying Amount									
(At deemed cost)									
Opening Balance	-	-	-	-	-	-	-	-	-
Balance acquired pursuant to scheme of arrangements	752.84	3,379.70	1,626.51	122.27	14.74	52.46	418.09	32.93	6,399.54
(refer note no 37)									
Add: Additions made during the period	-	20.12	-	2.21	2.30	-	-	-	24.63
Less: Disposals / adjustments during the period	-	30.42	-	2.22	0.42	0.01	-	1.83	34.90
As at March 31, 2020	**752.84**	**3,369.40**	**1,626.51**	**122.26**	**16.62**	**52.45**	**418.09**	**31.10**	**6,389.27**
Depreciation and impairment									
Opening Balance	-	-	-	-	-	-	-	-	-
Balance acquired pursuant to scheme of arrangements	-	1,727.67	390.63	59.47	10.85	28.66	174.22	19.78	2,411.28
(refer note no 37)									
Add: Depreciation charge for the period	-	458.51	146.02	14.52	2.71	7.18	54.82	4.29	688.05
Less: On disposals / adjustments during the period	-	14.97	-	1.75	0.36	-	-	0.45	17.53
As at March 31, 2020	**-**	**2,171.21**	**536.65**	**72.24**	**13.20**	**35.84**	**229.04**	**23.62**	**3,081.80**
Net carrying amount									
As at March 31, 2020	**752.84**	**1,198.19**	**1,089.86**	**50.02**	**3.42**	**16.61**	**189.05**	**7.48**	**3,307.47**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 5 : Capital work In progress

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Plant & Machinery
Opening Balance	-
Balance acquired pursuant to scheme of arrangements (refer note no.37)	6.50
Add : Movement during the period	(6.50)
As at March 31, 2020	-
Net carrying amount	
As at March 31, 2020	-

Note 6 : Right-of-use assets

Particulars	Right-of-use assets
Gross Carrying Amount	
(At deemed cost)	
Opening Balance	-
Add: Additions made during the period	80.79
As at March 31, 2020	**80.79**
Depreciation and impairment	
Opening Balance	-
Add: Depreciation charge for the period	44.87
As at March 31, 2020	**44.87**
Net carrying amount	
As at March 31, 2020	**35.92**

Note 7 : Intangible assets

Gross Carrying Amount	Computer Software	Total
(At deemed cost)		
Opening Balance	-	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	17.03	17.03
Less: Disposals / adjustments during the period	13.84	13.84
As at March 31, 2020	**3.19**	**3.19**
Amortisation and impairment		
Opening Balance	-	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	9.01	9.01
Add: Amortisation for the period	4.62	4.62
Less: On disposals / adjustments during the period	10.80	10.80
As at March 31, 2020	**2.83**	**2.83**
Net carrying amount		
As at March 31, 2020	**0.36**	**0.36**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 8 : Investments

(Currency : ₹ in Lakhs except otherwise specified)

		As At March 31, 2020
Non-Current		
Investments measured at cost		
In equity shares of Associate		
Quoted, fully paid up		
9,000,000 Equity Shares (including 4,500,000 bonus shares) of ₹ 2/- each of Bharat Seats Ltd.		90.00
	(A)	**90.00**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 Equity shares of ₹ 10/- each of Toyota Boshoku Relan India Pvt. Ltd.		0.50
750,000 Equity shares of ₹ 10/- each of Toyo Sharda India Pvt. Ltd.		75.00
	(B)	**75.50**
Total	**(A+B)**	**165.50**

Information about Associate & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest As At March 31, 2020
Associate	
Bharat Seats Ltd., India, Manufacturing of Seating System	28.66%
Joint Ventures	
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00%
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00%

Aggregate value of unquoted investments	75.50
Aggregate value of quoted investments	90.00
Market value of quoted investments	3,186.00
Aggregate value of impairment in the value of investment	-

Note 9 : Other financial assets

(Unsecured and considered good, unless otherwise stated)	As At March 31, 2020
Non- current	
Security Deposits (Refer note below)	40.47
Total (A)	**40.47**
Current	
Interest accrued but not due	231.15
Receivable from related parties (Refer note 34)	269.64
Security Deposits (Refer note below)	9.80
Total (B)	**510.59**
Total (A+B)	**551.06**

Notes:

Security deposits are not in the nature of loans hence classified as part of other financial assets.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 10 : Non-current tax asset

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Advance Income Tax	17.07
(Net of provision income tax of ₹ 50.40)	
Total	**17.07**

Note 11 : Other assets

(Unsecured and considered good, unless otherwise stated)	As At March 31, 2020
Non- Current	
Prepaid Expenses	0.32
Total (A)	**0.32**
Current	
Balance with Government Authorities	31.62
Advances to Suppliers	54.90
Gratuity recoverable (refer note no. 33)	8.32
Prepaid Expenses	20.30
Other Receivable	0.19
Total (B)	**115.33**
Total (A+B)	**115.65**

Note 12: Inventories

(Lower of cost or net realizable value)	As At March 31, 2020
Raw Materials	424.11
Work In Progress	171.26
Consumable Stores and Spares	94.62
Total	**689.99**

Note 13 : Trade receivables

	As At March 31, 2020
Unsecured - Considered Good	606.30
- Considered doubtful	4.59
	610.89
Less: Impairment Allowance	4.59
Total	**606.30**

Notes:

i) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

ii) Trade receivables includes balance from related party of ₹ 597.78 lakh.

iii) The Company's exposure to credit and currency risk related to trade receivables are disclosed in Note 36.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 14 : Cash and cash equivalents

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Balances with banks:	
- on current account	328.55
- Fixed deposits account with an original maturity of 3 months or less	195.00
Cash on hand:	
- Domestic Currency	0.52
Total	**524.07**

Note 15 : Bank balances other than cash and cash equivalents

	As At March 31, 2020
Deposits with original maturity of more than 3 months but less than 12 months	5,948.00
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,138.00
Total	**9,086.00**

Note 16 : Equity Share Capital

	As At March 31, 2020
Authorised Share Capital	
6,000,000* equity shares of ₹ 10 each	600.00
Issued, subscribed and fully paid up	
5,946,326* equity shares of ₹ 10 each	594.63
Total	**594.63**

* Note: Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2020	
	No. of shares	Amount
Balance as at the beginning of the period	-	-
Issue during the period	10,000	1.00
Increase pursuant to scheme of arrangement (refer note no. 37)	5,946,326	594.63
Reduction pursuant to scheme of arrangement (refer note no. 37)	(10,000)	(1.00)
Balance as at the end of the period	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the period. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the period, no interim dividend has been recognized as distributions to equity shareholders.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

c) Details of shareholders holding more than 5% shares in the Company

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020	
Name of Party	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%
Rohit Relan	700,268	11.78%
Ritu Relan	742,520	12.49%
Mala Relan	520,826	8.76%
Aashim Relan	304,440	5.12%
Sharda Motor Industries Limited #	-	0.00%

Sharda Motor Industries Limited was holding the beneficial ownership of the entire paid up equity shares issued by the company on its incorporation. However the same stands cancelled pursuant to scheme of arrangements. Refer note no. 37.

Note 17 : Other Equity

	Amount
a) Capital Reserve	
Opening Balance	-
Add : Balance acquired pursuant to scheme of arrangements (Refer note (i) below)	12,524.56
Add : Movement during the period (Refer note (ii) below)	1.00
Balance as at March 31, 2020	**12,525.56**

(i) Pursuant to the NCLT order and as per the scheme of arrangements, Company has recorded assets of ₹15,666.98 Lakh and liabilities of ₹2,547.79 Lakh of Automobile Seating Undertaking at their book values and has issued share capital of ₹ 594.63 Lakh against such assets and liabilities acquired. Difference of net assets acquired and issued share capital is recognized as Capital Reserve.

(ii) Pursuant to the NCLT order and as per the scheme of arrangements, Capital Reserve of ₹ 1 lakh is created by debiting Company's Equity Share Capital Account with a corresponding credit to Capital Reserve in respect of cancellation of shares held by Sharda Motor Industries Limited.

b) Retained Earnings

Opening Balance	-
Add:- Net Profit for the period	166.59
Items of other comprehensive income directly recognised in retained earnings	
Add:- Remeasurements of post employment benefit obligation, net of tax	(24.11)
Balance as at March 31, 2020	**142.48**

Notes:

1. **Retained Earnings:** Retained earnings represents profit/(losses) that the Company has earned or incurred till date.
2. **Capital Reserve:** Capital Reserve is created on account of balancing figures of assets and liabilities acquired, cancellation of issued and subscribed share capital and issuance of new shares of the Company pursuant to the scheme of arrangement.

Total Other Equity:

As at March 31, 2020	**12,668.04**
a) Capital Reserve	12,525.56
b) Retained Earnings	142.48

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 18 : Other Financial Liabilities

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Current	
Lease liabilities	37.54
Others	74.89
Total	**112.43**

Note 19 : Provisions

	As At March 31, 2020
Non- current	
Provision for employee benefits	
Provision for Compensated Absences (refer note 33)	10.38
Provision others	
Provision for warranty	71.72
Total (A)	**82.10**
Current	
Provision for employee benefits	
Provision for Compensated Absences (refer note 33)	4.05
Provision others	
Provision for warranty	105.21
Total (B)	**109.26**
Total (A+B)	**191.36**

Provision is made for estimated warranty claims in respect of good sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historical amounts.

