



# NDR AUTO COMPONENTS LIMITED

**Corporate office:** Plot No.1, Maruti Joint Venture Complex, Gurugram, Haryana-122015

**CIN:** L29304DL2019PLC347460

**Email id:** contact@nacl.co.in

**Website:** www.ndrauto.com

**Phone No.:** 9643339870-74

6<sup>th</sup> June, 2022

BSE Limited Corporate Relationship Department PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Scrip Code: 543214	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Trading Symbol: NDRAUTO
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**Sub: Notice of 3<sup>rd</sup> Annual General Meeting (AGM) along with the Annual Report for the year ended 31<sup>st</sup> March, 2022, book closure, cut-off date and e-voting dates**

Dear Sir,

Pursuant to Regulation 34 and 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the schedule III and section 91 of the Companies Act, 2013, please find enclosed the Notice for the 3<sup>rd</sup> Annual General Meeting of NDR Auto Components Limited scheduled to be held on 30<sup>th</sup> June, 2022 at 11 a.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) and along with Annual Report for the year ended 31<sup>st</sup> March, 2022, which is being sent to Shareholders. The same is also available on the website of the Company at [www.ndrauto.com](http://www.ndrauto.com)

The Schedule of events is as follows:

Event	Date with Time
Pursuant to Regulation 42 of SEBI (LODR) Regulations, 2015, Book Closure for the purpose of 3 <sup>rd</sup> AGM and payment of dividend, if any declared in the ensuing AGM	24 <sup>th</sup> June, 2022 to 30 <sup>th</sup> June, 2022 (both days inclusive)
Cut-off date for e-voting	23 <sup>rd</sup> June, 2022
Remote E- Voting start date	27 <sup>th</sup> June, 2022 from 9:00 a.m.
Remote E- Voting end date	29 <sup>th</sup> June, 2022 till 5:00 p.m.
Annual General Meeting (along with e-voting)	30 <sup>th</sup> June, 2022 at 11:00 a.m.

This is for your information and record.



For NDR Auto Components Limited

*Rajat Bhandari*  
Rajat Bhandari

Executive Director and Company Secretary

DIN: 02154950

**Registered office:** Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI  
Airport, New Delhi 110037 **Tel.:** +91 011-6654 4976



**3<sup>RD</sup> ANNUAL  
REPORT  
2021-2022**

**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 Whole Time Director (DIN: 07716326)
9. Mr. Rajat Bhandari Executive Director and Company Secretary (DIN: 02154950)

**Corporate Identity Number**

CIN: L29304DL2019PLC347460

**Bankers**ICICI Limited  
HDFC Bank Limited  
Yes Bank Limited**Registered Office**Level-5, Regus Caddie Commercial Tower Hospitality District Aerocity,  
IGI Airport New Delhi South West Delhi DL 110037 IN**Works**

- Plot No. 8, Sector 37, Gurugram, Haryana
- C506, Block-C, Pioneer Industrial Park (Village Bhudaka), Pathredi, Gurugram, Haryana

**Auditors**

S.S. Kothari Mehta &amp; Company, 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**

Mr. Rajat Bhandari

**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, Delhi 110062,  
Phone: +911129961281  
Email id: beetal@beetalfinancial.com  
www.beetalfinancial.com**E-Mail and Website**

cs@ndrauto.com, www.ndrauto.com

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**NDR AUTO COMPONENTS LIMITED**

CIN: L29304DL2019PLC347460

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

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**NOTICE**

**NOTICE is hereby given that the Third Annual General Meeting (AGM) of the members of NDR Auto Components Limited (“the Company”) will be held on Thursday, 30th June, 2022 at 11 a.m. through Video Conferencing (‘VC’) / other Audio Visual Means (‘OAVM’), to transact the following businesses:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2022 together with the reports of the Board of Directors and Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2022 and Auditor’s report thereon and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2022 including the audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”

2. To declare dividend of Rs. 2.50/- per Equity Share for the financial year ended on 31st March, 2022 and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the recommendation of the Board of the directors of the Company, dividend at the rate of Rs. 2.50/- per Equity Share of Rs. 10/- each on the paid up equity share capital of the Company be and is hereby declared to be paid to the members of the Company.”

3. To appoint Mr. Rishabh Relan (DIN: 07726444), who retires by rotation at this Annual General Meeting as Director and being eligible, offers himself for re-appointment and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Rishabh Relan (DIN: 07726444), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint Mr. Pranav Relan (DIN: 07177944), who retires by rotation at this Annual General Meeting as Director and being eligible, offers himself for re-appointment and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Pranav Relan (DIN: 07177944), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESSES:**

5. **Related Party Transactions with Bharat Seats Limited**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval be and is hereby accorded to the Board of Directors of the Company to enter into any type/nature of transactions as detailed below by way of entering into contract(s)/ arrangement(s)/ transaction(s) with Bharat Seats Ltd., being related party within the meaning of Section 2(76) of the Act and Listing Regulations, which is exceeding 10% of the turnover of the Company for financial year 2022-23 onwards on such terms and conditions as the Board of Directors may deem fit:

- I. Sale of products, goods, materials, assets or services or services including reimbursement of expenses, up to a maximum aggregate value of Rs. 350 Crore in a Financial Year, and/or
- II. Purchase of goods, tools or any asset up to a maximum aggregate value of Rs. 50 Crore in a Financial Year.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

**6. Related Party Transactions with Toyo Sharda India Private Limited:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval be and is hereby accorded to the Board of Directors of the Company to enter into any type/nature of transactions as detailed below by way of entering into contract(s)/ arrangement(s)/ transaction(s) with Toyo Sharda India Private Limited, being related party within the meaning of Section 2(76) of the Act and Listing Regulations, which is exceeding 10% of the turnover of the Company for financial year 2022-23 onwards on such terms and conditions as the Board of Directors may deem fit:

I. Purchase, sale or supply of goods and materials, up to a maximum aggregate value of Rs. 100 Crore in a Financial Year

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

For **NDR AUTO COMPONENTS LIMITED**

**Rajat Bhandari**

**Executive Director and Company Secretary**

**DIN: 02154950**

**Date** : May 10, 2022

**Place** : Gurugram

**NOTES:**

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in regard to the special business as set out under item no. 5 and item no.6 and the relevant details pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment(s)/ re- appointment at this Annual General Meeting (“AGM”) are annexed.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (“MCA”) issued General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 10/2021 dated 23<sup>rd</sup> June, 2021, 20/2021 dated 8th December 2021, 21/2021 dated 14th December 2021 and 03/2022 dated 5<sup>th</sup> May, 2022, respectively, (“MCA Circulars”) allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”) facility on or before 31<sup>st</sup> December, 2022. In accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020 and in compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 3<sup>rd</sup> AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 3<sup>rd</sup> AGM shall be registered office of the Company.
3. Corporate members are requested to send at [beetalrta@gmail.com](mailto:beetalrta@gmail.com) or [cs@ndrauto.com](http://cs@ndrauto.com) before e-voting/ attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> June, 2022 to 30<sup>th</sup> June, 2022 both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2021-2022, if declared.
5. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting, will be credited/ dispatched between 30<sup>th</sup> June, 2022 and 29<sup>th</sup> July, 2022 to those shareholders whose names appear in the Register of Members on 23<sup>rd</sup> June, 2022. In case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, i.e. National Securities Depository Limited and Central Depository Services(India) Limited as on the close of business hours on 23<sup>rd</sup> June, 2022.
6. Members who hold shares in dematerialised form may kindly note that their Bank Account details, registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, BEETAL Financial & Computer Services Pvt Ltd. cannot act on any request received directly from the members holding shares in dematerialised form, for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
7. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend, are requested to notify the Company/ BEETAL Financial & Computer Services Pvt Ltd.

8. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid dividend account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividend if not encashed for a consecutive period of 7 (seven) years are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company within the stipulated time line.
9. Members may note that, in terms of the Listing Regulations equity shares of the Company can only be transferred in dematerialised form.
10. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1<sup>st</sup> January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://ndrauto.com/investor-service-request/>
11. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
12. Members holding shares in electronic mode:
  - a. are requested to submit their PAN and Bank account details to their respective DPs with whom they are maintaining their demat accounts.
  - b. are advised to contact their respective DPs for registering the nomination.
  - c. are requested to register/ update their email address with their respective DPs for receiving all communications from the Company electronically.
13. Electronic copy of the Notice of the Third Annual General Meeting and Annual Report for 2021-2022 is being sent to all the members whose email IDs are registered with the Company/Depository Participant.
14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [cs@ndrauto.com](mailto:cs@ndrauto.com).
15. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Transfer Agents, BEETAL Financial & Computer Services Pvt Ltd., under the signature of the Sole/ First Joint holder, the following information to be incorporated on dividend warrants:
  - a. Name of the Sole/ First joint holder and the Folio Number.
  - b. Particulars of Bank Account, viz.: Name of the Bank Name of the Branch  
Complete Address of the Bank with Pin Code Number  
Account Type, whether Saving Account (SA) or Current Account (CA) Bank Account Number
16. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 7 days before the Annual General Meeting. The Company has designated an exclusive e-mail ID namely, [cs@ndrauto.com](mailto:cs@ndrauto.com) for receiving and addressing investors' grievances.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cutoff date i.e. 23<sup>rd</sup> June, 2022, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. (IST) on 27<sup>th</sup> June, 2022 and will end at 5.00 p.m. (IST) on 29<sup>th</sup> June, 2022. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members who are present in the AGM through video conferencing facility and have not cast their vote by remote e-voting shall be eligible to vote at the AGM through e-voting system. (Refer serial no. 20 for detailed procedure to vote through e-voting). Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e- voting for the resolutions are requested to refer the instructions provided at serial no. 20 and 21.
18. The Company has appointed Mr. R.S. Bhatia, Company Secretary in Practice, (Membership Number: FCS 2599, CP No. 2514) and failing him, Mr. Hardev Singh, Company Secretary in Practice, (Membership Number: FCS 6673, CP No.3317) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

19. The facility of casting the votes by the members using an electronic voting system will be provided by Central Depository Services (India) Limited (CDSL).

20. The instructions for the shareholders for remote e-voting and joining virtual meeting are as under:

- I. The voting period begins on Saturday at 09:00 a.m. on 27th June, 2022 and will end on Tuesday at 5:00 p.m. on 29th June, 2022. During the period shareholders' of the Company, holding shares either in physical form or in Dematerialized form, as on the Cut-off date i.e. 23rd June, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting would not be entitled to vote during the meeting.
- III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting is in progress as per the information provided by company. On clicking the e voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue to login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 224 430</p>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue to login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533</p>

V. Login method for e-Voting for **shareholders other than Individual shareholders & physical shareholders.**

- a) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- b) Click on "Shareholders" module.
- c) Now enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



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

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

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

- VI. 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.
- VII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- VIII. Click on the EVSN for the relevant (NDR Auto Components Limited) on which you choose to vote
- IX. 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.
- X. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XI. 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.
- XII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XIII. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- XIV. 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.
- XV. Facility for Non – Individual Shareholders and Custodians – For remote voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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](mailto:cs@ndrauto.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**21. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM AND E-VOTING DURING MEETING ARE AS UNDER:**

- a. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- e. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f. 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.
- g. 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 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@ndrauto.com](mailto:cs@ndrauto.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id [cs@ndrauto.com](mailto:cs@ndrauto.com)). These queries will be replied to by the Company suitably by email.
- h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- i. 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.
- j. 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.

### **22. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES**

- a. For members holding shares in physical form - 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 [beetalrta@gmail.com](mailto:beetalrta@gmail.com).
- b. For members holding shares in demat form- please update your email id and mobile number with your respective Depository participant (DP) which is mandatory while e-voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi**, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call on 1800225533.

- 23. In compliance with the aforesaid MCA Circulars SEBI Circulars dated January 15, 2021 read with SEBI Circular dated May 12, 2020, Notice of the AGM with Annual Report 2021-22 is being sent only through electronic mode and instructions for e-voting, are being sent by electronic mode to all the members whose email addresses are registered with the Company / Depository Participant(s).
- 24. Members may also note that the Notice of the 3rd AGM and the Company's Annual Report 2021-22 will be available on the Company's website at [www.ndrauto.com](http://www.ndrauto.com) and on the website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- 25. A copy of Audited Financial Statements (Standalone and Consolidated) for the year ended on March 31, 2022 together with the Board's and Auditor's Report thereon are enclosed herewith.
- 26. As required under Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting issued by ICSI, the relevant details of Directors retiring by rotation and/or seeking appointment/re-appointment at the ensuing AGM are furnished as Annexure A to this notice of AGM. The Directors have furnished consent/ Declaration on their appointment/ reappointment as required under the Companies Act, 2013 and the Rules made there under.

27. Members may please note the following:

After discussion on the resolutions on which voting is to be held, the Chairman shall allow members who are attending the AGM to cast their vote electronically but have not cast their votes by availing the remote e- voting facility earlier.

The Scrutinizer shall after the conclusion of voting at AGM, will submit consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare results (consolidated) within 48 (Forty Eight) hours from the conclusion of the AGM.

The Results of voting along with Scrutinizer's Report(s) will be published on the website of the Company www.ndrauto.com and on Service Provider's website i.e. www.evotingindia.com within 48 (Forty Eight) hours from the conclusion of the AGM and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Ltd.

28. An explanatory statement pursuant to Section 102 of the Companies Act, 2013("Act") in respect of the Special Businesses 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 is also annexed.