Disclosure for warranty claim payable

	As At March 31, 2020
Provision for warranty claim	
Opening Balance	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	184.90
Less : Paid during the period	4.47
Less : Amount reversed during the period	3.50
Balance at the end of the period	**176.93**

Note 19.1 Contingent Liabilities

	As At March 31, 2020
(a) Claims against the Company not acknowledged as debts	
i) Labour Court Matter	21.00
ii) Civil - case (Pathredi)	3.59
Total	**24.59**

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company is in process of evaluating the impact of recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Note 20 : Other Liabilities

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Current	
Advance from Customers (refer note no. 34)	9.42
Statutory dues	79.78
Others (refer note no. 34)	6.40
Total	**95.60**

Note 21 : Trade payables

	As At March 31, 2020
- Outstanding dues to micro and small enterprises	67.19
- Outstanding dues to parties other than micro and small enterprises	1,495.82
Total	**1,563.01**

Notes:

a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 36.

b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2020 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951 are as under:

	As At March 31, 2020
- Principal amount due	61.80
- Interest accrued and due on above	5.39
	67.19
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil
(ii) The 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 2006	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	5.39
(iv) The amount of further interest remaining due and payable even in the succeeding year, 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 section 23 of the MSMED Act 2006	Nil

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

c) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2020.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 22 : Revenue from operations

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Sale of Product	
- Finished goods	9,549.53
Other Operating Revenues	
- Sale of scrap	111.99
Revenue from operations	**9,661.52**

Note 23 : Other income

	For the period from January 01, 2019 to March 31, 2020
Interest Income	
- Fixed deposits with banks	674.66
- Others	36.63
Dividend income from Non-current investment	110.25
Gain on disposal of property, plant and equipments	2.31
Miscellaneous Income	94.80
Total	**918.65**

Note 24 : Cost of Raw Material Consumed

	For the period from January 01, 2019 to March 31, 2020
Raw Material	
Balance at the beginning of the period	-
Add: Balance acquired pursuant to scheme of arrangements (Refer note no.37)	619.36
Add: Purchases during the period	6,910.76
Less: Balances of Raw Material at the end of the period	424.11
Cost of Raw Material Consumption	**7,106.01**

Note 25 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the period from January 01, 2019 to March 31, 2020
Inventories at the beginning of the period		
Work- in- progress		
Inventories at the beginning of the period		-
Add: Balance acquired pursuant to scheme of arrangements (Refer Note No.37)		274.67
	(A)	274.67
Inventories at the end of the period		
Work- in- progress		171.26
	(B)	171.26
(Increase) / Decrease in Inventory (A-B)		**103.41**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 26 : Employee benefits expense

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Salaries, wages & other benefits	410.82
Contribution to provident and other funds	30.41
Gratuity (refer note 33)	9.78
Staff welfare expenses	41.92
Total	**492.93**

Note 27 : Finance cost

	For the period from January 01, 2019 to March 31, 2020
Interest Expense	10.66
Interest on Lease liabilities	4.82
Total	**15.48**

Note 28 : Depreciation and amortization expense

	For the period from January 01, 2019 to March 31, 2020
Depreciation on property, plant and equipment	688.05
Amortization of intangible assets	4.62
Depreciation on right to use assets	44.87
Total	**737.54**

Note 29 : Other expenses

	For the period from January 01, 2019 to March 31, 2020
Consumable tools	92.70
Power & fuel	172.37
Hire labour charges	897.72
Manufacturing expenses	12.23
Rent, rates & taxes	44.80
Repair & maintenance	
-Repair to building	57.70
-Repair to plant & equipments	138.47
-Repair others	71.97
Travelling & conveyance	11.36
Insurance	14.33
Communication cost	5.03
Legal & professional expenses	22.90
Packing material	2.38
Freight outward	56.66
Auditor's remuneration (refer details 'a' below)	13.25
Provision for doubtful debts	4.59
Management support supply services	284.08
Miscellaneous expenses	122.76
Total	**2,025.30**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

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

(Currency : ₹ in Lakhs except otherwise specified)

Payment to auditors	**For the period from January 01, 2019 to March 31, 2020**
As auditor:	
- Audit fee	9.75
- Tax audit fee	1.00
In Other Capacity:	
- Certification Fees	0.10
- Other matter	1.95
- Reimbursement of Expenses	0.45
Total	**13.25**

* Tax audit fee has been provided for auditor other than Statutory Auditors for current period.

Note 30: Income Tax

The major components of income tax expense for the period January 01, 2019 to March 31, 2020 are as below:

30.1 Income tax recognised in profit or loss

	As At March 31, 2020
Current tax	
a) In respect of current period	50.40
b) Adjustments in respect of current income tax of previous period	-
	50.40
Deferred tax	
In respect of current period	(117.49)
	(117.49)
Income tax expense recognised in the current period	**(67.09)**

The income tax expense for the period can be reconciled to the accounting profit as follows:

	As At March 31, 2020
Profit/(Loss) before tax	**99.50**
Tax at the Indian Tax Rate of 25.17%	25.04
Property, Plant & Equipment	(66.14)
Effect of expenses that are not deductible in determining taxable profit	20.90
Effect of income that are exempt in determining taxable profit	(27.75)
Others	(19.14)
Tax expenses recognised in statement of profit or loss	**(67.09)**

The tax rate used for the current period reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

30.2 Income tax recognised in other comprehensive income

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Deferred tax assets / (liabilities)	
Arising on income and expenses recognised in other comprehensive income	
Remeasurement of defined benefit obligation	8.11
Total tax recognised in other comprehensive income	**8.11**
Bifurcation of the income tax recognised in other comprehensive income into : -	
- Items that will not be reclassified to profit or loss	8.11
- Items that may be reclassified to profit or loss	-
Total	**8.11**

Note 31: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

	As At March 31, 2020
Deferred tax assets	127.69
Deferred tax liabilities	2.09
Net deferred tax Assets/(liabilities)	**125.60**

	Opening Balance	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2020
Deferred tax assets				
Property, plant and equipment and Intangible assets	-	109.14	-	109.14
Expenses deductible in future years	-	18.55	-	18.55
Total deferred tax assets	**-**	**127.69**	**-**	**127.69**
Deferred tax liabilities				
Defined Benefit Obligation	-	10.20	(8.11)	2.09
Total deferred tax liabilities	**-**	**10.20**	**(8.11)**	**2.09**
Net deferred tax (liabilities)/Assets	**-**	**117.49**	**8.11**	**125.60**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 32 : Earnings per share (EPS)

	As At March 31, 2020
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	166.59
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers in lakhs) **(B)**	**59.46**
Basic earnings per share (in ₹) - (A/B)	2.80
Diluted earnings per share (in ₹) - (A/B)	2.80

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 33 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the period recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Employer's Contribution to Provident Fund/ Pension Fund	25.31
Employer's Contribution to Employee State Insurance	4.53
Employer's Contribution to Employee Welfare Fund	0.57
Total	**30.41**

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

b) Defined benefit plans

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

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on period end actuarial valuation.

(Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the period *	133.61	29.73
Acquisition Adjustment		
Add: Interest cost	12.02	2.68
Add: Current service cost	8.50	4.35
Add: Past Service cost	-	-
Less: Benefits paid	(43.62)	(3.97)
Add: Actuarial (gain) / loss		
- Demographic assumptions	0.01	0.00
- Financial assumptions	2.16	0.32
- Experience adjustments	(50.35)	(18.68)
Present value of obligation as at the end of the period	**62.34**	**14.43**

* Liability of Employees transferred to demerged entity NDR Auto Components Limited from Sharda Motor Industries Limited (Refer NCLT Order dated 20.02.2020)

d) **Components of expenses recognised in the statement of profit or loss for the period in respect of:**

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	8.50	4.35
Past service cost	-	-
Interest cost	12.02	2.68
Interest income	(10.75)	-
Remeasurements	-	(18.36)
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in profit/loss (Refer Note Below)	**9.78**	**(11.33)**

e) **Components of expenses recognised in the other comprehensive income for the period in respect of:**

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses		
- changes in demographic assumptions	0.01	0.00
- changes in financial assumptions	2.16	0.32
- experience variance	(50.35)	(18.68)
Return on plan assets, excluding amount recognised in net interest expense	15.95	-
Component of defined benefit costs recognised in other comprehensive income	**(32.22)**	**(18.36)**

Notes:

(i) The current service cost and the interest expense for the period are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

f) Changes in the fair value of the plan assets are as follows: (Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	119.48	-
Add: Investment income	10.75	-
Add: Expected return on plan assets	(15.95)	-
Add: Employer's Contribution	-	-
Add: Employee's Contribution	-	-
Less: Benefits paid	(43.62)	-
Add: Actuarial gains / (losses) on the plan assets	-	-
Fair value of plan assets at the end	**70.66**	**-**

* Assets of Employees transferred to demerged entity NDR Auto Components Limited from Sharda Motor Industries Limited (Refer NCLT Order dated 20.02.2020)

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions		
1 Discount rate	6.40%	6.40%
2 Salary increase rate	10.00%	10.00%
Demographic assumptions		
1 Average outstanding service of employees upto retirement	21.27	21.27
2 Retirement Age (years)	58	58
3 Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate		
1 Ages up to 30 years	20.00%	20.00%
2 Ages from 30-44 years	20.00%	20.00%
3 Above 44 years	20.00%	20.00%

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

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	62.34	14.43
Fair value of plan assets	70.66	-
Net (assets) / liability	**(8.32)**	**14.43**
Classification into long term and short term:		
- Classified as long term	-	10.39
- Classified as short term	(8.32)	4.05
Total	**(8.32)**	**14.43**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

(Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(2.68)	(0.39)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	2.93	0.42
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	2.79	0.40
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(2.62)	(0.39)
C. Mortality rate		
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
1 year	10.56	4.05
2 to 5 years	29.07	7.69
More than 5 years	22.70	2.70

k) Enterprise best estimate of contribution during next year is NIL

Note 34 : Related party transactions

a) Names of related parties and description of relationship:

Name of the Related Party	Nature of Relationship
a) Bharat Seats Limited	Associate Company
a) Toyo Sharda India Pvt. Ltd.	Joint Ventures
b) Toyota Boshoku Relan India Private Limited.	
a) Mrs. Sharda Relan (Director)	Key Managerial Personnel
b) Mr. Ajay Relan (Director)	
c) Mr. Dharam Asrey Agarwal (Director)	
a) Sharda Enterprises	Enterprises over which Key Managerial Personnel are able to Exercise Significant Influence
b) Sharda Motor Industries Ltd.*	
c) Ajay Relan (HUF)	

* Pursuant to the effect of Scheme of Arrangement between Sharda Motor Industries Limited ("Demerged Company") and NDR Auto Components Limited ("Resulting Company") and their respective Shareholders ("Scheme") and Creditor as approved by The Hon'ble National Company Law Tribunal (NCLT) New Delhi, Sharda Motor Industries Limited ("Demerged Company") has ceased to be Holding Company.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

b) Transactions during the period and closing balances:

(Currency : ₹ in Lakhs except otherwise specified)

S.No.	Nature of Transactions	Associate Company	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Joint Venture	Key Management Personnel
i)	**Sale of goods during the period**				
	- Bharat Seats Ltd.	9,549.53	-	-	-
ii)	**Rent paid during the period**				
	-Sharda Enterprises	-	22.50	-	-
iii)	**Sale of property, plant & equipments**				
	-Bharat Seats Ltd.	3.83	-	-	-
iv)	**Purchase of goods during the period**				
	-Toyo Sharda India Pvt. Ltd.	-	-	1.32	-
	-Bharat Seats Ltd.	26.13	-	-	-
v)	**Dividend Received**				
	-Toyo Sharda India Pvt. Ltd.	-	-	20.25	-
	-Bharat Seats Ltd.	90.00	-	-	-
vi)	**Management Services received**				
	-Sharda Motor Industries Ltd.	-	284.08	-	-
vii)	**Balance Payable**				
	-Ajay Relan	-	-	-	7.06
	-Bharat Seats Ltd.	8.78	-	-	-
viii)	**Balance Receivable**				
	-Sharda Motor Industries Ltd.	-	269.64	-	-
	-Bharat Seats Ltd.	597.78	-	-	-

Note:

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current period in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 35 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing of auto component parts, which is considered to be the only business reportable segment. further, the Company operates only in one geographical segment - India
2. Major Customer: Revenue from one customer of the Company's manufacturing business are ₹ 9,549.53 lakhs which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue during the period.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 36 : Financial instruments - fair values and risk management

36.1 Financial instruments by category and fair values

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Non-current			
Investments in equity instrument *	-	-	-
Other financial assets			
- Security deposits	-	-	40.47
Current			
Trade receivables	-	-	606.30
Cash and cash equivalents	-	-	524.07
Bank balances other than above	-	-	9,086.00
Other financial assets			
- Security Deposit	-	-	9.80
- Interest accrued on fixed deposits	-	-	231.15
- Receivable from related parties	-	-	269.64
Total	**-**	**-**	**10,767.43**
Financial liabilities			
Current			
Trade payables	-	-	1,563.01
Other financial liabilities			
- Lease Liability	-	-	37.54
- Others	-	-	74.89
Total	**-**	**-**	**1,675.43**

* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75.50 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as on 31st March, 2020

	As At March 31, 2020			
	Carrying Value	Level 1	Level 2	Level 3
Financial assets				
Assets carried at amortised cost for which fair values are disclosed				
Trade receivables	606.30	-	-	606.30
Cash and cash equivalents	524.07	-	524.07	-
Bank balances other than above	9,086.00	-	9,086.00	-
Other financial assets	551.06	-	-	551.06
Liabilities carried at amortised cost for which fair values are disclosed				
Trade payables	1,563.01	-	-	1,563.01
Lease Liability	37.54	-	-	37.54
Others	74.89	-	-	74.89

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

36.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(ii) Fair value of trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

Discount rate used in determining fair value

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

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

36.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows: (Currency : ₹ in Lakhs except otherwise specified)

	March 31, 2020
Total liabilities	1,962.40
Less: Cash and Cash equivalents	524.07
Adjusted net debt	1,438.33
Total equity	13,262.67
Equity & net debt	14,701.00
Adjusted net debt to equity ratio	0.10

36.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, security deposit and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision.

A. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	**Neither past due nor impaired**	**Upto 180 days**	**More than 180 days**	**Total**
Trade Receivables as of March 31, 2020	-	603.29	3.01	606.30

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2020
Investments	-
Security deposits	50.27
Interest accrued on fixed deposits	231.15
Receivable from related parties	269.64
Total	**551.06**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

C. Liquidity risk

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

The Company's primary sources of liquidity include cash deposits, short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2020, Company doesn't have any outstanding borrowing.

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

(Currency : ₹ in Lakhs except otherwise specified)

March 31, 2020	**Contractual cash flow**				
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Trade payables	1,563.01	1,563.01	1,563.01	-	-
Lease Liability	37.54	37.54	37.54	-	-
Other Financial Liabilities	74.89	74.89	74.89		
	1,675.44	1,675.44	1,675.44	-	-

Note 37: Pursuant to the National Company Law Tribunal (NCLT) order, dated February 20, 2020, the Automobile Seating Business of Sharda Motor Industries Limited (SMIL) has been demerged into NDR Auto Components Limited (Resulting Company or NACL) w.e.f end of the day of December 31, 2018, being the appointed date and pursuant to NCLT order NDR Auto Components Limited ceased to Subsidiary of Sharda Motor Industries Limited (Demerged Company) w.e.f. the appointed date.

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 between Sharda Motor Industries Limited (SMIL) ("the demerged company") and NDR Auto Components Limited (NACL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT), Delhi on February 20, 2020:

a) NACL has recorded the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.

b) NACL has credited its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL in the following proportion:

"for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date i.e. March 27, 2020 , the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL"

c) In respect of cancellation of shares held by SMIL, NACL has debited to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

d) The difference between a) and b) above has been recorded as Capital Reserve.

Summary of assets and liabilities transferred from SMIL to NACL pursuant to demerger are as under:

(Currency : ₹ in Lakhs except otherwise specified)

S. No.	Particulars	As at December 31, 2018
I	**Assets**	
	Non Current Assets	
	a) Property, plant and equipment	3,988.26
	b) Capital work in progress	6.50
	c) Intangible assets	8.02
	d) Financial assets	
	i) Investments	165.50
	ii) Other Financial Assets	49.85
	Total non-current Assets	**4,218.13**
	Current Assets	
	a) Inventories	945.49
	b) Financial Assets	
	i) Investments	1,427.33
	ii) Trade Receivables	1,739.12
	iii) Cash and cash equivalents	1,246.11
	iv) Bank balances other than (iii) above	6,071.56
	v) Other financial assets	8.84
	c) Other current assets	10.32
	d) Asset classified as held for sale	0.08
	Total Current Assets	**11,448.85**
	Total Assets	**15,666.98**
II	**Liabilities**	
	Non-current liabilities	
	a) Provisions	14.73
	b) Other non-current liabilities	183.55
	Total Non-current liabilities	198.28
	Current Liabilities	
	a) Financial liabilities	
	i) Trade payables	
	· Total outstanding dues to micro and small enterprises	-
	· Total outstanding dues to parties other than micro and small enterprises	2,074.39
	ii) Other financial liabilities	1.38
	b) Other current liabilities	244.61
	c) Provisions	29.13
	Total Current liabilities	**2,349.51**
	Total Liabilities	**2,547.79**

Details of contingent liabilities pertaining to Automobile Seating Undertaking

Details of Contingent Liabilities of Seating Business	
As on December 31, 2018	
Excise Matter	2.96
Labour Court Matter	23.28
Total	**26.24**
Other Civil Case	
Civil - case (Pathredi)	3.59
Total	**3.59**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Note 38 : Leases

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs. 80.79 Lakhs and related accumulated depreciation amounting to Rs. 44.87 Lakhs charged in the current period, to the equivalent amount of lease liabilities amounting to Rs. 80.79 Lakhs as at April 01, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019, which is 8.25% for measuring the lease liability.

The company has recognised the lease payments as an operating expense on a straight line basis for the 3 months period ended March 31, 2019. The rental expenses charged to the statement of Profit & Loss account are Rs. 34.18 Lakhs for the period from January 1, 2019 to March 31, 2019.

(A) Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 01, 2019:

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Amount
Total Lease commitments as at March 31, 2019	86.80
Present Value of Lease commitments as at April 01, 2019	80.79
Lease liabilities as on April 01, 2019	80.79
Add: Accretion of interest	4.82
Less: Principal repayment of lease liability	43.25
Less: Interest payment of lease liability	4.82
Balance as on March 31, 2020	37.54
Current lease liability	37.54

Right of use assets of Rs. 80.79 Lakhs and lease liabilities of Rs. 80.79 Lakhs have been recognised as on April 01, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 (increase /(decrease)):

Particulars	Note No.	March 31, 2020	April 01, 2019
Assets			
Rights of use	6	35.92	80.79
Deferred tax assets	31	(0.41)	
		35.51	**80.79**
Equity			
Other equity			
Retained Earnings	17	(2.03)	
Non Current liabilities			
Financial liabilities			
-lease liability		-	37.54
Current liabilities			
Financial liabilities			
-lease liability	18	37.54	43.25
Total equity and liabilities		**35.51**	**80.79**
Expenses			
Finance cost		4.82	-
Depreciation and amortisation expense		44.87	-
Other expenses		(48.07)	-
Total Expense		**1.62**	**-**
Profit before tax		**(1.62)**	**-**
Tax Expense			
Deferred tax		(0.41)	-
Profit after tax		**(2.03)**	**-**

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

Additions to right-of-use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	As At March 31, 2020
Right-of-use assets	**80.79**
	80.79

(B) Carrying value of right of use assets at the end of the reporting period by class

Particulars	Land & Building	Total
Balance at April 01, 2019	80.79	80.79
Depreciation charge for the period from April 01, 2019 to March 31, 2020	(44.87)	(44.87)
Balance at March 31, 2020	**35.92**	**35.92**

(C) Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	As At March 31, 2020
Less than one year	38.73
One to five years	-
More than five years	-
Total undiscounted lease liabilities at March 31, 2020	**38.73**

Lease liabilities included in the statement of financial position as at March 31, 2020	**37.54**
Current	**37.54**
Non-Current	**-**

(D) Amounts recognised in profit or loss

Particulars	For the period from April 01, 2019 to March 31, 2020
Interest on lease liabilities	4.82
Depreciation charge for right-of-use assets by class of underlying asset;	44.87
Expenses relating to leases	**49.69**

(E) Amounts recognised in the statement of cash flows

Particulars	For the period from April 01, 2019 to March 31, 2020
Total cash outflow for leases	48.07

Note 39: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 40: Events occurring after balance sheet date

There are no major events which has occurred after the balance sheet date.