For **NDR AUTO COMPONENTS LIMITED**

**Date** : May 10, 2022

**Place** : Gurugram

**Rajat Bhandari**  
**Executive Director and Company Secretary**  
**DIN: 02154950**

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

**Item No. 5 & 6:**

In accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions require prior approval of the Audit Committee and all material Related Party Transactions require approval of the shareholders through Ordinary Resolution. A transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees one thousand crores, whichever is less. Section 188 of the Companies Act, 2013 deals with Related party Transactions and Sub section (1) of Section 188 of the Companies Act, 2013 provides that nothing in this sub section shall apply to any transactions entered into by the Company with Related party, which are in its ordinary course of business, other than transactions which are not on arm's length basis. In our Company, all the related party transactions are in the ordinary course of business and at arm's length basis. Therefore, the approval under section 188 of the Companies Act is not required. Keeping in view the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intent of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company have approved in their respective meetings held on 10<sup>th</sup> March, 2022 and recommended for seeking the approval of the shareholders for the financial year 2022-23 and onwards for the following transaction(s):

**DETAILS OF CONTRACT(S)/ ARRANGEMENT(S)**

Sr. no.	Description			
a.	Type, material terms and particulars of the proposed transaction	Sale of products, goods, materials, assets or services or services including reimbursement of expenses	Purchase of goods, tools or any asset	Sale Purchase or supply of Goods and material
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Bharat Seats Limited, an associate Company	Bharat Seats Limited, an associate Company	Toyo Sharda India Private Limited, a Joint Venture
c.	Tenure of the proposed transaction (particular tenure shall be specified)	Ongoing and perpetual transaction	Ongoing and perpetual transaction	Ongoing and perpetual transaction
d.	Value of the proposed transaction	Upto a maximum of Rs. 350 Crores per annum	Upto a maximum of Rs. 50 Crores per annum	Upto a maximum of Rs. 100 Crores per annum

**NDR AUTO COMPONENTS LIMITED**

e.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	151%	22%	43%
f.	Justification as to why the RPT is in the interest of the listed entity	The Company, being an associate of Bharat Seats Limited (BSL) is doing transactions with BSL since its inception in an ordinary course of business and on arm's length basis, based on transfer pricing study conducted by external agency, within the limits approved by Audit Committee and shareholders in their respective meetings held on 10 <sup>th</sup> August, 2021 and 22 <sup>nd</sup> September, 2021 and subsequently by Audit Committee in its meeting held on 10 <sup>th</sup> March, 2022. Now, these enhanced limits to be approved by Shareholders.	The Company, being a Joint Venture of Toyo Sharda India Private Limited (TSIL) is doing transactions with TSIL since its inception in an ordinary course of business and on arm's length basis, based on transfer pricing study conducted by external agency, within the limits approved by Audit Committee and shareholders in their respective meetings held on 10 <sup>th</sup> August, 2021 and 22 <sup>nd</sup> September, 2021 and subsequently by Audit Committee in its meeting held on 10 <sup>th</sup> March, 2022. Now, this enhanced limits to be approved by Shareholders.	
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not required	Not required	Not required
h.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	44%	6%	185%
i.	Any other information that may be relevant	-	-	-

Except Mr. Rohit Relan, Ms. Shyamla Khara, Mr. Rishabh Relan, Mr. Pranav Relan and Mr. Ayush Relan none of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The related parties namely Mr. Rohit Relan, Mr Rishabh Relan, Ms. Shyamla Khara (for item No. 5) shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

The related parties namely Mr. Rohit Relan, Mr. Ayush Relan and Mr. Rajat Bhandari (for item No. 6) shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

The Board of Directors of the Company recommends the Resolution(s) as set out in item no. 5 & 6 above for approval of members by way of Ordinary Resolution.

For **NDR AUTO COMPONENTS LIMITED**

**Date** : May 10, 2022  
**Place** : Gurugram

**Rajat Bhandari**  
**Executive Director and Company Secretary**  
**DIN: 02154950**

**Annexure A**

**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:

<b>Name of Directors</b>	<b>Mr. Rishabh Relan</b>	<b>Mr. Pranav Relan</b>
Date of birth	16/12/1990	09/06/1992
Nationality	Indian	Indian
DIN	07726444	07177944
Date of first appointment on the board of the Company	23/10/2020	23/10/2020
Qualification	Graduate in Bachelors in Science in Industrial Engineering	Graduate in Economics from Emory College of Arts and Science
Experience including expertise in specific functional area	He is a dynamic entrepreneur having experience in business development and finance planning.  Mr. Rishabh Relan is Wholetime Director 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 has an experience of three years, from 21st July, 2015 to 20th July, 2018 in 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 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 on 30-06-2022.	As per the resolution at item no. 4 of the Notice convening Annual General meeting on 30-06-2022.
Remuneration last drawn, including sitting fees, if any	Rs. 2.80/- Lakhs (Sitting fees only)	Rs. 60.83/- Lakhs (Salary Paid - excluding gratuity)
Remuneration proposed to be paid	NIL	As per the special resolution passed at the meeting of shareholders (AGM) held on December 29, 2020.
Relationship with other directors/ KMP	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	4	4
Chairmanships / directorships held in other companies as on 31.03.2022	Bharat Seats Limited	NIL
Chairmanships / memberships of committees of other companies as on 31.03.2022	NIL	NIL
No. of shares held in the Company as on 31.03.2022	9233 Equity Shares (0.16%)	9315 Equity Shares (0.16%)
Confirmation pursuant to BSE circular dated 20.06.2018	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

**COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION**

The Company is required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs. 5,000/-. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

**A. RESIDENT SHAREHOLDERS:**

A.1 Tax Deductible at Source for Resident Shareholders

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / Beetal financial & Computers Services (Pvt.) Limited

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc	nil	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund NIL SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961	nil	SEBI registration certificate to claim benefit under section 197A(1F) of Income Tax Act, 1961
5	Recognised provident funds • Approved superannuation fund • Approved gratuity fund	nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

**B. NON-RESIDENT SHAREHOLDERS:**

B.1 Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no. 4 of the below table with the Company/Beetal Financial & Computer Services (Pvt.) Limited

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20%(plus applicable surcharge and cess)	FPI registration number / certificate.

2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received</li> <li>2. PAN</li> <li>3. Form 10F filled &amp; duly signed</li> <li>4. Self-declaration for non-existence of permanent establishment/ fixed base in India</li> </ol> (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self- declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

- (i) Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- (ii) The aforesaid document such as Form15G/15H, documents under section196,197A,FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be emailed at [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com) on or before June 13, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post June 13, 2022 shall not be considered.
- (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ Beetal Financial & Computer Services (Pvt.) Limited
- (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- (v) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings
- (vi) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

**BOARD'S REPORT**

Your Directors have pleasure in presenting the 3rd Annual Report together with the Audited Accounts for the financial year ended 31st March, 2022.

**STANDALONE FINANCIAL SUMMARY**

Rupees in Lakhs

<b>Particulars</b>	<b>2021-2022</b>	<b>2020-2021</b>
Revenue from Operations	23254.89	11412.90
Other Income	826.79	829.97
Profit before Financial Charges & Depreciation	2220.24	1466.35
Less: Finance Costs	72.53	12.10
Profit before Depreciation & Taxation	2147.71	1454.25
Less:		
A) Depreciation	733.05	497.42
B) Provision for Taxation		
- Current Tax	405.44	263.28
- Deferred Tax	(70.40)	(0.58)
Net Profit after Tax	1079.62	694.13
Add: Other Comprehensive Income, Net of Taxes	22.55	4.63
Total Comprehensive Income for the year	1102.17	698.76
Balance Carried Forward to Balance Sheet	1102.17	698.76

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. The Company's two manufacturing facilities are located at Gurugram and one new manufacturing facility at Ramanagara District, near Bengaluru for manufacturing of seat frames and trims which is expected to go in commercial production by August 2022.

**FINANCIAL HIGHLIGHTS AND OPERATIONS****Standalone Performance**

Your Company's revenue from operations and other income during the financial year under review was Rs. 24081.68 Lakhs as compared to Rs. 12242.87 Lakhs in previous year and net Profit after Tax (PAT) was Rs.1079.62 Lakhs as compared to Rs. 694.13 Lakhs in previous year on Standalone basis.

**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 are 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') are provided as an annexure (Form AOC-1) to the consolidated financial statements and hence are not repeated here for the purpose of brevity.

**DIVIDEND**

Your Directors are pleased to recommend for the approval of the shareholders at the ensuing Annual General Meeting, a dividend of 25% (Rs 2.5 per equity share of Rs. 10/-) for the financial year ended 31.03.2022.

**TRANSFER TO RESERVE**

During the F.Y. 2021-22, the Company has not transferred any amount to General Reserves.

**RECLASSIFICATION OF SOME OF THE PROMOTERS/ PROMOTER GROUP AS PUBLIC**

Pursuant to Memorandum of Family Settlement, there was a change in the management and control of the Company. Some of the promoters, namely Mr. Ajay Relan, Ms. Sharda Relan, Ms. Mala Relan, Mr. Aashim Relan and Ms. Indira Choudhary jointly with Ms. Alka Kakkar intended to get themselves reclassified from promoter group to general public category. These entities except Ms. Indira Choudhary jointly with Alka Kakkar hold 0.89% of the total equity. These entities holds only negligible shares and does not have any control over management/ hold any key managerial position in the Company.



## NDR AUTO COMPONENTS LIMITED

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On 27<sup>th</sup> January, 2022, the Company received request for reclassification from the said promoters. After taking the approval from the Board, the applications were filed with BSE & NSE for reclassification of the said promoters from promoter group to general public category. These applications are pending.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the financial year under review, no shares were transferred to IEPF.

### CHANGE IN THE NATURE OF BUSINESS

During the financial year 2021-2022 the Company has not changed the nature of its business.

### MATERIAL CHANGES & COMMITMENTS

In pursuance to section 134(3)(l) of the Act, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company.

### SHARE CAPITAL

There was no change in the capital structure of the Company during the financial year 2021-2022.

### MATERIAL ORDERS

Pursuant to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, no significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

Pursuant to the provisions of section 186 read with Schedule V of the Act, an intercorporate loan of Rs. 10 Crore was given to Bharat Seats Limited, an associate Company, as provided in the financial statements. Further during the year, there were no investment made, guarantee given or issued or securities provided by your Company in terms of section 186 of the Act read with the rules issued thereunder.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the Companies Act and the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights, and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of such familiarization programmes imparted to Independent Directors are posted on the weblink at <https://ndrauto.com/wp-content/uploads/2021/04/familiarisation-programme-for-independent-directors-NACL.pdf>.

### WEBSITE

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

### RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) of the Act and the Rules made thereunder were not attracted.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in the prescribed Form AOC-2 is annexed to the Board Report as Annexure-I

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's weblink at [https://ndrauto.com/wp-content/uploads/2022/06/Policy-on-related-party-transaction\\_NACL.pdf](https://ndrauto.com/wp-content/uploads/2022/06/Policy-on-related-party-transaction_NACL.pdf)

### 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. 1191.34 Lakhs** during the financial year 2021-2022.

#### **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. 261.33 Lakhs** during the financial year 2021-2022.

### **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 2021-2022 and incurred loss of Rs. 0.62 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, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is annexed hereto as Annexure-III, forming part of this Report.

### **BOARD ANNUAL EVALUATION**

In compliance with the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015, performance evaluation was carried out of the Board, its Committees and individual Directors, including the Chairman of the Board.

Nomination & Remuneration Committee reviewed the evaluation criteria for the Board, its Committees, Executive and non-executive Directors and Chairman of the Company, considering qualification, expertise, attributes and various parameters based on which evaluation of the Board has to be carried out by the Company.

A meeting of the independent directors was held, which reviewed the performance of the Board (as a whole), Committees of the Board, the non-independent directors and the Chairman.

The evaluation of Independent Directors was carried out by the Board.

This exercise was carried out through structured evaluation process covering various aspects of the Board such as composition of the Board/ Committees, experience, competencies, performance of specific duties etc. Separate exercise was carried out to evaluate the performance of individual directors, including Board Chairman who were evaluated on the parameters such as attendance, contribution at the meeting, independent judgment etc. and was found to be satisfactory.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **DIRECTORS**

Your Company's Board comprises of an optimum blend of Executive and Non-Executive 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 three (3) Whole-Time Directors and six (6) Non-executive Directors, out of which three (3) are Independent 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.

#### **Retirement by Rotation**

Mr. Rishabh Relan (DIN 07726444) and Mr. Pranav Relan (DIN 07177944) are liable to retire by rotation. The Board recommends their re-appointment.

Further, all the Directors of the Company have given declaration that they are / were 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.

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, if any for the purpose of attending meetings of the Board and/ or its Committees.

#### **KEY MANAGERIAL PERSONNEL (KMP)**

During the period under review, there were changes in KMP in terms of Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 which are as under;

Ms. Nitasha Sinha, who was appointed as Company Secretary w.e.f. 1<sup>st</sup> November, 2020, resigned w.e.f. close of business hours of 1<sup>st</sup> June, 2021. Ms. Komal Jain was appointed as Company Secretary w.e.f. 2<sup>nd</sup> June, 2021 and resigned w.e.f. close of business hours of 1<sup>st</sup> October, 2021.

Mr. Rajat Bhandari, Executive Director of the Company was also appointed as Company Secretary w.e.f. 1<sup>st</sup> November, 2021, designated as Executive Director and Company Secretary.

**DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of section 149 (6) of the Act and Regulation 16(1) (b) of the listing regulations, all Independent Directors of the Company have given declaration that they meet the criteria of independence and also registered under Independent Directors Database of Indian Institute of Corporate Affairs.

**CORPORATE GOVERNANCE**

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

In terms of the exemption granted under Regulation 15 of the SEBI (LODR) Regulations, 2015, the Company is not required to comply with the provisions of Regulation 27 of the SEBI (LODR) Regulations, 2015 as both the paid up share 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 during the year under review.

**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**

Five meetings of the Board were held during the financial year , on 26<sup>th</sup> May, 2021, 10<sup>th</sup> August, 2021, 26<sup>th</sup> October, 2021, 31<sup>st</sup> January, 2022 and 10<sup>th</sup> March, 2022.

The attendance records of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2022 and at the last AGM are as under:

<b>Name of Director</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at the last AGM</b>
Mr. Sanjiv Kapur	5	Yes
Mr. Rohit Relan	5	Yes
Mr. Rishabh Relan	4	Yes
Mr. Pranav Relan	4	Yes
Mr. Ayush Relan	4	Yes
Ms. Shyamla Khera	5	Yes
Ms. Deepa Gopalan Wadhwa	5	Yes
Ms. Vanita Chhabra	5	Yes
Mr. Rajat Bhandari	5	Yes

**COMMITTEES OF THE BOARD:****a) AUDIT COMMITTEE**

The constitution of the Committee is as under:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>	<b>Remarks</b>
1.	Ms. Shyamla Khera	Chairperson	Independent Director
2.	Mr. Rohit Relan	Member	Non-Executive – Promoter
3.	Ms. Vanita Chhabra	Member	Independent Director
4.	Ms. Deepa Gopalan Wadhwa	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 utilization 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) Scrutiny of inter-corporate loans and investment
- x) Valuation of undertakings or assets of the company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xiii) 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;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) 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;
- xvi) 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;
- xvii) 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;
- xviii) To review the functioning of the Whistle Blower mechanism;
- xix) 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;
- xx) 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) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii) Internal audit reports relating to internal control weaknesses; and
- iv) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- v) 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).

Five (5) audit committee meetings were held during the year under review i.e. on 26<sup>th</sup> May, 2021, 10<sup>th</sup> August, 2021, 26<sup>th</sup> October, 2021, 31<sup>st</sup> January, 2022 and 10<sup>th</sup> March, 2022 .

**b) Stakeholders Relationship Committee**

The constitution of the Stakeholders Relationship 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
4.	Ms. Deepa Gopalan Wadhwa	Member	Independent Director

Four (4) Stakeholders Relationship committee meetings were held during the year under review, on 26<sup>th</sup> May, 2021, 10<sup>th</sup> August, 2021, 26<sup>th</sup> October, 2021 and 31<sup>st</sup> January, 2022.

**c) Nomination and Remuneration Committee**

The constitution of the Nomination and Remuneration 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.	Ms. Vanita Chhabra	Member	Independent Director

One (1) Nomination and Remuneration committee meeting was held during the year under review, on 26<sup>th</sup> May, 2021.

Note: Mr. Rohit Relan withdrew as a member of the Nomination and Remuneration Committee on 26<sup>th</sup> October, 2021, to maintain fifty percent of members as Independent, in accordance with the SEBI regulations applicable from 1<sup>st</sup> January, 2022.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is presented in a separate section, forming part of the Annual Report and annexed as Annexure VI.

**AUDIT AND AUDITORS**

**Statutory Auditors**

M/s S. S. Kothari Mehta & Co, Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory auditors of the Company at AGM held on 29th December, 2020 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.

**Auditors' Report**

The Auditors' Report given by M/s S.S. Kothari Mehta & Co, Statutory Auditors on the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2022 is part of the Annual Report. The Auditors Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditor's had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**Secretarial Auditor**

In accordance with the provisions of the Section 204 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was carried out by Mr. R. S. Bhatia, Company Secretary in Practice for the Financial year: 2021-22. The report of Secretarial Auditor for the financial year 2021-22 is annexed herewith marked as Annexure VII to this Report. The report does not contain any qualification, reservation or adverse remark.

## **NDR AUTO COMPONENTS LIMITED**

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Pursuant Regulation 24A of SEBI (LODR) Regulations, 2015, the Company has obtained annual secretarial compliance report from Mr. R S Bhatia (C P No. 2514), Company Secretary in Practice and the same has been submitted to stock exchanges within the prescribed time limits.

### **Cost Audit**

The Company is not required to maintain the cost records as specified by the Central Government under Section 148 (1) of the Act.

### **ANNUAL RETURN**

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's weblink at <https://ndrauto.com/annual-return/>

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company believes in giving back to society and we have taken steps for that. Alongside our business priorities, the Company is committed to society as well and this is apparent through our CSR activities.

During the financial year 2021-22, the Company has contributed an amount of ₹9 lakhs towards CSR, which is 2% of its average net profits for preceding two financial years. There is no amount which is lying unspent in respect of the financial year under review.

The relevant disclosure as prescribed under Companies (Corporate Social Responsibility Policy) Rule, 2014, in this regards, is annexed as Annexure IV.

The CSR Policy is uploaded on the Company's website at the web link: <https://ndrauto.com/wp-content/uploads/2021/06/CSR-Policy-Final2021.pdf>.

### **PARTICULARS OF EMPLOYEES**

Disclosure as required under Sub Rule 2 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure V.

### **NOMINATION AND REMUNERATION POLICY OF THE COMPANY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Nomination and Remuneration Policy of the Company for Directors, KMPs and other employees including criteria for determining qualification, positive attributes, independence of a Director, remuneration and other matters provided under sub-section (3) of section 178, is available on the Company's weblink at the <https://ndrauto.com/wp-content/uploads/2020/10/NRC-Policy.pdf>.

### **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 weblink at <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 Management 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.

### **LISTING**

The Company is listed on BSE Limited and National Stock Exchange of India Ltd and the listing fees has been duly paid for the year.

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

In terms of the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Women at workplace and also set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

During the financial year 2021-22 Company has not received any Complaints.

**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, 2022 and of the profit of the Company for the year 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 would also like to thank all the shareholders for their continued support and co-operation.

On behalf of the Board of Directors  
**For NDR Auto Components Limited**

**Date** : May 10, 2022  
**Place** : Gurugram

**Rohit Relan**  
Co-Chairman & Director  
(DIN: 00257572)

**Pranav Relan**  
Whole Time Director  
(DIN: 07177944)

## 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	Upto a maximum of Rs.350 crores per annum	10/08/2021	Nil	22/09/2021
2.	Bharat Seats Limited	Associate Company	Sale, purchase of tool or any asset	Transaction of repetitive nature	Upto a maximum of Rs.50 crores per annum	10/08/2021	Nil	22/09/2021
3.	Toyo Sharda India Private Limited	Joint Venture	Sale, Purchase, Transfer or receipt of products, goods, materials, assets or services	Transaction of repetitive nature	Upto a maximum of Rs.100 crores per annum	10/08/2021	Nil	22/09/2021



**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	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2022
2. Date on which the Associate and Joint Venture was associated or acquired	17 <sup>th</sup> October 1988	21 <sup>st</sup> March, 2014	28 <sup>th</sup> 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
Extend 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	3643.75	(10.43)	644.18
7. Profit/Loss for the year			
i. Considered in Consolidation	334.87	(0.31)	130.67
ii. Not Considered in Consolidation	856.47	(0.31)	130.67

**Notes**

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

On behalf of the Board of Directors  
**For NDR Auto Components Limited**

**Rohit Relan**  
Co-Chairman & Director  
(DIN: 00257572)

**Pranav Relan**  
Wholetime Director  
(DIN: 07177944)

**Date** : 10<sup>th</sup> May, 2022  
**Place** : Gurugram

Vinod Kumar  
Chief Financial Officer

**Rajat Bhandari**  
Executive Director and Company Secretary

**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 for conservation of energy or impact on conservation of energy**

- In Hydraulic presses motor is switch off during idle time by doing modification in Programmable Logic Circuit.
- Electrical energy saving 15120 kwh / Year.

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

The Company has already installed solar plant of 171.6 KWP in 2020-21 to use alternative source of energy.  
Total solar power generated during the year is 180145 KWH.

**(iii) The capital investment on energy conservation equipment:**

None

**B. TECHNOLOGY ABSORPTION****I. RESEARCH AND DEVELOPMENT(R&D)****1) Specific areas in which Research & Development work is carried out by your company are:**

- a) In developing & supplying Seating Structure for 4 Wheelers Seats.
- b) Four Wheeler BIW components.
- c) In developing the frame sub-assembly for two wheelers.
- d) In Developing trim covers for four wheelers and two wheelers.

Major accomplishments in the year under review are as below:

**(i) New Part Development****Four Wheeler Seats Trims & Seat Frames:**

- New product Production Proto Trials (PPT) & Mass Production trials (MPT) level Seats side air bag (SAB) Trials Development done. Process established on new SAB Juki Machine. This enhances capabilities for new safety features. It will give edge to the Company in competition with other competitor.
- Weld frame line, trim cutting & stitching line, Further Upgradation on already commissioned Pathredi plant & Trim plant to increase capacity and capabilities. Supply of Seat Trims and Frames at PPT level started from plant in Ramanagra District, near Bengaluru.
- Few More Weld lines will be implemented in Pathredi plant to increase supply capacities as per customer requirement.
- New Plant activities and Seat weld line / Trim line development activities done for new customer in Ramanagara District, near Bengaluru.
- New customer added for the 4 wheeler passenger Body In White (BIW) parts development. PPT supplies started for new project BIW parts.
- **Two Wheeler Welded Frames**
- Productionized 8 Welded Frame assemblies, various 2W models.
- First time Surface Coated Body Parts Supply started for two models.
- The new line is developed with sensor Poka Yoke to avoid reverse parts welding at Pathredi plant.

**(ii) Continuous improvements in Product Quality & Process Control.**

- New Side Air bag machine installed in Trim plant. It will add new capability.
- Developed & installed weld cells for Welding of high strength sheet metal to make Seat frames.
- Kanban traceability implementation under progress for 4 wheeler passenger seats to improve seat processes identifications on production assembly line.

(iii) Enhancing Design Capabilities

- Your company has correlated the Simulation Test data for Metal parts and Tooling development.
  - Your Company can support high tensile parts tooling design requirements.
  - Your Company has invested in upgrading the design workstations to enhance the performance.
- (iv) Your company has enhanced capability with introduction of CMT (Cold Metal Transfer) Technology welding for high tensile parts welding and for Seat structure mechanism welding. This will reduce heat input to part while welding and less distortion of metal parts. It gives excellent welding performance and avoid parts distortion, It enhance part quality and performance.
- (v) Program Management Team shall support the launch activities and ensure the customer timelines are smoothly met.

**2) Benefits derived as a result of above R&D:** Development of people and products:

- a. Benchmarking activity – Understand processes and technology trends, competitive evaluation
  - b. Proto room activity – validation and verification of design concepts, new project trials, innovation projects etc.
- Such initiatives will continue to enhance people development, deployment of technologies etc. along with retention of employees for long-term association with the organization.

**3) R&D Future Plans**

Going forward, we are aggressively widening our product range and implementing advanced technologies:

- (a) Road Map for next 5 years is prepared. Adopt new technologies and features for all verticals Seating Structure, BIW Sheet metal Parts and 2W Welded Frames.
- (b) Leverage expertise of technology partners and build local capabilities in key areas e.g. high tensile stampings, Side Air Bag Sewing BIW Parts / BIW Sheet metal Assembly parts.
- (c) Your company is upgrading with latest digitization technology to design & manufacture Master Trim Templates. It is under progress for supplier reviews for Know-how and implementation.
- (d) Your company plans to develop capability for Trim testing in-house.
- (e) To develop new Welded Frame Assy for 2-wheeler to increase Product Range.
- (f) New customer added for the 4-wheeler passenger BIW parts development.

**4) The expenditure incurred on Research and Development:**

Capital: - Nil

Recurring: Rs. 20.17 Lakhs

Total: Rs. 20.17 Lakhs

Total R&D expenditure as a percentage of total expenses : 0.09%

**B. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual in-flows during the year and the foreign exchange out go during the year in terms of actual outflows.

- Foreign exchange outflow on account of import of capital goods and raw materials amounted to Rs. 638.52 Lakhs (23.08 Lakhs). (Figures in bracket pertain to last year)

**Annual Report on CSR Activities undertaken by the Company in 2021-22**

**1. Brief outline on CSR Policy of the Company**

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013.

**2. Composition of CSR Committee as on 31st March, 2022: Not Applicable**

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

<https://ndrauto.com/wp-content/uploads/2021/06/CSR-Policy-Final2021.pdf>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable as the average CSR obligations in the three immediately preceding financial years was less than Rs.10 crores.

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

Nil.