Note 41: Due to the nationwide lockdown in March 2020, the Company temporarily suspended its operations in compliance with lockdown instructions. COVID-19 has impacted the normal business operations of the Company by way of interruptions in production, supply chain and production facilities etc. during the lock down period extended till May 31, 2020. However, productions and supply of goods has gradually commenced in months of May and June 2020 at the manufacturing locations after obtaining permissions from the appropriate government authorities.

Notes to the standalone financial statements for the period January 01, 2019 to March 31, 2020

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the liquidity position to continue operations for the next year and carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets will get recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial statements. Given the nature of the pandemic, the Company will continue to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

Note 42: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

Note 43: Note no. 1 to 43 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACS9606

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief
Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Independent Auditors' Report

To the Members of NDR Auto Components Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of NDR Auto Components Limited (hereinafter referred to as the "Parent Company"), its associate company and joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the 15 months period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Parent Company, its associate company and joint ventures as at March 31, 2020, and its consolidated profit including other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the 15 months period ended on that date.

Basis for Qualified Opinion

We draw attention to the fact that the consolidated financial statements include the Parent Company's share of net profit after tax of Rs. 603.10 lakhs and total comprehensive income of Rs. 615.27 lakhs for the 15 months period ended March 31, 2020, as considered in the consolidated financial statements, in respect of an associate and a joint venture i.e. Bharat Seats Limited and Toyo Sharda India Private Limited, respectively, whose financial statements/ financial information have not been audited. These financial statements/ financial information are unaudited and have been furnished to us by the Management of the Parent Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and joint venture, is based solely on such unaudited financial statements/ financial information. However, the financial statements/ financial results/ financial information of this associate have been reviewed for a period 3 months (i.e. January 1, 2019 to March 31, 2019) for which independent auditor's report pursuant to the requirements of Regulation 33 of the SEBI (LODR) Regulations, 2015 has been furnished to us. And for both, the associate and the joint venture, audited financial statements along with independent auditors' report for a period of 12 months (i.e. April 1, 2019 to March 31, 2020) pursuant to the requirements of Section 143(3) of the Companies Act, 2013 have been furnished to us. In our opinion and according to the information and explanation given to us by the management, these financial statements/ financial information of the aforesaid component are material to the consolidated financial statements. We are unable to obtain sufficient and appropriate audit evidence to determine whether any adjustments were necessary to the consolidated financial statements in relation to the carrying amount of Parent Company's investment in Bharat Seats Limited and Toyo Sharda India Private Limited as at March 31, 2020 and Parent Company's share of net profit after tax and other comprehensive income in respect of Bharat Seats Limited and Toyo Sharda India Private Limited for the 15 months period ended March 31, 2020.

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

Emphasis of Matter

1. We draw attention to Note No. 37 to the consolidated financial statements in respect to arrangement between Sharda Motor Industries Limited (Demerged Company) and NDR Auto Components Limited (Resulting Company) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as approved by the Hon'ble Bench of NCLT, New Delhi on February 20, 2020, the Automobile Seating Undertaking of the Sharda Motor Industries Limited has been demerged and transferred to NDR Auto Components Limited with effect from closing business hours of December 31, 2018 (the Appointed Date).
2. We draw attention to Note No. 43 of the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Parent Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1.	**Completeness and measurement of Contingent Liabilities arising from disputed matters** In the consolidated financial statements, contingent liabilities arising from disputed matters as reported under the Note No. 19.1 to the consolidated financial statements for the 15 months period ended 31.03.2020. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.	Our audit procedure included the following: • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the consolidated financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Parent Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management Responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive loss), consolidated changes in equity and consolidated cash flows of the Parent Company, its associate company and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent Company, its associate company and joint ventures are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent Company, its associate company and joint ventures are responsible for assessing the ability of the Parent Company, its associate company and joint ventures 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 management 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 Parent Company, its associate company and joint ventures are responsible for overseeing the financial reporting process of the Parent Company, its associate company and joint ventures.

Auditors' 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 auditors' 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 Parent Company, its associate company and joint ventures, which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent Company, its associate company and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Parent Company, its associate company and 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 information of the entities or business activities within the Parent Company, its associate company and 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. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company, 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 auditors' 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

The consolidated financial statements include the Parent Company's share of net loss after tax of Rs. 0.38 lakhs and total comprehensive loss Rs. 0.38 Lakhs for the 15 months period ended March 31, 2020, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management of the Parent Company and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 report of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and on the basis of the representation received from the management in respect of one associate company and two joint ventures, which are companies incorporated in India, none of the directors of the Parent Company, its associate company and joint ventures is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) As required by Section 197(16) of the Act, based on our audit, we report that, there is no remuneration paid by the Parent Company to its directors during the period, accordingly, provisions of section 197 of the Act are not applicable on the Parent Company. With respect to the matter to be included in the Auditors' Report under Section 197(16), in respect of the joint venture companies, since both the joint venture companies are private limited companies, the provisions of section 197 of the Act are not applicable. Based on the consideration of the report of the other auditor on separate financial statements of one associate company, the associate company has paid remuneration to their directors for the year ended March 31, 2020, in excess of the limits prescribed within the provisions of section 197 read with Schedule V of the Act by Rs. 39 Lakhs, and is subject to the approval by a special resolution by the shareholders in the ensuing Annual General Meeting of the associate company.

h) With respect to the other matters to be included in the Auditors' 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:

    i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent Company, its associate company and joint ventures – refer Note 19.1 to the consolidated financial statements.

    ii. The Parent Company, its associate company and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Parent Company. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the one associate and one joint venture incorporated in India.

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 20524778AAAACT7589

Place of Signature: New Delhi
Date: October 23, 2020

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of NDR Auto Components Limited

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of NDR Auto Components Limited)

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Parent Company as of and for the 15 months period ended March 31, 2020, we have audited the internal financial controls over financial reporting of NDR Auto Components Limited (hereinafter referred to as "the Company" or the "Parent Company") and its associate company and joint ventures, which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of management representation for one un-audited associate company and two un-audited joint ventures referred to in the Other Matters Paragraph below, the Parent Company, its associate company and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on "the internal controls with reference to the financial statements criteria established by the respective companies 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".

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its associate company and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the 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 the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the representation received from the management for one un-audited associate company and two un-audited joint ventures, which are companies incorporated in India, referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to one associate company and two joint ventures, which are companies incorporated in India, is solely based on the representation received from the management for such company. Our opinion is not modified in respect of this matter.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

ICAI UDIN: 20524778AAAACT7589

Place of Signature: New Delhi

Date: October 23, 2020

Consolidated Balance Sheet as at March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2020
I. Assets		
Non-current assets		
(a) Property, plant and equipment	4	3,307.47
(b) Capital work in progress	5	-
(c) Right-of-use assets	6	35.92
(d) Intangible assets	7	0.36
(e) Investment in Associate and Joint Ventures	8	3,860.27
(f) Financial assets		
(i) Other financial assets	9	40.47
(g) Non-current tax asset (net)	10	17.07
(h) Other non-current assets	11	0.32
(i) Deferred tax assets (net)	31	125.60
Total non-current assets		**7,387.48**
Current assets		
(a) Inventories	12	689.99
(b) Financial assets		
(i) Trade receivables	13	606.30
(ii) Cash and cash equivalents	14	524.07
(iii) Bank balances other than (ii) above	15	9,086.00
(iv) Other financial assets	9	510.59
(c) Other current assets	11	115.33
(d) Asset held for sale		0.08
Total current assets		**11,532.36**
Total assets		**18,919.84**
II. Equity And Liabilities		
Equity		
(a) Equity share capital	16	594.63
(b) Other equity	17	16,362.81
Total equity		**16,957.44**
Liabilities		
Non- current liabilities		
(a) Provisions	19	82.10
Total non- current liabilities		**82.10**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Total outstanding dues to micro and small enterprises	21	67.19
- Total outstanding dues to parties other than micro and small enterprises	21	1,495.82
(ii) Other financial liabilities		
- Lease liabilities	18	37.54
- Others	18	74.89
(b) Other current liabilities	20	95.60
(c) Provisions	19	109.26
Total current liabilities		**1,880.30**
Total liabilities		**1,962.40**
Total equity and liabilities		**18,919.84**
Summary of Significant Accounting Policies	3	
Contingent liabilities and commitments	19.1	
Other notes on accounts	31-45	

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACT7589

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Consolidated Statement of profit and loss for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Note No.	For the period from January 01, 2019 to March 31, 2020
I	Revenue from operations	22	9,661.52
II	Other income	23	808.40
III	**Total income (I+II)**		**10,469.92**
IV	**Expenses**		
	(a) Cost of materials consumed	24	7,106.01
	(b) Changes in inventories of finished goods, work-in-progress and stock in trade	25	103.41
	(c) Employee benefits expense	26	492.93
	(d) Finance costs	27	15.48
	(e) Depreciation and amortization expense	28	737.54
	(f) Other expenses	29	2,025.30
	Total expenses		**10,480.67**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(10.75)**
VI	**Exceptional Items**		**-**
VII	**Profit/(Loss) before tax (V-VI)**		**(10.75)**
VIII	**Tax expense:**		
	(a) Current tax	30	50.40
	(b) Deferred tax expenses/(credit)	30	(117.49)
	Total tax expense (Credit)		**(67.09)**
IX	**Profit/(Loss) for the period (VII-VIII)**		**56.34**
X	Share of profit/(loss) of associate (net of tax)		492.81
XI	Share of profit/(loss) of joint ventures (net of tax)		109.91
XII	**Profit/(Loss) for the period (IX+X+XI)**		**659.06**
XIII	**Other Comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	- Re-measurement gains/ (losses) on defined benefit plans		(15.83)
	- Income tax on items that will not be reclassified to profit or loss		3.89
	Total other comprehensive income for the period, net of tax		**(11.94)**
XIV	**Total comprehensive income for the period, net of tax (XII+XIII)**		**647.12**
XV	**Earnings per share: (Face value ₹ 10 per share)**	32	
	1) Basic (amount in ₹)		11.08
	2) Diluted (amount in ₹)		11.08
Summary of Significant Accounting Policies		3	
Contingent liabilities and commitments		19.1	
Other notes on accounts		31-45	