**6. Average net profit of the Company as per Section 135(5)**

Rs. 436.02 lakhs

**7. (a) Two percent of average net profit of the Company as per Section 135(5)**

Rs. 9 lakhs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years**

Nil

**(c) Amount required to be set off for the financial year, if any**

Nil

**(d) Total CSR obligation for the financial year (7a+7b-7c)**

Rs. 9 Lakhs

**8 (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs./Lakhs)	Amount Unspent (in Rs./Mn)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)		
9	-	-	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the financial year: NIL**

1	2	3	4	5	6	7	8	9	10	11	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation – Direct (Yes / No.)	Mode of Implementation Through Implementing Agency	
										Name	CSR Regn. No

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	
Sr.no.	Name of the project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the project	Amount spent for the project (in lakhs)	Mode of Implementation Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
							Name	CSR Regn. No
1	Education	Education	Yes	Lucknow, Uttar Pradesh	9	No	Prerna Girls School initiative of Study Hall Education Foundation (SHEF)	CSR00004810

**NDR AUTO COMPONENTS LIMITED**

- (d) Amount spent in Administrative Overheads : Nil  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (f) Total amount spent for the Financial Year : Rs.9 lakhs (8b+8c+8d+8e)  
 (g) Excess amount for set off, if any

SI. No.	Particulars	Amount (Rs./Lakhs)
i	Two percent of average net profit of the Company as per section 135(5)	8.72
ii	Total amount spent for the Financial Year	9
iii	Excess amount spent for the financial year (ii)-(i)	0.28
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	-
v	Amount available for set off in succeeding financial years ((iii)-(iv))	0.28

9. (a) Details of Unspent CSR amount for the preceding three financial years : NIL

1	2	3	4	5	6	7	8	9
Sr. no.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed/ Ongoing

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):
- (a) Date of creation or acquisition of the capital asset(s) NIL  
 (b) Amount of CSR spent for creation or acquisition of capital asset NIL  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL  
 (d) Provide details of the capital asset(s) created or acquired NIL (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) NOT APPLICABLE

**ROHIT RELAN**

Co-Chairman & Director

Disclosure as required under Sub-Rules 2 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**Employed for full financial year**

Name	Designation	Remuneration Received (Rs. In Lakhs)	Qualification & Experience	Date of Commencement of Employment	Age as on 31.03.22	Last Employment Held	The % of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Pranav Relan	Whole Time Director	61.77	Graduate/7YRS	27.10.2020	30	Bharat Seats Ltd	0.14	Yes, Son of Mr. Rohit Relan and Brother of Mr. Ayush Relan
Rajat Bhandari	Executive Director	65.38	CA and CS/ 36YRS	02.01.2021	58	Bharat Seats Ltd	Nil	No
Ayush Relan	Whole Time Director	60.70	Graduate/7YRS	02.01.2021	30	Bharat Seats Ltd	0.16	Yes, Son of Mr. Rohit Relan and Brother of Mr. Pranav Relan
Pankaj Thakur	AGM	21.3	Graduation	01-02-2021	50	Bharat Seats Ltd	Nil	No
Vinod Kumar	Chief Financial Officer	23.34	CA/19YRS	27.10.2020	43	Bharat Seats Ltd	Nil	No

**Employed for part of the year:**

Sandeep Choudhary	DGM	20.10	B.COM/CA	13-08-2021	37	JTEKT India Limited	Nil	No
Sanjay Kumar	Manager	24.10	P.Graduate/18YRS	01.05.2018	40	SFC Solutions India Pvt. Limited	Nil	No
Shivakumar Ganiga Basavarajappa	DGM	30.10	B.TECH(MECH.)	19-04-2021	47	Adient India Pvt. Limited	Nil	No
Amit Arora	Sr. Manager	10	CA-Inter	11-10-2021	40	SFC Solutions India Pvt. Limited	Nil	No
Love Adlakha	Senior GM	29.49	Graduation /22YRS	01.09.2018	44	Hero Cycles Limited	Nil	No

**NOTES:**

1. Remuneration includes perquisites and company's contribution to provident fund
2. The nature of employment of whole time director is contractual. For the rest of employees, it is other than contractual.
3. None of the employees of the Company holds more than 2% of Equity Shares of the Company as on 31<sup>st</sup> March, 2022 and as per Rule 5 (3) (8) of the Companies (Appointment & Remuneration) Rules, 2014.

**THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION AND OTHERS DETAIL IN TERMS 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,**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S no.	Particulars	Ratio to the Median Remuneration (times)
i.	Mr. Pranav Relan, Wholetime Director	21
ii.	Mr. Ayush Relan, Wholetime Director	20
iii.	Mr. Rajat Bhandari, Executive Director and Company Secretary	22

2. The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

S no.	Particulars	Percentage increase
i.	Mr. Pranav Relan, Wholetime Director	10%
ii.	Mr. Ayush Relan, Wholetime Director	10%
iii.	Mr. Rajat Bhandari, Executive Director and Company Secretary	10%
iv.	Mr. Vinod Kumar	12.48%

3. The percentage increase/decrease in the median remuneration of employees in the financial year is NIL
4. Total number of permanent employees on the rolls of company as on March 31, 2022 is 138
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Non-Managerial	Managerial
Percentage average increase in salaries during 2021-22	11.86%	11.01%

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

The global economic activity has shown signs of rebound and world over as the impact of COVID-19 pandemic diminishes, several other global uncertainties have influenced the economic activity. Global supply chain was significantly impacted in 2021 from factors like shortage of semiconductors, surge in oil and energy prices, availability of shipping containers resulting in high transportation costs, steep increase in input costs and availability of key commodities. The global macroeconomic uncertainties have further increased due to geo-political conflict between Russia and Ukraine. However, India's current macroeconomic situation is better than what it was earlier mainly due to strong economic fundamentals and domestic consumption. The country will need to be watchful due to prevailing global uncertainties and situation prevailing in many Asian countries.

The Indian market also witnessed an impact due to shortage of semiconductors, non-availability of essential commodities, steep increase of inputs costs etc. The Indian market in many ways is also influenced by Government policies and regulations notified from time to time. Favorable government policies and improved incentives will provide support and impetus to the industrial growth. Other enabling factors in the growth of the industry include domestic market demand, FDI, JVs, and competitive strategies by the corporations.

The Indian automotive industry has entered the year with a positive outlook, and it hopes to reach pre-pandemic levels of sales. The industry looks to build on a solid foundation laid in 2021 amid the semiconductor shortage and uncertainty due to the Omicron variant. Large-scale digitization, the rapid recovery of the economy, and learnings from the past two years of the pandemic are expected to come in handy as demand continues to remain resilient – notably in the passenger vehicle segment. Several automobile manufacturers are open to incorporating new technologies, especially in electric mobility, which is expected to result in numerous launches in both four- and two-wheeler in 2022. Adoption of automation and robotics in recent times has helped the industry to significantly improve quality, productivity, delivery outcomes and reduce costs. It has also been observed that global demand for India-made auto components and the focus on electric vehicles has resulted in several opportunities that the component manufacturers can harness.

Although there has been an increased demand for used cars as customers look for more affordable means of personal transport during the pandemic, the setting up of scrappage centers and inspection and certification facilities would cause the withdrawal of vehicles that are not roadworthy, thereby adding to the market demand of new vehicles.

The underlying demand for Passenger Vehicles appears robust, partly helped by the increased need for personal mobility due to the covid-19 pandemic. However, the effect of sharp rise in fuel prices may have dampening effect on the demand of passenger vehicles in 2022-23. As the supply situation of electronic components continues to be unpredictable, it might have some impact on the production volume in FY 2022-23 as well. Demand is growing but the costs of transition to Electric Vehicle (EV) are significant. These changes are giving rise to intense competition that is undermining existing brand strategies and have given huge new opportunities for both existing Original Equipment Manufacturer (OEM) and new brands alike. Despite these head winds, there is a huge opportunity in EVs that most of the OEMs are seizing strongly.

Innovation is continuing at a strong pace, investment in new capacity, particularly for EVs is soaring and the customer demand is increasing. Despite the pressure, the outlook for the industry is positive. Our main customer, Bharat Seats Limited (BSL), has reported high volume of sale in FY 2021-22.

Due to shortage of semi-conductors the demand from our customer BSL, also changed several times, which your Company met with dedicated efforts of whole team. Our team managed to run supply chain without any disruption. NDR Auto Components Limited (NDR) works keeping customer focus in mind, performance goal of first time right - every time right, use innovative and continuous improvement methodologies, encourage KAIZEN activities etc. Your Company's goal is to achieve zero defects with implementation of comprehensive excellence across all locations and functions. Customer's demands and expectations are increasing year on year and our endeavor is to exceed those expectations by encouraging teamwork, passion for excellence, increased focus on execution and responsiveness within our employees. Employees are and continue to remain our most valuable assets. We will continue to invest in our employees to further build up the capability and enhance competency to achieve improved business results.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The automotive industry hopes for a smooth ride after a bumpy 2021. In a decade when India is eyeing the electronic vehicle eco system, the budget of R&D will further enhance its development and localization.

The flow of FDI has shown a sharp spike in FY 2021-22. The uptick in FDI coincides with an increase in capex by domestic players.

In FY 2021-22, the government approved the 'Production linked incentive'(PLI) scheme for automobile and auto component industry. The focus of PLI scheme is on emerging industry capabilities as it aims to push forward India's transition to clean energy along with accelerating the country's share in the global automotive trade. The PLI scheme will incentivize cost efficient manufacturing of high value advanced automotive technology vehicles. According to recently released reports by credit rating agency ICRA, the PLI scheme will not only boost localization, but also accelerate investments towards developing a local EV eco system and has the potential to make India an export hub in the global auto supply chain.

Government's intervention to boost this industry has come at a time when the global economy is facing an acute shortage of semiconductors due to severe disruptions. The comprehensive interventions by the government will aid in the establishment of an ecosystem that boosts semiconductor production in India.

### **OPPORTUNITIES AND THREATS**

The rapidly globalizing world is opening newer opportunities for the automobile industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D. India is emerging as the world's hub of choice when it comes to manufacturing quality auto components. The industry has over 600 manufacturers who exceed the world's most stringent quality standard.

There is need for sustainable development of the industry, considering the challenges on the front of energy security, concern for the environment and reducing carbon footprint. With India declaring to achieve carbon neutrality 2070, the Automotive sector, together with all other verticals of the industry will have to work in unison towards the realization of this national goal.

### **SEGMENT WISE/ PRODUCT WISE PERFORMANCE**

The Company is currently operating primarily under single business segment manufacturing seat frames and seat trims for passenger Cars as well as Utility Vehicles.

### **RISK 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 the Indian automotive industry.

"Make in India" is a major national program of the Government of India. This is designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. Automotive sector plays a very important role in this initiative and is well supported by the Government.

The worldwide supply chain continues to be affected by challenges related to COVID-19 pandemic, shortage of semi-conductors and volatility in energy prices. Organization needs to reimagine and manage its supply chain differently to ensure business continuity and growth.

#### **FINANCIAL RISK**

The Company is exposed to the risks associated with fluctuations in the price of various inputs including raw material supplies and under-utilized capacity.

Both the operational and financial risks are constantly assessed, and adequate steps are taken from time to time to mitigate them successfully.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal controls to ensure that transactions are properly authorized, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

Your Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has complied with all the provisions of the accounting standards in accordance with Section 133 of the Companies Act, 2013.

#### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

Your Company believes that employees are key for our success, have immense knowledge and power of innovation. Your Company aims to create an environment where every employee can contribute to the company's performance, excel and grow in their respective jobs. Our focus is to recruit employees with right skills and talent, raise competency through training and development, recognize and reward leadership and performance. Several measures are implemented to retain the talent within the organization. At each location, the work force goes through a mandatory training plan including the vision, mission and company values which forms a base for treating everybody with dignity and respect. To further strengthen and motivate our employees, several initiatives are taken on a continuous basis to foster teamwork, trust and communication across the organization. Employees are encouraged to have a passion for excellence and focus on the customer with a performance goal of doing things right first time and every time. Your Company



## NDR AUTO COMPONENTS LIMITED

provides challenging and fulfilling opportunities to maximize employee potential so that every employee excels and grows along with Company's growth.

Your Company ensures quality at our suppliers and service providers by horizontal deployment of learnings and training at our supplier partners.

In addition to timely delivery and quality, your Company's utmost focus is on safety of its workforce. As we continue to face the COVID-19 pandemic, our commitment towards safeguarding the health of our people, and efforts to ensure safety at our workplaces has been in greater focus.

Health, Safety and Environment remains our top priority. Periodic audits are carried out both internally as well as through external agencies to identify gaps and to define action items for continuous improvement, ensuring a safe workplace for employees. Total number of permanent employees on the rolls of Company as on 31st March 2022 are 134.

### FINANCIAL PERFORMANCE

The financial statements of the Company 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 RESULTS' of Board's Report.

### KEY FINANCIAL RATIOS

Changes in key financial ratios are as under:

Sr. No.	Ratios	Unit	2021-2022	2020-2021	% change	Reason
1	Debtors Turnover	Times	7.55	6.14	22.96%	
2	Inventory Turnover	Times	13.82	11.83	16.82%	
3	Interest Coverage Ratio*	Times	30.61	121.19	-74.74%	Primarily due to increase in lease liability
4	Current Ratio	Times	2.67	3.39	-21.12%	
5	Debt Equity Ratio	Times	0.09	0.03	171.98%	Primarily due to increase in lease liability
6	Operating Profit Margin**	%	6.40	8.49	-24.62%	Due to commodity price increase, percentage margin has decreased inspite of overall increase in profitability
7	Net Profit Margin	%	4.64	6.08	-23.67%	
8	Return on Net worth	%	7.20	4.97	44.87%	Due to increase in sales and net margin

\*Earnings before interest, depreciation, tax and amortization (EBIDTA) has been considered for coverage ratio.

\*\*Operating profit is earning before interest and tax (EBIT)

### DISCLAIMER

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

To,

The Members,  
NDR Auto Components Limited,  
Level-5, Regus Caddie Commercial Tower,  
Hospitality District Aerocity, IGI Airport, New Delhi 110037

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NDR Auto Components Limited (CIN No. L29304DL2019PLC347460)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings. Neither there was any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which was required to be reported during the financial year under review.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) \*The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as SEBI LODR);
  - j) Securities and Exchange Board of India (Depository and Participants) Regulations, 2015.

\* No event took place under these regulations during the audit period.

Laws specifically applicable to the industry to which the Company belongs, as identified by the management: The Company is primarily engaged in manufacturing of car seat Structure and seat covers. As explained by the management no sector specific law is applicable on the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2022 complied with the aforesaid laws except as stated elsewhere in this report.

Based on the information received and records made available I further report that;

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Women Director. The no change in the composition of the Board of Directors during the financial year under review.
- ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
- iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.
- v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

- vi. I further report that during the audit period except as stated below there were no major events/ actions have taken place having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc.:
  - 1) The shareholders of the company at their last Annual General Meeting held on 22<sup>nd</sup> September 2021 have approved:-
    - i) Related Party Transactions with Bharat Seats Limited,
    - ii) Related Party Transactions with Toyo Sharda India Private Limited,
    - iii) Amendment of clause 3(b) of Memorandum of Association pursuant to the provisions of Section 13 of the Companies Act, 2013
  - 2) On 27th January, 2022, the Company received request for reclassification from Mr. Ajay Relan, Ms. Sharda Relan, Ms. Mala Relan, Mr. Aashim Relan and Ms. Indira Chaudhary Jt. Ms. Alka Kakkar, promoter/part of the promoter group of the Company, all together holding 0.89% of the total equity shares. These entities except Ms. Indira Chaudhary Jt. Ms. Alka Kakkar neither holds any share nor have any control over the management / hold key managerial position in the Company. After taking the approval from the Board, the application was filed with Stock Exchanges (BSE and NSE) for reclassification of the said promoters from promoter group to general public category. This application is pending for approval from these authorities. The said application for reclassification was made subsequent to Memorandum of family settlement between Mr. Rohit Relan and Mr. Ajay Relan. According to this settlement, the complete shares held by Mr. Ajay Relan group were transferred/gifted to Mr. Rohit Relan and the Company came under the management control of Rohit Relan group. Mr. Ajay Relan group is no more interested to be a part of the Promoter/Promoter group of NDR Auto Components Limited.