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACT7589

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Consolidated Cash Flow Statement for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	For the period from January 01, 2019 to March 31, 2020
A	**Cash Flow From Operating Activities**	
	Profit / (loss) before tax	(10.75)
	Change in equity	
	Adjustments for:	
	Depreciation and amortization	737.54
	Finance cost	15.48
	Provision for doubtful debts	4.59
	Interest income	(711.29)
	Loss / (Gain) on sale of property, plant and equipment (net)	(2.31)
	Sundry balances written back	(91.03)
	Excess Provisions written back	(2.77)
	Operating profit / (loss) before adjustments	**(60.54)**
	Adjustments for:	
	Decrease/(increase) in inventories	255.50
	Decrease/(increase) in trade receivables	1,128.23
	Decrease/(increase) in other financial assets	(261.22)
	Decrease/(increase) in other assets	(186.12)
	Increase/(decrease) in trade payables	(377.09)
	Increase/(decrease) in other liabilities	113.82
	Increase/(decrease) in other financial liabilities	(149.01)
	Increase/(decrease) in provisions	(68.28)
	Cash generated /(used in) from operating activities	**395.29**
	Taxes (paid) / refund	(67.47)
	Net cash from operating activities - (A)	**327.82**
B	**Cash Flow From Investing Activities**	
	Acquisition of property, plant and equipment including capital work-in-progress	(18.13)
	Proceeds from sale of property, plant and equipment	19.68
	Proceeds from sale of intangible assets	3.04
	Proceeds from Investments	110.25
	Investments made in fixed deposits	(1,587.11)
	Interest received	480.14
	Net cash used in investing activities - (B)	**(992.13)**
C	**Cash Flow From Financing Activities**	
	Issue of equity shares	1.00
	Cash payments for the principal portion of the lease liability	(43.25)
	Cash payments for the Interest portion of the lease liability	(4.82)
	Other Finance cost paid	(10.66)
	Net cash from financing activities - (C)	**(57.73)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**(722.04)**
	Cash and cash equivalents acquired pursuant to scheme of arrangements - opening balance (refer note no. 37)	1,246.11
	Cash and cash equivalents at the end of the period [refer note 14]	**524.07**

Notes:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS - 7 - "Statement of cash flow".

ii) Cash and cash equivalents consist of balances with scheduled banks in current accounts (refer note 14).

iii) For components of cash and cash equivalents refer note no.14

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACT7589

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Consolidated Statement of Changes in Equity for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

		Amount
A.	**Equity Share Capital**	
	Opening balance	-
	Issue of share Capital	1.00
	Changes during the period	594.63
	Reduction in share capital pursuant to scheme of arrangements (refer note no. 37)	(1.00)
	Balance as at March 31, 2020	**594.63**
	5,946,326* equity shares of ₹ 10 each	
	* Note: Number of Shares are given in absolute numbers	

B. Other Equity

	Reserve & Surplus		
	Capital Reserve	Retained earnings	Total
Opening Balance	-	-	-
Balance acquired pursuant to scheme of arrangements *	12,524.56	-	12,524.56
Balance acquired pursuant to scheme of arrangements on account of consolidation**	3,190.13	-	3,190.13
Reduction in share capital pursuant to scheme of arrangements *	1.00	-	1.00
Profit/(loss) for the period	-	659.06	659.06
Other comprehensive income for the period, net of tax	-	(11.94)	(11.94)
Balance as at March 31, 2020	**15,715.69**	**647.12**	**16,362.81**

*Refer to Note No. 37

**Refer to Note No. 17

Summary of Significant Accounting Policies	3
Contingent liabilities and commitments	19.1
Other notes on accounts	31-45

The accompanying notes form an integral part of these Consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACT7589

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

Place of Signature : New Delhi
Date : October 23, 2020

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 1: Corporate Information

NDR Auto Components Limited ('the company') is a public limited company domiciled in India and incorporated on March 19, 2019 under the provisions of Companies Act, 2013 having its registered office at D-188, Phase I, Okhla Industrial Area, New Delhi 110020. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange Limited from 30th July 2020. The Company is primarily engaged in the manufacturing, fabricating and assembling of every kind of automotive components including seats, spare parts and components for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

Pursuant to the National Company Law Tribunal (NCLT) order, dated February 20, 2020, the Automobile Seating Business of Sharda Motor Industries Limited (SMIL) has been demerged into NDR Auto Components Limited (Resulting Company or NACL) w.e.f December 31, 2018, being the appointed date and pursuant to NCLT order NDR Auto Components Limited ceased to Subsidiary of Sharda Motor Industries Limited (Demerged Company) w.e.f the appointed date.

Note 2: Basis of preparation of Consolidated Financial statements

2.1 Statement of Compliance:

The consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 23rd October, 2020

2.2 Basis of preparation and presentation:

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities (including derivative instruments) and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

This is the first financial year of the Company, and hence the consolidated financial statements have been prepared for a period of 15 months, starting after appointed date i.e. 01st January 2019 till 31st March 2020, after giving effect to the scheme of demerger.

The principal accounting policies are set out below.

2.3 Basis of Consolidation and Equity Accounting:

i) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

ii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

iv) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgements:

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended March 31, 2020:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.6 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in a contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the Government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Use of significant Judgements in Revenue Recognition

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that 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 assesses its revenue arrangements against specific recognition criterias like exposure to the significant risks and rewards associated with the sale of goods. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its customers are reviewed to determine each party's respective role in the transaction.

Other Revenue

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.2 Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

3.3 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

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

3.4 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.5 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, 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.

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.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/ under development as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continuous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

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

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II .

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Trollies	5	15
Tools & Dies	10	15
Plant & Machinery- Others	20	15
Electrical Fittings	15	10

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the period costing ₹ 5,000 or less are depreciated at the rate of 100%

3.6 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware). Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets are amortized on a straight line basis over the estimated life of three years.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

3.7 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.8 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the period are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

3.9 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in Transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

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

3.10 Leases:

Determining whether arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At the inception of a contract, the company assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Company's lease asset classes primarily consist of leases for land and buildings. The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated.

Assets held under lease

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease payments

Lease payments included in the measurement of the lease liability comprise the following:

-Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

Up to 31st March 2019, the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or 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.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.11 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the period end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.12 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in 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.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.13 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.

• Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

• Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in associates and joint ventures

Investments representing equity interest in associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

• financial assets measured at amortised cost

• financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

• the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or

• full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.14 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax

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

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

3.15 Operating segment:

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. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.16 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.17 Assets Held for Sale;

"Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.18 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period end, except where the results would be anti-dilutive.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Note 4 : Property, Plant and Equipment

Particulars	Freehold land	Plant and Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross Carrying Amount									
(At deemed cost)									
Opening Balance	-	-	-	-	-	-	-	-	-
Balance acquired pursuant to scheme of arrangements	752.84	3,379.70	1,626.51	122.27	14.74	52.46	418.09	32.93	6,399.54
(refer note no 37)									
Add: Additions made during the period	-	20.12	-	2.21	2.30	-	-	-	24.63
Less: Disposals / adjustments during the period	-	30.42	-	2.22	0.42	0.01	-	1.83	34.90
As at March 31, 2020	**752.84**	**3,369.40**	**1,626.51**	**122.26**	**16.62**	**52.45**	**418.09**	**31.10**	**6,389.27**
Depreciation and impairment									
Opening Balance	-	-	-	-	-	-	-	-	-
Balance acquired pursuant to scheme of arrangements	-	1,727.67	390.63	59.47	10.85	28.66	174.22	19.78	2,411.28
(refer note no 37)									
Add: Depreciation charge for the period	-	458.51	146.02	14.52	2.71	7.18	54.82	4.29	688.05
Less: On disposals / adjustments during the period	-	14.97	-	1.75	0.36	-	-	0.45	17.53
As at March 31, 2020	**-**	**2,171.21**	**536.65**	**72.24**	**13.20**	**35.84**	**229.04**	**23.62**	**3,081.80**
Net carrying amount									
As at March 31, 2020	**752.84**	**1,198.19**	**1,089.86**	**50.02**	**3.42**	**16.61**	**189.05**	**7.48**	**3,307.47**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress

Particulars	Plant & Machinery
Opening Balance	-
Balance acquired pursuant to scheme of arrangements (refer note no.37)	6.50
Add : Movement during the period	(6.50)
As at March 31, 2020	-
Net carrying amount	
As at March 31, 2020	-

Note 6 : Right-of-use assets

Particulars	Right-of-use assets
Gross Carrying Amount	
(At deemed cost)	
Opening Balance	-
Add: Additions made during the period	80.79
As at March 31, 2020	**80.79**
Depreciation and impairment	
Opening Balance	-
Add: Depreciation charge for the period	44.87
As at March 31, 2020	**44.87**
Net carrying amount	
As at March 31, 2020	**35.92**

Note 7 : Intangible assets

Gross Carrying Amount	Computer Software	Total
(At deemed cost)		
Opening Balance	-	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	17.03	17.03
Less: Disposals / adjustments during the period	13.84	13.84
As at March 31, 2020	**3.19**	**3.19**
Amortisation and impairment		
Opening Balance	-	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	9.01	9.01
Add: Amortisation for the period	4.62	4.62
Less: On disposals / adjustments during the period	10.80	10.80
As at March 31, 2020	**2.83**	**2.83**
Net carrying amount		
As at March 31, 2020	**0.36**	**0.36**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 8 : Investment in Associate and Joint Ventures

(Currency : ₹ in Lakhs except otherwise specified)

		As At March 31, 2020
Non-Current		
Investments measured at cost		
In equity shares of Associate		
Quoted, fully paid up		
9,000,000 Equity Shares (including 4,500,000 bonus shares) of ₹ 2/- each of Bharat Seats Ltd.		3,399.26
	(A)	**3,399.26**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 Equity shares of ₹ 10/- each of Toyota Boshoku Relan India Pvt. Ltd.		-
750,000 Equity shares of ₹ 10/- each of Toyo Sharda India Pvt. Ltd.		461.01
	(B)	**461.01**
	(A+B)	**3,860.27**