**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN No: F002599D000283761**

**Date : 07/05/2022**  
**Place : New Delhi**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

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**Annexure**

To

The Members,  
NDR Auto Components Limited,  
Level-5, Regus Caddie Commercial Tower,  
Hospitality District Aerocity, IGI Airport, New  
Delhi 110037  
CIN No: L29304DL2019PLC347460

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness, appropriateness and implications of financial records, Books of Accounts of the company and auditor's report, as this is the domain of the Statutory Auditors.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN No: F002599D000283761**

**Date : 07/05/2022**  
**Place : New Delhi**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,  
NDR Auto Components Limited  
Reg. Off: Level-5, Regus Caddie Commercial Tower,  
Hospitality District Aerocity,  
IGI Airport, New Delhi 110037

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NDR Auto Components Limited having CIN: L29304DL2019PLC347460 and having registered office at Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI Airport, New Delhi 110037 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	Name of Director	DIN No.	Date of Appointment
1	Mr. Sanjiv Kapur	00755441	23/10/2020
2	Mr. Rohit Relan	00257572	23/10/2020
3	Ms. Shyamla Khera	06929439	23/10/2020
4	Ms. Vanita Chhabra	02161276	30/11/2020
5	Ms. Deepa Gopalan Wadhwa	07862942	30/11/2020
6	Mr. Rishabh Relan	07726444	23/10/2020
7	Mr. Pranav Relan	07177944	23/10/2020
8	Mr. Ayush Relan	07716326	23/10/2020
9	Mr. Rajat Bhandari	02154950	30/11/2020

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 06/05/2022  
Place : New Delhi

R.S. Bhatia  
Practicing Company Secretary  
C.P. No.: 2514  
UDIN: F002599D000281636

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2021-22**

NDR Auto Components Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

As provided under Listing Regulations, I hereby certify that all the Board members and Senior Management personal have affirmed the compliance with the Code of Ethics and Business Conduct for the year ended 31st March, 2022.

**For NDR Auto Components Limited**

**Rajat Bhandari**  
**Executive Director**  
**(DIN: 02154950)**

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**CEO / CFO Certification**

To  
The Board of Directors  
NDR Auto Components Limited

As provided under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, we certify the following to the Board that for the year ended 31st March, 2022:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee :
- (1) that there have been no changes in internal control over financial reporting during the year;
  - (2) that there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of fraud of which we have become aware.

**For NDR Auto Components Limited**

**Dated :** May 10, 2022  
**Place :** Gurugram

**Rajat Bhandari**  
Executive Director and Company Secretary

**For NDR Auto Components Limited**

**Vinod Kumar**  
Chief Financial Officer

## **Independent Auditor's Report**

**To The Members of NDR Auto Components Limited**

### **Report on the Audit of Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying statements of standalone financial statements of **NDR Auto Components Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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**

We draw attention to the note no. 37(p) to the standalone financial statements which describe the management's assessment of the impact of COVID-19 pandemic on financial performance, however real impact of assessment will depend on future economic conditions and developments.

Our opinion is not modified in respect of this matter.

#### **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 that there are no key audit matters to be communicated in our report.

#### **Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our independent auditor's report thereon.

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

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

#### **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 income, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for 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 misstatements, whether due to fraud or error.

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

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;



- e. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure – B" to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company has disclosed the pending litigation which would impact its financial position. Refer Note 27 to the standalone financial statements;
  - ii) the Company did not have any long-term contracts including derivative contracts, therefore no provision is required under the applicable law or Indian Accounting Standards;
  - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv)
    - a) On the basis of the representation from the management no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) On the basis of the representation from the management no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
  - v) the dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

**For S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner

Membership No. 095960  
UDIN: 22095960AISFCK9456

Place : Delhi  
Date : 10.05.2022

**“Annexure – A” to the Independent Auditor’s Report to the members of NDR Auto Components Limited**

Referred to in paragraph 1 of report on other legal and regulatory requirement’s paragraph of our report on the standalone financial statement of even date,

- (i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
(B) The company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the management according to a phased manner program over a period of three years, in our opinion, which is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) On the basis of information and explanation given to us by management there are currently no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and the records examined by us, inventories have been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material (10% or more in aggregate for each class of inventory) and have been properly dealt with in the books of account.
- (b) The Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year the Company has not made any investments in, provided any stood guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted unsecured loan of Rs. 1000 lakhs to its associate.
  - (a) The aggregate amount during the year and balance outstanding at the balance sheet date with respect to the loans constitutes for Rs. 1000 lakhs.
  - (b) Based on records and information and explanation given to us, in respect of the loan provided the terms and conditions of the grant of loan are not prejudicial to the Company’s interest.
  - (c) In respect of loan, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular;
  - (d) In respect of loan granted by the Company, there is no overdue amount.
  - (e) The loan granted was fallen due during the year, however the same has been renewed during the year.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Based on records and according to the information and explanation given to us, the Company has complied with transaction covered under sections 185 and 186 of Companies Act, 2013 and the rules framed thereunder.
- (v) Based on records and according to the information and explanation given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder, to the extent applicable to the Company. Accordingly, the reporting under paragraph 3(v) of the Order is not applicable to the Company.
- (vi) As per the requirement under section 148(1) of Companies Act, 2013 the Central government has not prescribed for maintenance of cost records for the Company. However, as explained to us the Company has maintained cost records for the business review purpose.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at year end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues as stated in sub-clause (a) above which have not been deposited on account of any dispute.
- (viii) As per the information and explanation given to us and as per the records examined by us, there are no such transactions which previously not recorded in the books of accounts, now has been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or other borrowings from banks during the year. The Company has taken a loan from financial institution during the year. And there is no default in repayment of this loan and interest thereon as the repayment of principal and interest falls due after the reporting date.
- (b) As per the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has taken any term loan during the year and applied for the purpose for which the loan obtained.
- (d) Based on examination of records and information and explanation given to us, the Company has not raised any short term funds. Hence, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate and joint ventures. And there are no subsidiaries of the Company.
- (f) The company has not raised loans during the year on the pledge of securities held in its joint ventures or associate company. And there are no subsidiaries of the Company.
- (x) (a) Based on the records and information and explanation given to us, the Company has not raised any money by way of initial public offer/further public offer (including debt instrument) during the financial year.
- (b) Based on records and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on records and information and explanations given to us, no cases of fraud noticed or reported by the Company or fraud on the Company during the year.
- (b) No report under sub-section 12 of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) Based on records and information and explanation given to us, no such complaints have been received by the Company during the year.
- (xii) Based on records and information and explanation given to us, the Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, paragraph 3(xii)(a)(b) & (c) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the Company has transacted with the related parties which are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements as required by the Indian Accounting Standard -24 Related Party Disclosures. Refer note no. 37(d) to the standalone financial statements.
- (xiv) (a) Based on records and information and explanation given to us, the Company has an adequate Internal Audit system commensurate with the size and nature of its business.
- (b) The reports of Internal Auditor have been considered by us for the period under audit.
- (xv) Based on records and information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) (a) Based on records and information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) Based on records and information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on records and information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India.
- (d) Based on records and information and explanations given to us, the Group is not having a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India.

- (xvii) Based on the records and information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediate preceding financial year.
- (xviii) There has been no resignation of the statutory auditor of the Company during the year.
- (xix) On the basis of the financial ratios disclosed in note no. 37(k), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Refer note no. 37(f) to the standalone financial statements.
- (b) There are no ongoing projects with the Company. Accordingly, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year. Also, refer to note no. 37(f) to the standalone financial statements.

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership No. 095960  
UDIN: 22095960AISFCK9456

Place : Delhi  
Date : 10.05.2022

**“Annexure – B” to the Independent Auditor’s Report 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”).

We have audited the internal financial controls over financial reporting of **NDR Auto Components Limited** (“the Company”) as at March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

**Opinion**

In our opinion, based on records the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and the internal controls over financial reporting with reference to these standalone financial statements are generally operating effectively as at March 31, 2022 based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner

Membership No. 095960  
UDIN: 22095960AISFCK9456

Place : Delhi  
Date : 10.05.2022

# NDR AUTO COMPONENTS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2022

(Rs. in lakhs, except as otherwise stated)

	Notes	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
I	<b>Non-current assets</b>		
	Property, plant and equipment	5(a) 3,546.95	3,651.05
	Capital work in progress	6 3,211.73	322.42
	Right of use assets	5(b) 1,159.52	450.64
	Intangible assets	5(a) 14.75	3.36
	Financial assets		
	(i) Investments	7 165.00	165.50
	(ii) Other financial assets	8 147.06	52.49
	Other non-current assets	9 27.10	399.01
	Non-current tax assets (Net)	10 14.93	7.36
	Deferred tax assets (Net)	22 187.43	124.62
		<b>8,474.47</b>	<b>5,176.45</b>
II	<b>Current assets</b>		
	Inventories	11 2,126.31	1,238.83
	Financial assets		
	i) Trade receivables	12 3,045.95	3,110.56
	ii) Cash and cash equivalents	13 91.18	389.73
	iii) Other bank balances	14 5,053.75	8,159.00
	iv) Other financial assets		
	- Loans	15 1,000.00	-
	- Others financial assets	15 157.21	149.74
	Other current assets	16 952.93	209.81
		<b>12,427.33</b>	<b>13,257.67</b>
		<b>20,901.80</b>	<b>18,434.12</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
I	<b>Equity</b>		
	Equity share capital	17 594.63	594.63
	Other equity	18 14,409.51	13,366.80
		<b>15,004.14</b>	<b>13,961.43</b>
II	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	i) Borrowing	19 184.65	-
	ia) Lease liabilities	20 1,026.99	417.23
	Provisions	21 32.07	139.22
		<b>1,243.71</b>	<b>556.45</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	i) Borrowing	23 13.35	-
	ia) Lease liabilities	20 71.74	26.41
	ii) Trade payables		
	- Total outstanding dues of micro enterprises and small enterprises	24 170.39	259.83
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	24 3,899.41	3,310.90
	iii) Other financial liabilities	25 420.56	161.33
	Other current liabilities	26 38.75	37.36
	Provisions	21 39.75	120.41
		<b>4,653.95</b>	<b>3,916.24</b>
		<b>20,901.80</b>	<b>18,434.12</b>
<b>Total Equity and Liabilities</b>			
	Summary of significant accounting policies	2	
	Contingent liabilities and commitments	27	
	Other notes on accounts	37	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

**For S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Rohit Relan**  
Co-Chairman & Director  
DIN: 00257572

**Pranav Relan**  
Whole Time Director  
DIN: 07177944

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Rajat Bhandari**  
Executive Director and Company Secretary  
DIN: 02154950

**Vinod Kumar**  
Chief Financial Officer

Place : Delhi  
Date : May 10, 2022

## NDR AUTO COMPONENTS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. in lakhs, except as otherwise stated)

Particulars	Notes	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>I INCOME</b>			
Revenue from operations	28	23,254.89	11,412.90
Other income	29	826.79	829.97
<b>Total income</b>		<b>24,081.68</b>	<b>12,242.87</b>
<b>II EXPENSES</b>			
Cost of materials consumed	30	17,723.45	8,471.77
Changes in inventories of finished goods and work in progress	31	(44.77)	16.95
Employee benefits expense	32	914.04	547.68
Finance costs	33	72.53	12.10
Depreciation and amortization expenses	34	733.05	497.42
Other expenses	35	3,268.72	1,740.12
<b>Total expenses</b>		<b>22,667.02</b>	<b>11,286.04</b>
<b>III Profit before tax</b>		<b>1,414.66</b>	<b>956.83</b>
<b>IV Tax expenses</b>			
Current tax	22	405.44	263.28
Deferred tax expenses/(credit)	22	(70.40)	(0.58)
<b>Income tax expense</b>		<b>335.04</b>	<b>262.70</b>
<b>V Profit for the year</b>		<b>1,079.62</b>	<b>694.13</b>
<b>VI Other comprehensive income</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
i) Re-measurement gains/(losses) on defined benefit plans (refer note 37(b))		30.14	6.19
ii) Income tax effect (refer note 22)		(7.59)	(1.56)
Total other comprehensive income for the year, net of taxes		<b>22.55</b>	<b>4.63</b>
<b>VII Total comprehensive income for the year, net of taxes</b>		<b>1,102.17</b>	<b>698.76</b>
<b>VIII Earnings per equity share of Rs. 10 each:</b>			
(1) Basic (Rs.)	36	18.16	11.67
(2) Diluted (Rs.)	36	18.16	11.67
Summary of significant accounting policies	2		
Contingent liabilities and commitments	27		
Other notes on accounts	37		

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As per our report of even date

**For S. S. Kothari Mehta & Co.**

Chartered accountants  
ICAI Registration No. 000756N

**Neeraj Bansal**

Partner  
Membership no. 095960

Place : Delhi

Date : May 10, 2022

**For and on behalf of Board of Directors**

**Rohit Relan**

Co-Chairman & Director  
DIN: 00257572

**Rajat Bhandari**

Executive Director and Company Secretary  
DIN: 02154950

**Pranav Relan**

Whole Time Director  
DIN: 07177944

**Vinod Kumar**

Chief Financial Officer



**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before income tax	1,414.66	956.83
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expense	733.05	497.42
Provision for doubtful debts	-	2.56
(Profit)/Loss on sale of property, plant and equipment	75.56	(0.27)
Provision for diminution in value of investment	0.50	-
Finance cost	2.73	7.85
Interest on lease liability	69.80	4.25
Interest income	(382.50)	(494.64)
Dividend income	(57.00)	(57.00)
Unrealised (gain)/ loss on foreign exchange fluctuation	(0.46)	-
Income on termination of lease under Ind-AS-116	(13.39)	-
Liabilities no longer required written back	(258.84)	(91.92)
<b>Operating profit before working capital changes</b>	<b>1,584.11</b>	<b>825.08</b>
<b>Adjustments for changes in working capital :</b>		
(Increase)/decrease in inventories	(887.48)	(548.84)
(Increase)/decrease in trade receivables	64.61	(2,506.82)
(Increase)/decrease in other financial assets	(175.53)	(20.73)
(Increase)/decrease in other assets	(743.12)	175.48
Increase/(decrease) in trade payables	757.91	2,088.53
Increase/(decrease) in other liabilities	1.39	(58.24)
Increase/(decrease) in other financial liabilities	23.45	47.92
Increase/(decrease) in provisions	(157.67)	74.46
<b>Cash generated from operating activities</b>	<b>467.67</b>	<b>76.84</b>
Income tax paid ( net of refunds)	(413.01)	(253.57)
<b>Net cash flow from operating activities</b>	<b>54.66</b>	<b>(176.73)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work in progress, capital advances net of capital creditors	(2,924.55)	(1,471.59)
Proceeds from sale of property, plant and equipment	34.23	0.62
Corporate loan given	(1,000.00)	-
Fixed Deposits made during the year	(7,164.00)	(15,007.77)
Fixed Deposits matured during the year	10,270.00	15,934.77
Dividend received- non current investment	57.00	57.00
Interest income received	358.89	586.27
<b>Net cash from/(used in) investing activities</b>	<b>(368.43)</b>	<b>99.30</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	198.00	-
Dividend paid on equity shares	(58.71)	-
Repayment of principal lease payment	(52.21)	(44.81)
Repayment of interest on lease liability	(69.80)	(4.25)
Other finance cost paid	(2.07)	(7.85)
<b>Net cash from/(used) in financing activities</b>	<b>15.21</b>	<b>(56.91)</b>
Net increase/ (decrease) in cash and cash equivalents (I+II+III)	(298.55)	(134.34)
Cash and cash equivalents at the beginning of the year	389.73	524.07
<b>Cash and cash equivalents at the end of the year</b>	<b>91.18</b>	<b>389.73</b>
<b>Components of cash and cash equivalents</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
Current accounts	89.91	389.41
Cash on hand	1.27	0.32
<b>Net Cash and cash equivalents as at 31st March 2022</b>	<b>91.18</b>	<b>389.73</b>

Note: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind As) 7 statement of cash flows.

Note: 2. refer note no. 24C for the changes in financing liabilities arising from financing activities

Summary of significant accounting policies	2
Contingent liabilities and commitments	27
Other notes on accounts	37

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As per our report of even date

**For and on behalf of Board of Directors**

**For S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Rohit Relan**  
Co-Chairman & Director  
DIN: 00257572

**Pranav Relan**  
Whole Time Director  
DIN: 07177944

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Rajat Bhandari**  
Executive Director and Company Secretary  
DIN: 02154950

**Vinod Kumar**  
Chief Financial Officer

Place : Delhi  
Date : May 10, 2022

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

**I Equity Share Capital ( Refer note 17)**

(Rs. in lakhs, except as otherwise stated)

	Nos.	Amount
<b>As at 1st April, 2020</b>	5,946,326	594.63
Changes in equity share capital due to prior period error	-	-
<b>Balance as at 1st April, 2020</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March, 2021</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital due to prior period error	-	-
<b>Balance as at 31st March, 2021</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March 2022</b>	<b>5,946,326</b>	<b>594.63</b>

**II Other Equity ( Refer note 18)**

	Reserves & Surplus			Total
	Capital Reserve	Retained Earnings	remeasurements gain/(loss) on defined benefit plans	
<b>Balance as at 1st April, 2020</b>	<b>12,525.56</b>	<b>166.59</b>	<b>(24.11)</b>	<b>12,668.04</b>
Changes in other equity due to prior period error	-	-	-	-
<b>Balance as at 1st April, 2020</b>	<b>12,525.56</b>	<b>166.59</b>	<b>(24.11)</b>	<b>12,668.04</b>
Total Comprehensive Income for the current year	-	694.13	4.63	<b>698.76</b>
<b>Balance as at 31st March 2021</b>	<b>12,525.56</b>	<b>860.72</b>	<b>(19.48)</b>	<b>13,366.80</b>
Changes in other equity due to prior period error	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>12,525.56</b>	<b>860.72</b>	<b>(19.48)</b>	<b>13,366.80</b>
Total Comprehensive Income for the current year	-	1,079.62	22.55	<b>1,102.17</b>
Dividend paid during the year	-	(59.46)	-	<b>(59.46)</b>
<b>Balance as at 31st March 2022</b>	<b>12,525.56</b>	<b>1,880.88</b>	<b>3.07</b>	<b>14,409.51</b>

Summary of significant accounting policies	2
Contingent liabilities and commitments	27
Other notes to accounts	37

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As per our report of even date

**For and on behalf of Board of Directors**

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Membership no. 095960

**Rajat Bhandari**  
Executive Director and Company Secretary  
DIN: 02154950

**Vinod Kumar**  
Chief Financial Officer

Place : Delhi  
Date : May 10, 2022

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022****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 Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI Airport, New Delhi 110037. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. 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.

**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, as amended and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 10th May 2022

**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.

The principal accounting policies are set out below.

**2.3 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

**Assumptions and estimation uncertainties**

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

- 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.

**2.4 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 entirety 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.

### 3 Summary of Significant accounting policies

#### 3.1 Revenue recognition and presentation:

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. 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. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide price revision receivable from/payable to customers on account of change of commodity prices/ purchase price and these prices escalations and relaxations give rise to variable consideration. Contract revenue includes price revision received/receivable from customers and similarly, price revision for material purchased or payable to vendors has also been included in purchases.

#### **Other Revenue**

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

Interest income from a financial assets are recognized using effective interest rate method.

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

#### 3.2 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.

#### 3.3 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 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 indicated 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 plant and machinery and electrical fittings. The useful lives are as follows:

i) Plant and machinery and electrical fittings:

<b>Assets</b>	<b>Estimated useful life (years)</b>	<b>Useful life as per Companies Act, 2013 (years)</b>
Plant & Machinery-Trolleys	5	15
Plant & Machinery-Tools & Dies	10	15
Plant & Machinery- Others	20	15
Electrical Fittings	15	10

ii) Other assets:

<b>Nature</b>	<b>Estimated useful life (years)</b>	<b>Useful life as per Companies Act, 2013 (years)</b>
Furniture and Fixtures	10	10
Vehicles	8	8
Office Equipment	5	5
Computers	3 and 6	3 and 6
Building	30	30

Electrical fittings and plant & machinery has been depreciated over useful life different from life indicated in Schedule II of Companies Act, 2013 based on the technical estimates made by the management, it believes that the useful lives as given above represent the period over which the assets are expected to be used.

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 year costing ₹ 5,000 or less are depreciated at the rate of 100% in the year of purchase.

**3.4 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.

**3.5 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 of disposal. 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.

**3.6 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.

**3.7 Foreign currencies:****Functional and presentational currency**

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

**3.8 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.

### **3.9 Leases:**

#### **Determining whether arrangement contains a lease**

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

#### **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.

#### **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."

Lease liability and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **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."

### **3.10 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.

**3.11 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.

Warranties: The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. In addition, specific provision is also made against customer claims for manufacturing.

Site restoration (decommissioning liability): The Company records a provision for site restoration costs to be incurred for the restoration of leasehold land at the end of the lease period. The provision is measured at the present value of the best estimate of the expected costs to settle the obligation and recognised as part of the cost of property, plant and equipment. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the costs of the asset and site restoration obligation.

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 within 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 within the control of the Company.

### **3.12 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 entirety 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.

#### **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**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment."

**Impairment of financial assets**

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

- financial assets measured at amortised cost; e.g. security deposits, trade receivables, bank balance, other financial assets etc.
- 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 right to receive the cash flows from the asset has expired or,
- 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.

**3.13 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 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.

**3.14 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.

**3.15 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.

**3.16 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.

**4 New and amended standards:**

**4.1 New amendments issued and are effective**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**4.2 New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Below is a summary of such amendments :

Ind AS 16, Property, Plant and Equipment	<p>Proceeds before intended use of property, plant and equipment</p> <p>The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).</p>
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	<p>Onerous Contracts - Cost of fulfilling a contract</p> <p>The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.</p>
Ind AS 103, Business combinations	<p>The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022</p>
Ind AS 109, Financial Instruments	<p>Fees included in the 10% test for derecognition of financial liabilities</p> <p>The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.</p>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

5(a) i) Property Plant & Equipment and Intangible Assets: 2021-22

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value		Depreciation / Amortisation		Net Carrying Value	
	Balance as at 1st April 2021	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation/ Amortisation for the year	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>Tangible Assets</b>						
Land Free Hold	752.84	752.84	-	-	-	752.84
Buildings	1,626.51	1,651.67	15.25	94.27	640.51	986.00
Plant and Equipment	4,007.82	3,871.27	367.06	439.98	2,464.60	1,543.22
Furniture and Fixtures	62.75	21.15	41.92	4.43	40.35	22.40
Vehicles	29.37	278.55	26.26	2.93	24.32	5.05
Office Equipment	133.73	109.62	25.63	11.12	81.27	52.46
Computers	28.41	61.43	3.52	11.72	15.25	13.16
Electrical Fittings	541.95	554.68	23.71	54.14	266.03	275.92
<b>Total (A)</b>	<b>7,183.38</b>	<b>7,304.32</b>	<b>503.35</b>	<b>618.59</b>	<b>3,532.33</b>	<b>3,651.05</b>
Intangible Assets						
Software	7.26	24.46	1.90	7.71	3.90	3.36
<b>Total (B)</b>	<b>7.26</b>	<b>24.46</b>	<b>1.90</b>	<b>7.71</b>	<b>3.90</b>	<b>3.36</b>
<b>Grand Total (A+B)</b>	<b>7,190.64</b>	<b>7,328.78</b>	<b>505.25</b>	<b>626.30</b>	<b>3,536.23</b>	<b>3,654.41</b>

5(a) ii) Property Plant & Equipment and Intangible Assets: 2020-21

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value		Depreciation / Amortisation		Net Carrying Value	
	Balance as at 1st April 2020	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation/ Amortisation for the year	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>Tangible Assets</b>						
Land Free Hold	752.84	752.84	-	-	-	752.84
Buildings	1,626.51	1,626.51	536.65	103.86	640.51	1,089.86
Plant and Equipment	3,369.40	4,007.82	2,171.21	293.39	2,464.60	1,198.19
Furniture and Fixtures	52.45	62.75	35.84	4.51	40.35	16.61
Vehicles	31.10	29.37	23.62	2.08	24.32	7.48
Office Equipment	122.26	133.73	72.24	9.03	81.27	50.02
Computers	16.62	28.41	13.20	2.05	15.25	3.42
Electrical Fittings	418.09	541.95	229.04	36.99	266.03	189.05
<b>Total (A)</b>	<b>6,389.27</b>	<b>7,183.38</b>	<b>3,081.80</b>	<b>451.91</b>	<b>3,532.33</b>	<b>3,307.47</b>
Intangible Assets						
Software	3.19	7.26	2.83	1.07	3.90	0.36
<b>Total (B)</b>	<b>3.19</b>	<b>7.26</b>	<b>2.83</b>	<b>1.07</b>	<b>3.90</b>	<b>0.36</b>
<b>Grand Total (A+B)</b>	<b>6,392.46</b>	<b>7,190.64</b>	<b>3,084.63</b>	<b>452.98</b>	<b>3,536.23</b>	<b>3,307.83</b>

**5(b) i) Right-of-use assets 2021-22**

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value		
	Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation for the year	Disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
Buildings	459.15	1,240.76	459.15	1,240.76	8.51	106.75	34.03	81.24	450.64
<b>Total</b>	<b>459.15</b>	<b>1,240.76</b>	<b>459.15</b>	<b>1,240.76</b>	<b>8.51</b>	<b>106.75</b>	<b>34.03</b>	<b>81.24</b>	<b>450.64</b>

Note: The Company has discontinued a lease related to buildings vacated during the year. Consequently the Company has reversed ROU of Rs. 425.12 lakhs and lease liability of Rs. 430.71 lakhs and security deposit by Rs.7.80 lakhs, and recognised gain on termination of Rs. 13.39 lakhs (Refer Note no. 29 and 37).