Information about Associate & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	**Proportion (%) of equity interest**
	As At March 31, 2020
Associate	
Bharat Seats Ltd., India, Manufacturing of Seating System	28.66%
Joint Ventures	
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00%
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00%

Aggregate value of unquoted investments	461.01
Aggregate value of quoted investments	3,399.26
Market value of quoted investments	3,186.00
Aggregate value of impairment in the value of investment	-

Note 9 : Other financial assets

(Unsecured and considered good, unless otherwise stated)	As At March 31, 2020
Non- current	
Security Deposits (Refer note below)	40.47
Total (A)	**40.47**
Current	
Interest accrued but not due	231.15
(Refer note 34)	269.64
Security Deposits (Refer note below)	9.80
Total (B)	**510.59**
Total (A+B)	**551.06**

Notes:

Security deposits are not in the nature of loans hence classified as part of other financial assets.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 10 : Non-current tax asset

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Advance Income Tax	17.07
(Net of provision income tax of ₹ 50.40)	
	17.07

Note 11 : Other assets

(Unsecured and considered good, unless otherwise stated)	As At March 31, 2020
Non- Current	
Prepaid Expenses	0.32
Total (A)	**0.32**
Current	
Balance with Government Authorities	31.62
Advances to Suppliers	54.90
Gratuity recoverable (refer note no. 33)	8.32
Prepaid Expenses	20.31
Other Receivable	0.19
Total (B)	**115.33**
Total (A+B)	**115.65**

Note 12: Inventories

(Lower of cost or net realizable value)	As At March 31, 2020
Raw Materials	424.11
Work In Progress	171.26
Consumable Stores and Spares	94.62
	689.99

Note 13 : Trade receivables

	As At March 31, 2020
Unsecured - Considered Good	606.30
- Considered doubtful	4.59
	610.89
Less: Impairment Allowance	4.59
	606.30

Notes:

i) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

ii) Trade receivables includes balance from related party of ₹ 597.78 lakh.

iii) The Company's exposure to credit and currency risk related to trade receivables are disclosed in Note 36.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 14 : Cash and cash equivalents

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Balances with banks:	
- on current account	328.55
- Fixed deposits account with an original maturity of 3 months or less	195.00
Cash on hand:	
- Domestic Currency	0.52
	524.07

Note 15 : Bank balances other than cash and cash equivalents

	As At March 31, 2020
Deposits with original maturity of more than 3 months but less than 12 months	5,948.00
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,138.00
	9,086.00

Note 16 : Equity Share Capital

	As At March 31, 2020
Authorised Share Capital	
6,000,000* equity shares of ₹ 10 each	600.00
Issued, subscribed and fully paid up	
5,946,326* equity shares of ₹ 10 each	594.63
	594.63

* Note: Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2020	
	No. of shares	Amount
Balance as at the beginning of the period	-	-
Issue during the period	10,000	1.00
Increase pursuant to scheme of arrangement (refer note no. 37)	5,946,326	594.63
Reduction pursuant to scheme of arrangement (refer note no. 37)	(10,000)	(1.00)
Balance as at the end of the period	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the period. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the period, no interim dividend has been recognized as distributions to equity shareholders.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

c) Details of shareholders holding more than 5% shares in the Company

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020	
Name of Party	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%
Rohit Relan	700,268	11.78%
Ritu Relan	742,520	12.49%
Mala Relan	520,826	8.76%
Aashim Relan	304,440	5.12%
Sharda Motor Industries Limited #	-	0.00%

Sharda Motor Industries Limited was holding the beneficial ownership of the entire paid up equity shares issued by the company on its incorporation. However the same stands cancelled pursuant to scheme of arrangements. Refer note no. 37.

Note 17 : Other Equity

		Amount
a)	**Capital Reserve**	
	Opening Balance	-
	Add : Balance acquired pursuant to scheme of arrangements (Refer note (i) below)	12,524.56
	Add : Balance acquired pursuant to scheme of arrangements on account of consolidation (Refer note (ii) below)	3,190.13
	Add : Movement during the period (Refer note (ii) below)	1.00
	Balance as at March 31, 2020	**15,715.69**

(i) Pursuant to the NCLT order and as per the scheme of arrangements, Company has recorded assets of ₹15,666.98 Lakh and liabilities of ₹2,547.79 Lakh of Automobile Seating Undertaking at their book values and has issued share capital of ₹ 594.63 Lakh against such assets and liabilities acquired. Difference of net assets acquired and issued share capital is recognized as Capital Reserve.

(ii) Pursuant to arrangement, the investment balances of associate and joint ventures are re-instated from standalone balance sheet to consolidated balance sheet and accordingly balances reinstated from the date of acquisition to the date of arrangement.

(iii) Pursuant to the NCLT order and as per the scheme of arrangements, Capital Reserve of ₹ 1 lakh is created by debiting Company's Equity Share Capital Account with a corresponding credit to Capital Reserve in respect of cancellation of shares held by Sharda Motor Industries Limited.

b) Retained Earnings

Opening Balance	-
Add:- Net Profit for the period	659.06
Items of other comprehensive income directly recognised in retained earnings	
Add:- Remeasurements of post employment benefit obligation, net of tax	(11.94)
Balance as at March 31, 2020	**647.12**

Notes:

1. **Retained Earnings:** Retained earnings represents profit/(losses) that the Company has earned or incurred till date.
2. **Capital Reserve:** Capital Reserve is created on account of balancing figures of assets and liabilities acquired, cancellation of issued and subscribed share capital and issuance of new shares of the Company pursuant to the scheme of arrangement.

Total Other Equity:

As at March 31, 2020	**16,362.81**
a) Capital Reserve	15,715.69
b) Retained Earnings	647.12

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 18 : Other Financial Liabilities

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Current	
Lease liabilities	37.54
Others	74.89
Total	**112.43**
Total (A+B)	**112.43**

Note 19 : Provisions

	As At March 31, 2020
Non- current	
Provision for employee benefits	
Provision for Compensated Absences (refer note 33)	10.38
Provision others	
Provision for warranty*	71.72
Total (A)	**82.10**
Current	
Provision for employee benefits	
Provision for Compensated Absences (refer note 33)	4.05
Provision others	
Provision for warranty*	105.21
Total (B)	**109.26**
Total (A+B)	**191.36**

Provision is made for estimated warranty claims in respect of good sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historical amounts.

***Disclosure for warranty claim payable**	As At March 31, 2020
Provision for warranty claim	
Opening Balance	-
Balance acquired pursuant to scheme of arrangements (refer note no 37)	184.90
Less : Paid during the period	4.47
Less : Amount reversed during the period	3.50
Balance at the end of the period	**176.93**

Note 19.1 Contingent Liabilities

	As At March 31, 2020
(a) Claims against the Company not acknowledged as debts	
i) Labour Court Matter	21.00
ii) Civil - case (Pathredi)	3.59
	24.59

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company is in process of evaluating the impact of recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Note 20 : Other Liabilities

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Current	
Advance from Customers	9.42
Statutory dues	79.78
Others	6.40
Total	**95.60**

Note 21 : Trade payables

	As At March 31, 2020
- Outstanding dues to micro and small enterprises	67.19
- Outstanding dues to parties other than micro and small enterprises	1,495.82
	1,563.01

Notes:

a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 36.

b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2020 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951 are as under:

	As At March 31, 2020
- Principal amount due	61.80
- Interest accrued and due on above	5.39
	67.19
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil
(ii) The 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 2006	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	5.39
(iv) The amount of further interest remaining due and payable even in the succeeding year, 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 section 23 of the MSMED Act 2006	Nil

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

c) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2020.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 22 : Revenue from operations

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Sale of Product	
- Finished goods	9,549.53
Other Operating Revenues	
- Sale of scrap	111.99
Revenue from operations	**9,661.52**

Note 23 : Other income

	For the period from January 01, 2019 to March 31, 2020
Interest Income	
- Fixed deposits with banks	674.66
- Others	36.63
Gain on disposal of property, plant and equipments	2.31
Miscellaneous Income	94.80
	808.40

Note 24 : Cost of Raw Material Consumed

	For the period from January 01, 2019 to March 31, 2020
Raw Material	
Balance at the beginning of the period	-
Add: Balance acquired pursuant to scheme of arrangements (Refer note no.37)	619.36
Add: Purchases during the period	6,910.76
Less: Balances of Raw Material at the end of the period	424.11
Cost of Raw Material Consumption	**7,106.01**

Note 25 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

		For the period from January 01, 2019 to March 31, 2020
Inventories at the beginning of the period		
Work- in- progress		
Inventories at the beginning of the period		-
Add: Balance acquired pursuant to scheme of arrangements (Refer Note No.37)		274.67
	(A)	274.67
Inventories at the end of the period		
Work- in- progress		171.26
	(B)	171.26
(Increase) / Decrease in Inventory (A-B)		**103.41**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 26 : Employee benefits expense

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Salaries, wages & other benefits	410.82
Contribution to provident and other funds	30.41
Gratuity (refer note 33)	9.78
Staff welfare expenses	41.92
	492.93

Note 27 : Finance cost

	For the period from January 01, 2019 to March 31, 2020
Interest Expense	10.66
Interest on Lease liabilities	4.82
	15.48

Note 28 : Depreciation and amortization expense

	For the period from January 01, 2019 to March 31, 2020
Depreciation on property, plant and equipment	688.05
Amortization of intangible assets	4.62
Depreciation on right to use assets	44.87
	737.54

Note 29 : Other expenses

	For the period from January 01, 2019 to March 31, 2020
Consumable tools	92.70
Power & fuel	172.37
Hire labour charges	897.72
Manufacturing expenses	12.23
Rent, rates & taxes	44.80
Repair & maintenance	
-Repair to building	57.70
-Repair to plant & equipments	138.47
-Repair others	71.97
Travelling & conveyance	11.36
Insurance	14.33
Communication cost	5.03
Legal & professional expenses	22.90
Packing material	2.38
Freight outward	56.66
Auditor's remuneration (refer details 'a' below)	13.25
Provision for doubtful debts	4.59
Management support supply services	284.08
Miscellaneous expenses	122.76
Total	**2,025.30**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

a) Details of payment made to auditors is as follows: (Currency : ₹ in Lakhs except otherwise specified)

Payment to auditors	For the period from January 01, 2019 to March 31, 2020
As auditor:	
- Audit fee	9.75
- Tax audit fee	1.00
In Other Capacity:	
- Certification Fees	0.10
- Other matter	1.95
- Reimbursement of Expenses	0.45
	13.25

* Tax audit fee has been provided for auditor other than Statutory Auditors for current period.