**ii) Right-of-use assets 2020-21**

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value		
	Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation for the year	Disposals	Balance as at 31st March 2021	Balance as at 31st March 2020
Buildings	80.79	459.31	80.95	459.15	44.87	44.43	80.79	8.51	35.92
<b>Total</b>	<b>80.79</b>	<b>459.31</b>	<b>80.95</b>	<b>459.15</b>	<b>44.87</b>	<b>44.43</b>	<b>80.79</b>	<b>8.51</b>	<b>35.92</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

6 Capital work in progress

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>Capital work in progress</b>		
Opening cost	322.42	-
Additions during the year	3,110.54	322.42
Deduction and adjustment during the year	(221.23)	-
	<b>3,211.73</b>	<b>322.42</b>

Capital work in progress (CWIP) ageing schedule

(Rs. in lakhs, except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Projects in progress</b>		
Less than 1 year	2,935.41	322.42
1-2 years	276.32	-
2-3 years	-	-
more than 3 years	-	-
<b>Total</b>	<b>3,211.73</b>	<b>322.42</b>

7 Non- current Investments measured at cost

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>In equity shares of Associate</b>		
Quoted, fully paid up		
9,000,000 equity shares (including 4,500,000 bonus shares) of ₹ 2/- each of Bharat Seats Ltd.	90.00	90.00
	<b>90.00</b>	<b>90.00</b>
<b>In equity shares of Joint Ventures</b>		
Unquoted, fully paid up		
50,000 equity shares of ₹ 10/- each of Toyota Boshoku Relan India Pvt. Ltd.	0.50	0.50
Less: Provision for diminution in investment	(0.50)	-
	-	0.50
750,000 equity shares of ₹ 10/- each of Toyo Sharda India Pvt. Ltd.	75.00	75.00
	<b>75.00</b>	<b>75.50</b>
	<b>165.00</b>	<b>165.50</b>

8 Non- current financial assets ( valued at amortised cost)

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured, considered good)</b>		
Others		
Security deposits	147.06	52.49
	<b>147.06</b>	<b>52.49</b>

## NDR AUTO COMPONENTS LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

#### 9 Other non current assets

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured, considered good)</b>		
Capital advance	27.10	399.01
	<b>27.10</b>	<b>399.01</b>

#### 10 Non-current tax assets (net)

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Advance tax ( net of provisions and tax deducted at source)	14.93	7.36
	<b>14.93</b>	<b>7.36</b>

#### 11 Inventories

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw materials and components	1,798.88	977.50
Work-in-progress	60.57	36.98
Finished goods	118.15	105.83
Stores and spares	128.35	107.02
Scrap materials	20.36	11.50
	<b>2,126.31</b>	<b>1,238.83</b>

#### 12 Trade receivables

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured)</b>		
Trade receivable- considered good	3,045.95	3,110.56
Trade receivable- considered doubtful	-	7.15
Less: impairment allowance	-	(7.15)
	<b>3,045.95</b>	<b>3,110.56</b>

Note:

- Trade receivables are not interest bearing. Credit period generally falls in the range of 30 to 60 days.
- Due from related parties Rs. 2870.75 lakhs ( 31st March 2021: Rs. 3036.61 lakhs ) (refer note 37(d)).

#### Trade receivable ageing schedule

(Rs. in lakhs, except as otherwise stated)

Ageing of trade receivables	As at 31st March 2022	As at 31st March 2021
<b>Undisputed trade receivable - considered good</b>		
current but not due	2,473.25	3,037.49
less than 6 months past due	572.65	73.07
6 months - 1 year past due	0.05	-
	<b>3,045.95</b>	<b>3,110.56</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**13 Cash and cash equivalents**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Balance with banks:		
Current accounts	89.91	389.41
Cash on hand	1.27	0.32
	<b>91.18</b>	<b>389.73</b>

Note: There are no restrictions with regard to cash and cash equivalents at the end of the current and previous year.

**14 Other bank balances**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Fixed deposits account with an original maturity of more than three months but less than twelve months	-	8,159.00
Fixed deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months	5,053.00	-
Unclaimed dividend accounts*	0.75	-
	<b>5,053.75</b>	<b>8,159.00</b>

\* The company can utilise the balance towards settlement of unclaimed dividend.

**15 Other financial assets**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>(Unsecured, considered good)</b>		
Loans:		
Corporate Loan	1,000.00	-
Others:		
Security Deposits	0.31	10.22
Interest accrued but not due on fixed deposits with bank	156.90	139.52
	<b>1,157.21</b>	<b>149.74</b>

Details of Loans and advance given to related parties, promoters, directors, KMPs

<b>Type of Borrower</b>	As at 31st March 2022	
	<b>Amount of loans or advances</b>	<b>% to the total loans and advances in the nature of loans</b>
1. Related Parties - Bharat Seats Limited (refer note no. 37(d))	1,000.00	100%
<b>Total</b>	<b>1,000.00</b>	<b>100%</b>

<b>Type of Borrower</b>	As at 31st March 2021	
	<b>Amount of loans or advances</b>	<b>% to the total loans and advances in the nature of loans</b>
1. Related Parties - Bharat Seats Limited (refer note no. 37(d))	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

16 Other current assets

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured, considered good)</b>		
Advance given to MSME suppliers	-	1.65
Advances given to suppliers	872.69	95.24
<b>Others</b>		
Balance with statutory / government authorities	66.11	39.90
Prepaid expenses	14.13	13.66
Other Receivable	-	59.36
	<b>952.93</b>	<b>209.81</b>

17 Equity

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022 Amount	As at 31st March 2021 Amount
<b>(a) Equity Share Capital</b>		
<b>Authorised</b>		
6,000,000 equity shares of ₹ 10 each	600.00	600.00
<b>Issued ,subscribed &amp; fully paid-up</b>		
5,946,326 equity shares of ₹ 10 each	594.63	594.63

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31st March 2022		As at 31st March 2021	
	No. of shares	Amount in lakhs	No. of shares	Amount in lakhs
At the beginning of the year	5,946,326	594.63	5,946,326	594.63
Add: Equity shares issued	-	-	-	-
	<b>5,946,326</b>	<b>594.63</b>	<b>5,946,326</b>	<b>594.63</b>

(c) 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. 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.

(d) Details of Shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

(Rs. in lakhs, except as otherwise stated)

Name of Shareholders	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rohit Relan	3,570,175	60.04%	3,570,175	60.04%
Ritu Relan	744,646	12.52%	742,520	12.49%
	<b>4,314,821</b>		<b>4,312,695</b>	

## NDR AUTO COMPONENTS LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

(e) **Details of Shares held by promoters:**

As at 31st March 2022			
Name of Promoter	No. of Shares	% of total shares	% change during the year
Rohit Relan	3,570,175	60.04%	0.00%
Ritu Relan	744,646	12.52%	0.04%
Rishabh Relan	9,233	0.16%	0.02%
Pranav Relan	9,315	0.16%	0.02%
Ayush Relan	10,736	0.18%	0.02%
Indira Chaudhary	53,037	0.89%	0.00%
	<b>4397142.00</b>	<b>73.95%</b>	

As at 31st March 2021			
Name of Promoter	No. of Shares	% of total shares	% change during the year
Rohit Relan	3,570,175	60.04%	48.26%
Ritu Relan	742,520	12.49%	0.00%
Rishabh Relan	8,233	0.14%	0.09%
Pranav Relan	8,315	0.14%	0.08%
Ayush Relan	9,736	0.16%	0.09%
Ram Prakash Choudhary	53,037	0.89%	0.88%
	<b>4,392,016</b>	<b>73.86%</b>	

#### 18 Other equity

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>a) Capital Reserve</b>		
Balance as at the beginning of the year	12,525.56	12,525.56
	<b>12,525.56</b>	<b>12,525.56</b>
<b>(b) Retained earnings</b>		
Balance as at the beginning of the year	841.24	142.48
Net profit for the year	1,079.62	694.13
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurements of post employment benefit obligation, net of tax	22.55	4.63
<b>Dividends</b>		
Final dividend of Re. 1/-per share (31st March, 2020 nil per share)	(59.46)	-
	<b>1,883.95</b>	<b>841.24</b>
	<b>14,409.51</b>	<b>13,366.80</b>

#### 19 Borrowings

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Secured		
Vehicle loan	184.65	-
	<b>184.65</b>	<b>-</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

The requisite particulars in respect of secured borrowings are as under:

	As at 31st March 2022	As at 31st March 2021	Particulars of security / guarantees /terms of repayment / default
<b>Loan - Daimler Financial Services India Pvt. Ltd.</b>			<b>Particulars of security</b>
Balance outstanding	198.00	-	First pari passu charge over the asset financed
Current maturity	13.35	-	<b>Terms of repayment</b> Period of loan is 36 months, sanctioned on 17.03.2022, repayable in 35 equal monthly instalments of Rs. 2,59,230 commencing from 18.04.2022 and last instalment of Rs. 1,56,55,500
Non - current amount	184.65	-	Rate of interest is 9.25% per annum.

**20 Non Current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Non Current lease liability (refer note no. 37(j))	1,026.99	417.23
	<b>1,026.99</b>	<b>417.23</b>

**Current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Current lease liability (refer note no. 37(j))	71.74	26.41
	<b>71.74</b>	<b>26.41</b>

Note: Refer note no. 2.3 on use of estimates and judgements

**21 Non- Current provisions**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>Provision for employee benefits</b>		
Leave encashment (refer note 37(c))	-	11.34
Gratuity Payable (refer note 37(b))	32.07	56.16
<b>Provision others</b>		
Provision for warranty	-	71.72
	<b>32.07</b>	<b>139.22</b>

**Current provisions**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>Provision for employee benefits</b>		
Gratuity Payable (refer note 37(b))	12.94	11.23
Leave encashment (refer note 37(c))	26.81	5.13
<b>Provision others</b>		
Provision for warranty	-	104.05
	<b>39.75</b>	<b>120.41</b>

**Disclosure for warranty claim payable**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Opening Balance	175.77	176.93
Less: Paid during the year	0.46	1.16
Less: Amount reversed during the year	175.31	-
<b>Closing Balance</b>	<b>-</b>	<b>175.77</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

22 Income Taxes

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
a) <b>Income Tax expense in the statement of profit and loss comprises:</b>		
Current income tax charge	405.44	263.28
<b>Deferred Tax</b>		
Relating to origination and reversal of timing differences	(70.40)	(0.58)
Income tax expense reported in the statement of profit and loss	335.04	262.70
b) <b>Other comprehensive income</b>		
Tax on Re-measurement gain/(losses) on defined benefit plans	7.59	(1.56)
Income tax related to items recognised in OCI during the year	7.59	(1.56)
c) <b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
Accounting profit before tax	1,414.66	956.83
Applicable tax rate	25.17%	25.17%
Computed tax expense	356.04	240.81
Property, Plant & Equipment	7.85	10.73
Effect of expenses that are not deductible in determining taxable profit	(9.76)	12.76
Effect of income that are exempt in determining taxable profit	(4.75)	-
Effect of expenses that are exempt in determining taxable profit	(14.35)	-
Others	-	(1.60)
Income tax charged to Statement of Profit and loss at effective rate	335.03	262.70

(d) **Deferred tax relates to the following:**

	As at 31st March 2022	As at 31st March 2021	for the year ended 31st March 2022	for the year ended 31st March 2021
<b>Deferred tax liabilities on account of:</b>				
Defined Benefit Obligation	(11.33)	-	(11.33)	(2.09)
<b>Total deferred tax liabilities</b>	<b>(11.33)</b>	<b>-</b>	<b>(11.33)</b>	<b>(2.09)</b>
<b>Deferred tax assets on account of:</b>				
Property, plant and equipment and Intangible assets	157.08	110.67	46.41	1.53
Expenses deductible in future years	19.02	13.95	5.07	(4.60)
<b>Total deferred tax assets</b>	<b>176.10</b>	<b>124.62</b>	<b>51.48</b>	<b>(3.07)</b>
<b>Total deferred tax liabilities/ (asset) (net)</b>	<b>187.43</b>	<b>124.62</b>	<b>62.81</b>	<b>(0.98)</b>

(e) **Reconciliation of deferred tax liabilities/ (asset) (net)**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Opening balance	(124.62)	(125.60)
Tax expense/ (credits) during the year recognised in Statement to profit and loss	(70.40)	(0.58)
Tax expense /(credits) during the year recognised in OCI	7.59	1.56
<b>Closing balance as at 31st March</b>	<b>(187.43)</b>	<b>(124.62)</b>

The Taxation Laws (Amendment) Ordinance 2019, had introduced a new taxation regime for domestic companies and inserted section 115BAA in the Income Tax Act 1961, providing benefit of reduced corporate tax of 22% plus surcharge & cess subject to certain applicable conditions. The newly inserted provision is effective from April 01, 2019 onwards and can be opted for, on or before the due date of filing of return of income tax by the Company. The management basis its estimate of future tax obligation had opted for the reduced corporate tax rate for the year 2019-20 and future years.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**23 Short Term Borrowings**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Secured</b>		
Vehicle loan- current maturities of long term borrowing (refer note no. 19)	13.35	-
	<b>13.35</b>	<b>-</b>

**24 Trade payables**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Dues of micro enterprises and small enterprises (refer below note)	170.39	259.83
Dues of other than micro enterprises and small enterprises	3,899.41	3,310.90
	<b>4,069.80</b>	<b>3,570.73</b>

\* Trade Payables include due to related parties Re.0.47 lakhs( 31st March 2021: Re 0.19 lakh)(refer note 37(d))

\* Trade Payables are unsecured and usually paid within 60 days of recognition.

\* Trade Payables are usually non-interest bearing.