Note 30: Income Tax

The major components of income tax expense for the period from January 01, 2019 to March 31, 2020 are as below:

30.1 Income tax recognised in profit or loss

	As At March 31, 2020
Current tax	
a) In respect of current period	50.40
b) Adjustments in respect of current income tax of previous period	-
	50.40
Deferred tax	
In respect of current period	(117.49)
	(117.49)
Income tax expense recognised in the current period	**(67.09)**

The income tax expense for the period can be reconciled to the accounting profit as follows:

	As At March 31, 2020
Profit/(Loss) before tax	**(10.75)**
Tax at the Indian Tax Rate of 25.17%	(2.71)
Property, Plant & Equipment	(66.15)
Effect of expenses that are not deductible in determining taxable profit	16.77
Effect of income that are exempt in determining taxable profit	-
Others	(15.01)
Tax expenses recognised in statement of profit or loss	**(67.09)**

The tax rate used for the current period reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

30.2 Income tax recognised in other comprehensive income

(Currency : ₹ in Lakhs except otherwise specified)

	As At March 31, 2020
Deferred tax assets / (liabilities)	
Arising on income and expenses recognised in other comprehensive income	
Remeasurement of defined benefit obligation	3.89
Total tax recognised in other comprehensive income	**3.89**
Bifurcation of the income tax recognised in other comprehensive income into : -	
- Items that will not be reclassified to profit or loss	3.89
- Items that may be reclassified to profit or loss	-
	3.89

Note 31: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

	As At March 31, 2020
Deferred tax assets	127.69
Deferred tax liabilities	2.09
Net deferred tax Assets/(liabilities)	**125.60**

	Opening Balance	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2020
Deferred tax assets				
Property, plant and equipment and Intangible assets	-	109.14	-	109.14
Expenses deductible in future years	-	18.55	-	18.55
Total deferred tax assets	**-**	**127.69**	**-**	**127.69**
Deferred tax liabilities				
Defined Benefit Obligation	-	10.20	(8.11)	2.09
Total deferred tax liabilities	**-**	**10.20**	**(8.11)**	**2.09**
Net deferred tax (liabilities)/Assets	**-**	**117.49**	**8.11**	**125.60**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 32 : Earnings per share (EPS)

	As At March 31, 2020
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	659.06
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers in lakhs) **(B)**	**59.46**
Basic earnings per share (in ₹) - (A/B)	**11.08**
Diluted earnings per share (in ₹) - (A/B)	**11.08**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Note 33 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the period recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

(Currency : ₹ in Lakhs except otherwise specified)

	For the period from January 01, 2019 to March 31, 2020
Employer's Contribution to Provident Fund/ Pension Fund	25.31
Employer's Contribution to Employee State Insurance	4.53
Employer's Contribution to Employee Welfare Fund	0.57
Total	**30.41**

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

b) Defined benefit plans

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

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on period end actuarial valuation.

(Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the period *	133.61	29.73
Acquisition Adjustment		
Add: Interest cost	12.02	2.68
Add: Current service cost	8.50	4.35
Add: Past Service cost	-	-
Less: Benefits paid	(43.62)	(3.97)
Add: Actuarial (gain) / loss		
- Demographic assumptions	0.01	0.00
- Financial assumptions	2.16	0.32
- Experience adjustments	(50.35)	(18.68)
Present value of obligation as at the end of the period	**62.33**	**14.43**

*** Liability of Employees transferred to demerged entity NDR Auto Components Limited from Sharda Motor Industries Limited (Refer NCLT Order dated 20.02.2020)**

d) Components of expenses recognised in the statement of profit or loss for the period in respect of:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	8.50	4.35
Past service cost	-	-
Interest cost	12.02	2.68
Interest income	(10.75)	-
Remeasurements	-	(18.36)
Return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses recognised in profit/loss (Refer Note Below)	**9.77**	**(11.33)**

e) Components of expenses recognised in the other comprehensive income for the period in respect of:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses		
- changes in demographic assumptions	0.01	0.00
- changes in financial assumptions	2.16	0.32
- experience variance	(50.35)	(18.68)
Return on plan assets, excluding amount recognised in net interest expense	15.95	-
Component of defined benefit costs recognised in other comprehensive income	**(32.23)**	**(18.36)**

Notes:

(i) The current service cost and the interest expense for the period are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

f) Changes in the fair value of the plan assets are as follows: (Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	119.48	-
Add: Investment income	10.75	-
Add: Expected return on plan assets	(15.95)	-
Add: Employer's Contribution	-	-
Add: Employee's Contribution	-	-
Less: Benefits paid	(43.62)	-
Add: Actuarial gains / (losses) on the plan assets	-	-
Fair value of plan assets at the end	**70.66**	**-**

*** Assets of Employees transferred to demerged entity NDR Auto Components Limited from Sharda Motor Industries Limited (Refer NCLT Order dated 20.02.2020)**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions		
1 Discount rate	6.40%	6.40%
2 Salary increase rate	10.00%	10.00%
Demographic assumptions		
1 Average outstanding service of employees upto retirement	21.27	21.27
2 Retirement Age (years)	58	58
3 Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	
Withdrawal Rate		
1 Ages up to 30 years	20.00%	20.00%
2 Ages from 30-44 years	20.00%	20.00%
3 Above 44 years	20.00%	20.00%

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

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	62.33	14.43
Fair value of plan assets	70.66	-
Net (assets) / liability	**(8.33)**	**14.43**
Classification into long term and short term:		
- Classified as long term	-	10.39
- Classified as short term	(8.33)	4.05
Total	**(8.33)**	**14.43**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

(Currency : ₹ in Lakhs except otherwise specified)

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in Discount Rate	(2.68)	(0.39)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	2.93	0.42
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	2.79	0.40
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(2.62)	(0.39)
C. Mortality rate		
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2020	
	Gratuity (Funded)	Earned leave (Unfunded)
1 year	10.56	4.05
2 to 5 years	29.07	7.69
More than 5 years	22.70	2.70

k) Enterprise best estimate of contribution during next year is NIL

Note 34 : Related party transactions

a) Names of related parties and description of relationship:

Name of the Related Party	Nature of Relationship
a) Bharat Seats Limited	Associate Company
a) Toyo Sharda India Pvt. Ltd. b) Toyota Boshoku Relan India Private Limited.	Joint Ventures
a) Mrs. Sharda Relan (Director) b) Mr. Ajay Relan (Director) c) Mr. Dharam Asrey Agarwal (Director)	Key Managerial Personnel
a) Sharda Enterprises b) Sharda Motor Industries Ltd.* c) Ajay Relan (HUF)	Enterprises over which Key Managerial Personnel are able to Exercise Significant Influence

* Pursuant to the effect of Scheme of Arrangement between Sharda Motor Industries Limited ("Demerged Company") and NDR Auto Components Limited ("Resulting Company") and their respective Shareholders ("Scheme") and Creditor as approved by The Hon'ble National Company Law Tribunal (NCLT) New Delhi, Sharda Motor Industries Limited ("Demerged Company") has ceased to be Holding Company.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

b) Transactions during the period and closing balances: (Currency : ₹ in Lakhs except otherwise specified)

S. No.	Nature of Transactions	Associate Company	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Joint Venture	Key Management Personnel
i)	**Sale of goods during the period**				
	- Bharat Seats Ltd.	9,549.53	-	-	-
ii)	**Rent paid during the period**				
	-Sharda Enterprises	-	22.50	-	-
iii)	**Sale of property, plant & equipments**				
	-Bharat Seats Ltd.	3.83	-	-	-
iv)	**Purchase of goods during the period**				
	-Toyo Sharda India Pvt. Ltd.	-	-	1.32	-
	-Bharat Seats Ltd.	26.13	-	-	-
v)	**Management Services received**				
	-Sharda Motor Industries Ltd.	-	284.08	-	-
viii)	**Balance Payable**				
	-Ajay Relan	-	-	-	7.06
	-Bharat Seats Ltd.	8.78			
vi)	**Balance Receivable**				
	-Sharda Motor Industries Ltd.	-	269.64	-	-
	-Bharat Seats Ltd.	597.78	-	-	-

Note:

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current period in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 35 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing of auto component parts, which is considered to be the only business reportable segment. further, the Company operates only in one geographical segment - India

2. Major Customer: Revenue from one customer of the Company's manufacturing business are ₹ 9,549.53 lakhs which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue during the period.

Note 36 : Financial instruments - fair values and risk management

36.1 Financial instruments by category and fair values

	As At March 31, 2020		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Non-current			
Investments in equity instrument *	-	-	-
Other financial assets			
- Security deposits	-	-	40.47

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Current			
Trade receivables	-	-	606.30
Cash and cash equivalents	-	-	524.07
Bank balances other than above	-	-	9,086.00
Other financial assets			
- Security Deposit	-	-	9.80
- Interest accrued on fixed deposits	-	-	231.15
- Receivable from related parties	-	-	269.64
Total	**-**	**-**	**10,767.42**
Financial liabilities			
Current			
Trade payables	-	-	1,563.01
Other financial liabilities			
- Lease Liability	-	-	37.54
- Others	-	-	74.89
Total	**-**	**-**	**1,675.45**

* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75.50 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as on 31st March, 2020

	As At March 31, 2020			
	Carrying Value	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Assets carried at amortised cost for which fair values are disclosed				
Trade receivables	606.30	-	-	606.30
Cash and cash equivalents	524.07	-	524.07	-
Bank balances other than above	9,086.00	-	9,086.00	-
Other financial assets	551.06	-	-	551.06
Liabilities carried at amortised cost for which fair values are disclosed				
Trade payables	1,563.01	-	-	1,563.01
Lease Liability	37.54	-	-	37.54
Others	74.89	-	-	74.89

36.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(i) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(ii) Fair value of trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

Discount rate used in determining fair value

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

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

36.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows: (Currency : ₹ in Lakhs except otherwise specified)

	March 31, 2020
Total liabilities	1,962.40
Less: Cash and Cash equivalents	524.07
Adjusted net debt	1,438.33
Total equity	16,957.44
Equity & net debt	18,395.78
Adjusted net debt to equity ratio	0.08

36.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, security deposit and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision.

A. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2020	-	603.29	3.01	606.30

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2020
Investments	-
Security deposits	50.27
Interest accrued on fixed deposits	231.15
Receivable from related parties	269.64
Total	**551.06**

C. Liquidity risk

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

The Company's primary sources of liquidity include cash deposits, short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2020, Company doesn't have any outstanding borrowing.

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

(Currency : ₹ in Lakhs except otherwise specified)

March 31, 2020	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Trade payables	1,563.01	1,563.01	1,563.01	-	-
Lease Liability	37.54	37.54	37.54	-	-
Other Financial Liabilities	74.89	74.89	74.89		
	1,675.45	1,675.45	1,675.45	-	-

Note 37: Pursuant to the National Company Law Tribunal (NCLT) order, dated February 20, 2020, the Automobile Seating Business of Sharda Motor Industries Limited (SMIL) has been demerged into NDR Auto Components Limited (Resulting Company or NACL) w.e.f December 31, 2018, being the appointed date and pursuant to NCLT order NDR Auto Components Limited ceased to Subsidiary of Sharda Motor Industries Limited (Demerged Company) w.e.f the appointed date.

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 between Sharda Motor Industries Limited (SMIL) ("the demerged company") and NDR Auto Components Limited (NACL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT), Delhi on February 20, 2020:

a) NACL has recorded the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.

b) NACL has credited its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL in the following proportion:

for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date i.e. March 27, 2020 , the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL"

c) In respect of cancellation of shares held by SMIL, NACL has debited to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL.

d) The difference between a) and b) above has been recorded as Capital Reserve.

Summary of assets and liabilities transferred from SMIL to NACL pursuant to demerger are as under:

S. No.	Particulars	As at December 31, 2018
I	**Assets**	
	Non Current Assets	
	a) Property, plant and equipment	3,988.26
	b) Capital work in progress	6.50
	c) Intangible assets	8.02
	d) Financial assets	
	i) Investments	165.50
	ii) Other Financial Assets	49.85
	Total non-current Assets	**4,218.13**

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

	Current Assets	
	a) Inventories	945.49
	b) Financial Assets	
	i) Investments	1,427.33
	ii) Trade Receivables	1,739.12
	iii) Cash and cash equivalents	1,246.11
	iv) Bank balances other than (iii) above	6,071.56
	v) Other financial assets	8.84
	c) Other current assets	10.32
	d) Asset classified as held for sale	0.08
	Total Current Assets	**11,448.85**
	Total Assets	**15,666.98**
II	**Liabilities**	
	Non-current liabilities	
	a) Provisions	14.73
	b) Other non-current liabilities	183.55
	Total Non-current liabilities	**198.28**
	Current Liabilities	
	a) Financial liabilities	
	i) Trade payables	
	· Total outstanding dues to micro and small enterprises	-
	· Total outstanding dues to parties other than micro and small enterprises	2,074.39
	ii) Other financial liabilities	1.38
	b) Other current liabilities	244.61
	c) Provisions	29.13
	Total Current liabilities	**2,349.51**
	Total Liabilities	**2,547.79**

Details of contingent liabilities pertaining to Automobile Seating Undertaking

Details of Contingent Liabilities of Seating Business	
As on December 31, 2018	
Excise Matter	2.96
Labour Court Matter	23.28
Total	**26.24**
Other Civil Case	
Civil - case (Pathredi)	3.59
Total	**3.59**

Note 38 : Leases

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs. 80.79 Lakhs and related accumulated depreciation amounting to Rs. 44.87 Lakhs charged in the current period, to the equivalent amount of lease liabilities amounting to Rs. 80.79 Lakhs as at April 01, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019, which is 8.25% for measuring the lease liability.

The company has recognised the lease payments as an operating expense on a straight line basis for the 3 months period ended March 31, 2019. The rental expenses charged to the statement of Profit & Loss account are Rs. 34.18 Lakhs for the period from January 1, 2019 to March 31, 2019.

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(A) Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 01, 2019:

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Amount
Total Lease commitments as at March 31, 2019	86.80
Present Value of Lease commitments as at April 01, 2019	80.79
Lease liabilities as on April 01, 2019	80.79
Add: Accretion of interest	4.82
Less: Principal repayment of lease liability	43.25
Less: Interest payment of lease liability	4.82
Balance as on March 31, 2020	37.54
Current lease liability	37.54
Non current lease liabilities	-

Right of use assets of Rs. 80.79 Lakhs and lease liabilities of Rs. 80.79 Lakhs have been recognised as on April 01, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 (increase /(decrease)):

Particulars	Note No.	March 31, 2020	April 01, 2019
Assets			
Rights of use	6	35.92	80.79
Deferred tax assets	31	(0.41)	
		35.51	**80.79**
Equity			
Other equity			
Retained Earnings	17	(2.02)	
Non- Current liabilities			
Financial liabilities			
-lease liability		-	37.54
Current liabilities*			
Financial liabilities			
-lease liability	18	37.54	43.25
Total equity and liabilities		**35.52**	**80.79**
Expenses			
Finance cost		4.82	-
Depreciation and amortisation expense		44.87	-
Other expenses		(48.07)	-
Total Expense		**1.62**	**-**
Profit before tax		**(1.62)**	**-**
Tax Expense			
Deferred tax		(0.41)	-
Profit after tax		**(2.02)**	**-**

Additions to right-of-use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

Particulars	As At March 31, 2020
Right-of-use assets	80.79
	80.79

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

(B) Carrying value of right of use assets at the end of the reporting period by class

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Land & Building	Total
Balance at April 01, 2019	80.79	80.79
Depreciation charge for the 12 months period ended March 31, 2020	(44.87)	(44.87)
Balance at March 31, 2020	**35.92**	**35.92**

(C) Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	As At March 31, 2020
Less than one year	38.73
One to five years	-
More than five years	-
Total undiscounted lease liabilities at March 31, 2020	**38.73**
Lease liabilities included in the statement of financial position as at March 31, 2020	**37.54**
Current	**37.54**
Non-Current	-

(D) Amounts recognised in profit or loss

Particulars	For the period form April 01, 2019 to March 31, 2020
Interest on lease liabilities	4.82
Depreciation charge for right-of-use assets by class of underlying asset;	44.87
Expenses relating to leases	**49.69**

(E) Amounts recognised in the statement of cash flows

Particulars	For the period form April 01, 2019 to March 31, 2020
Total cash outflow for leases	48.07

Note 39: Alignment of accounting policy for consolidation

In case of Toyo Sharda India Private Limited, the joint venture, depreciation on property, plant and equipment has been provided on straight line method as per the rates prescribed in Schedule II of the Companies Act, 2013 which is inconsistent with the written down value method of depreciation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

Note 40 : Disclosure of the additional information as required by the Schedule III:

S. No.	Name of Company	Relationship	Ownership Interest	Country of Residence
1	Bharat Seats Limited	Associate	28.66%	India
2	Toyota Boshoku Relan India Pvt. Ltd.	Joint Venture	50.00%	India
3	Toyo Sharda India Pvt. Ltd.	Joint Venture	50.00%	India

Notes to the consolidated financial statements for the period from January 01, 2019 to March 31, 2020

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Associates/ Joint Ventures.

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Net Assets (i.e. Total Assets minus Total Liability)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
NDR Auto Components Limited	78.21%	13,262.67	8.71%	56.34	-3.73%	(24.11)	4.98%	32.23
Indian Associates (Investment as per Equity Method)								
Bharat Seats Ltd	19.52%	3,309.26	76.15%	492.81	-77.15%	9.21	77.58%	502.02
Indian Joint Ventures (Investment as per Equity Method)								
Toyota Boshoku Relan India Pvt. Ltd	0.00%	(0.50)	-0.06%	(0.38)	0.00%	-	-0.06%	(0.38)
Toyo Sharda India Pvt. Ltd., India	2.28%	386.01	16.73%	110.29	-24.80%	2.96	17.50%	113.25
Total		**16,957.44**		**659.06**		**(11.94)**		**647.12**

Note 41: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 42: Events occurring after balance sheet date

There are no major events which has occurred after the balance sheet date.

Note 43: Due to the nationwide lockdown in March 2020, the Company temporarily suspended its operations in compliance with lockdown instructions. COVID-19 has impacted the normal business operations of the Company by way of interruptions in production, supply chain and production facilities etc. during the lock down period extended till May 31, 2020. However, productions and supply of goods has gradually commenced in months of May and June 2020 at the manufacturing locations after obtaining permissions from the appropriate government authorities.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the liquidity position to continue operations for the next year and carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets will get recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial statements. Given the nature of the pandemic, the Company will continue to monitor developments to identify and manage any significant uncertainties relating to its future economic outlook.

Note 44: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

Note 45: Note no. 1 to 45 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524778AAAACT7589

Place of Signature : New Delhi
Date : October 23, 2020

For and on behalf of the Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Whole Time Director & Chief Financial Officer
DIN 07720007

(Rohit Relan)
Director
DIN 00257572

(Ashutosh Vedi)
Company Secretary
Membership Number A60721

If undelivered, please return to:

NDR AUTO COMPONENTS LIMITED
CIN: U29304DL2019PLC347460
Registered Office: Level-5, Regus Caddie Commercial Tower,
Hospitality District Aerocity, IGI Airport, New Delhi 110037
Tel.: +91 11 66544976Email: cs@ndrauto.com
Website: www.ndrauto.com