**A) Disclosure under MSMED Act**

Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for year ended 31st March, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note no. 24)	170.39	252.21
ii) Interest due remaining unpaid to any supplier covered under MSMED Act	Nil	Nil
iii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iv) 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 MSMED Act.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	7.62
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

**B) Ageing of trade payables**

	<b>As at 31st March 2022</b>		<b>As at 31st March 2021</b>	
	<b>MSME</b>	<b>Other than MSME</b>	<b>MSME</b>	<b>Other than MSME</b>
less than 1 year	170.39	3,876.74	246.72	3,017.32
1-2 years	-	5.82	11.15	76.56
2-3 years	-	3.38	1.38	3.57
more than 3 years	-	13.47	0.58	213.45
	<b>170.39</b>	<b>3,899.41</b>	<b>259.83</b>	<b>3,310.90</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**C) Change in liabilities arising from financing activities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2021	Cash flows	Others	As at 31st March 2022
Lease Liability	443.64	(122.01)	777.10	1,098.73
Borrowings	-	198.00	-	198.00
Other financing liability	-	(60.78)	60.78	-
<b>Total</b>	<b>443.64</b>	<b>15.21</b>	<b>837.88</b>	<b>1,296.73</b>

	As at 31st March 2020	Cash flows	Others	As at 31st March 2021
Lease Liability	37.54	(49.06)	455.15	443.64
Other financing liability	-	(7.85)	7.85	-
<b>Total</b>	<b>37.54</b>	<b>(56.91)</b>	<b>463.00</b>	<b>443.64</b>

**25 Other financial liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due	0.66	-
Unpaid dividends	0.75	-
<b>Other Payables</b>		
Creditors for capital goods-Other than micro and small enterprises	274.30	38.52
Others		
- Employees related dues	144.85	100.38
- Others	-	22.43
	<b>420.56</b>	<b>161.33</b>

**26 Other current liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>Others</b>		
Statutory dues payable	35.59	37.36
Advance from customers	3.16	-
	<b>38.75</b>	<b>37.36</b>

**27 Contingent liabilities & commitments**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(A) Contingent liabilities ( to the extent not provided for)</b>		
(a) Claims against the company not acknowledged as debt		
i) Labour court matter	0.71	8.82
ii) Civil case(Pathredi)	3.59	3.59
	<b>4.30</b>	<b>12.41</b>
<b>(B) Commitments</b>		
Estimated amount of contracts remaining to be executed :		
a) Capital commitments (net of advance)	224.68	300.80
	<b>224.68</b>	<b>300.80</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**28 Revenue from operations**

(Rs. in lakhs, except as otherwise stated)

	<b>Year Ended 31st March 2022</b>	<b>Year Ended 31st March 2021</b>
Revenue from contract with Customers		
a) Sale of products	22,950.02	11,280.64
b) Other operating revenues		
Scrap sales	304.87	132.26
<b>Revenue from operations (a+b)</b>	<b>23,254.89</b>	<b>11,412.90</b>

**29 Other income**

	<b>Year Ended 31st March 2022</b>	<b>Year Ended 31st March 2021</b>
<b>Interest income</b>		
Fixed deposit with Banks	314.40	494.54
Others	68.10	0.10
<b>Other non-operating income</b>		
Dividend income from non-current investment	57.00	57.00
Gain on disposal of property, plant and equipments	5.47	0.27
Foreign exchange gain or loss	4.91	-
Management support services	-	142.04
Gain on termination of right of use asset	13.39	-
Sundry old liabilities/ excess provision written back	258.84	91.92
Miscellaneous Income	104.68	44.10
	<b>826.79</b>	<b>829.97</b>

**30 Cost of materials consumed**

	<b>Year Ended 31st March 2022</b>	<b>Year Ended 31st March 2021</b>
Inventory at the beginning of the year	977.50	424.11
Add: Purchases during the period	18,544.83	9,025.16
Less: Balance of raw material at the end of the period	1,798.88	977.50
	<b>17,723.45</b>	<b>8,471.77</b>

**31 Changes in inventories of finished goods and work-in-progress**

	<b>Year Ended 31st March 2022</b>	<b>Year Ended 31st March 2021</b>
<b>Inventory at the beginning of the year</b>		
Finished goods	105.83	-
Work in progress	36.98	171.26
Scrap materials	11.50	-
	<b>154.31</b>	<b>171.26</b>
<b>Inventory at the end of the year</b>		
Finished goods	118.15	105.83
Work-in-progress	60.57	36.98
Scrap materials	20.36	11.50
	<b>199.08</b>	<b>154.31</b>
<b>Changes in inventories of finished goods and work-in-progress ((Increase) / Decrease)</b>	<b>(44.77)</b>	<b>16.95</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**32 Employee benefits expense**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Salaries, wages, bonus and other benefits	783.52	406.61
Contributions to provident and other funds	30.27	23.01
Gratuity expense (refer note No. 37 (b))	13.19	82.90
Staff welfare expenses	87.06	35.16
	<b>914.04</b>	<b>547.68</b>

**33 Finance costs**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Interest on debts & borrowings	0.66	-
Interest on others	0.14	0.14
Interest on MSME suppliers	1.00	7.62
Interest on lease liability	69.80	4.25
Bank charges	0.93	0.09
	<b>72.53</b>	<b>12.10</b>

**34 Depreciation and amortization expenses**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Depreciation of tangible assets (refer note 5(a))	618.59	451.92
Depreciation on right of use assets (refer note 5(b))	106.75	44.43
Amortization of intangible assets (refer note 5(a))	7.71	1.07
	<b>733.05</b>	<b>497.42</b>

**35 Other expenses**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Power and fuel	239.45	156.72
Rent, rates & taxes	29.94	25.80
Repair and maintenance:		
Buildings	18.29	5.69
Plant and machinery	324.30	200.35
Others	8.04	10.22
Insurance	19.28	18.29
Loss on sale of property, plant and equipments	81.03	-
Consumption of stores and spares	145.00	61.56
Payment to Auditors		
As Auditors:		
Audit Fee	15.15	22.70
Tax Audit Fee	1.00	2.00
In other capacity		
Reimbursement of expenses	0.85	-
Provision for allowance as per ECL	-	2.56
Freight Outward	120.10	53.81

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

	Year Ended 31st March 2022	Year Ended 31st March 2021
Contribution towards Corporate Social Responsibility (CSR) (refer note no. 37 (f))	9.00	-
Factory expenses	2,002.66	1,017.66
Legal and professional expenses	83.51	86.62
Impairment loss - investment in joint venture	0.50	-
Director sitting fees	28.40	19.60
Listing expense	5.40	13.70
Travelling and conveyance	84.04	10.63
Miscellaneous expenses	52.78	32.21
	<b>3,268.72</b>	<b>1,740.12</b>

**36 Earnings per equity shares** (Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>a) Basic Earnings per share</b>		
Numerator for earnings per share		
Profit after taxation	1,079.62	694.13
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	5,946,326	5,946,326
Earnings per share- Basic (one equity share of Rs. 10/- each) Rs.	18.16	11.67
<b>b) Diluted Earnings per share</b>		
Numerator for earnings per share		
Profit after taxation	1,079.62	694.13
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	5,946,326	5,946,326
Earnings per share- Diluted (one equity share of Rs. 10/- each) Rs.	18.16	11.67

Note: There are no instruments issued by the Company which have effect of dilution of basic earnings per share.

**37 Other Notes to Accounts**

- a. Disclosures pursuant to Ind AS-19 "Employee Benefits"(specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

**Contribution to Defined Contribution Plan, recognised as expense for the year is as under:**

(Rs. in lakhs except as otherwise stated)

Particulars	2021-22	2020-21	2019-20
Provident fund/ other employees fund	30.27	23.01	30.41

**b. Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Pursuant to the scheme of arrangements, the employee's gratuity fund value has to be transferred by demerged Company i.e. Sharda Motor Industries Ltd. in the name of resulting Company -NDR Auto Components Limited. However due to some procedural delay, the title has not yet been transferred in the name of the Company. Accordingly, the provision for liability has been recognised during the year without considering the fund value. However the liability will be updated in the next year upon transfer of fund value in the name of the Company.

The Company has also provided for leave encashment which is unfunded.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

The following tables summarize the components of net benefit expense recognised in the other comprehensive income in the statement of the profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**i) Net defined benefit obligation** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	67.39	62.34
Current Service Cost	9.70	7.25
Interest Cost	4.23	3.99
Remeasurement (gains)/ losses	(30.14)	(6.19)
Benefits paid	(5.43)	-
<b>Closing defined benefit obligation</b>	<b>45.75</b>	<b>67.39</b>

**ii) Changes in the fair value of plan assets are as follows:** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening fair value of plan assets	-	-
Interest income	0.05	-
Benefits paid	0.69	-
<b>Closing fair value of plan assets</b>	<b>0.74</b>	<b>-</b>

**iii) The amount included in the Balance Sheet** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Present value of defined benefit obligation	45.75	67.39
Fair value of plan assets	0.74	-
<b>Amount Recognised in Balance Sheet-Asset/ (Liability)</b>	<b>(45.01)</b>	<b>(67.39)</b>

**iv) Amount recognised in the statement of profit and loss** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Current service cost	9.70	7.25
Interest cost on benefit obligation	4.23	3.99
Interest income	(0.05)	-
Defined benefit cost recognised in statement of Profit or Loss as per actuarial certificate	13.88	11.24
Reversal of opening fund to reconcile the closing liability as per balance sheet	-	71.66
Closing fair value of the plan assets	(0.69)	-
<b>Net defined benefit cost recognised in statement of Profit or Loss</b>	<b>13.19</b>	<b>82.90</b>

**v) Remeasurements- other comprehensive income (OCI)** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Actuarial (gains)/ losses arising from changes in financial assumptions	(3.03)	0.30
Actuarial (gains)/ losses arising from experience adjustments	(27.11)	(6.49)
<b>Defined benefit costs recognised in other comprehensive income</b>	<b>(30.14)</b>	<b>(6.19)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**vi) The principal assumptions used in determining defined benefit obligation**

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate	6.70%	6.30%
Rate of increase in compensation	9.00%	10.00%
Average outstanding service of employees upto retirement (years)	23.01	21.75

**vii) A quantitative sensitivity analysis for significant assumption** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Change in discount rate</b>		
Decrease in defined benefit obligation due to 1% increase in discount rate	(2.00)	(2.91)
Increase in defined benefit obligation due to 1% decrease in discount rate	2.19	3.18
<b>Rate of salary escalation</b>		
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	2.11	3.04
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	(1.97)	(2.84)

Change in defined benefit obligation due to 1% increase/ decrease in mortality rate, if all other assumptions remains constant is negligible

**viii) Maturity profile of defined benefit obligation** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Within next 12 months	7.30	11.22
Between 2 to 5 years	22.34	30.68
Above 5 years	16.11	25.48

**ix) Enterprise best estimate of contribution during next year** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Enterprise best estimate of contribution during next year	13.68	11.66

**x)** The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

**xi)** Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**xii)** The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period.

**xiii)** The plan assets are maintained with Life Insurance Corporation of India (LIC).

**c. Leave Encashment (Unfunded)** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Liability at the beginning of the year	16.47	14.43
Benefits paid during the year	(5.57)	(4.04)
Provided/(reversal) during the year	15.92	6.07
Liability at the end of the year	26.81	16.47

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**37(d)(i) Names of related parties and description of relationship:**

<b>1)</b>	<b>Names of parties</b>	<b>Nature of relationship</b>
i)	Associate	Bharat Seats Limited
ii)	Joint Ventures	Toyo Sharda India Pvt. Ltd. Toyota Boshoku Relan India Pvt. Ltd.
iii)	Key management persons	Mr. Pranav Relan- Whole time director Mr. Ayush Relan – Whole time director Mr. Rohit Relan - Co Chairman and director Mr. Sanjiv Kapur -Chairman and director Mr. Rishabh Relan Director Mr. Rajat Bhandari-Whole time director and company secretary Mr. Vinod Kumar -Chief financial officer Ms. Nitasha Sinha -Company secretary upto 1st June, 2021 Ms. Komal Jain -Company secretary w.e.f. 2nd June, 2021 upto 1st October, 2021 Mrs. Shyamla Khera -Director Mrs. Vanita Chhabra-Director Mrs. Deepa Gopalan Wadhwa -Director Mr. Ajay Relan (Director) (till 24th October, 2020) Mr. Udayan Banerjee (Director) (till 24th October, 2020) Mr. Kishan N. Parikh (Director) (till 24th October, 2020)
iv)	Enterprises over which key managerial personnel are able to exercise significant influence	Sharda Motor Industries Ltd.

**(d) Transactions with related parties**

(Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>Year Ended 31st March 2022</b>	<b>Year Ended 31st March 2021</b>
<b>i) Sale of products</b>		
<b>Associate</b>		
Bharat Seats Ltd.	21,365.06	10,912.00
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	9.71	-
	<b>21,374.77</b>	<b>10,912.00</b>
<b>ii) Purchases of Material (including taxes)</b>		
<b>Associate</b>		
Bharat Seats Ltd.	37.07	287.17
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.73	-
	<b>37.80</b>	<b>287.17</b>
<b>iii) Other Income:</b>		
<b>a) Management support services</b>		
<b>Enterprises over which key managerial personnel are able to exercise significant influence</b>		
Sharda Motor Industries Ltd.	-	142.04
<b>b) Interest Income:</b>		
<b>Associate</b>		
Bharat Seats Ltd.	61.86	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>c) Dividend Income:</b>		
<b>Associate</b>		
Bharat Seats Ltd.	45.00	45.00
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	12.00	12.00
	<b>118.86</b>	<b>199.04</b>
<b>iv) Remuneration to Key Managerial Persons</b>		
<b>Key management persons</b>		
Pranav Relan		
-Short term employee benefits	56.32	22.50
-Post employment benefits	5.44	1.80
Ayush Relan		
-Short term employee benefits	55.34	13.35
-Post employment benefits	5.37	1.07
Rajat Bhandari		
-Short term employee benefits	60.51	13.87
-Post employment benefits	4.87	1.18
Vinod Kumar		
-Short term employee benefits	21.79	7.85
-Post employment benefits	1.55	0.51
Nitasha Sinha		
-Short term employee benefits	2.21	3.02
-Post employment benefits	0.09	0.18
Komal Jain		
-Short term employee benefits	1.93	-
-Post employment benefits	0.10	-
Ashutosh Vedi		
-Short term employee benefits	-	1.89
-Post employment benefits	-	-
	<b>215.52</b>	<b>67.22</b>
<b>v) Other Expenses :</b>		
<b>a) Freight Outward</b>		
<b>Associate</b>		
Bharat seats Limited	16.94	-
<b>b) Other expenses</b>		
<b>Associate</b>		
Bharat seats Limited	0.30	-
<b>c) Director Sitting Fees:</b>		
Non -Executive/ Independent Directors	28.40	19.60
	<b>45.64</b>	<b>19.60</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>vi) Other Financial Assets</b>		
<b>Corporate loan given</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1,000.00	-
	<b>1,000.00</b>	-
<b>vii) Purchase of property plant and equipment</b>		
<b>Associate</b>		
Bharat Seats Ltd.	127.79	660.51
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.81	-
	<b>128.60</b>	<b>660.51</b>
<b>viii) Sale of property plant and equipment</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1.64	-
	<b>1.64</b>	-
<b>ix) Capital Work in Progress</b>		
<b>Associate</b>		
Bharat Seats Ltd.	81.51	-
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.40	-
	<b>81.91</b>	-

**Closing Balances at the year end**

<b>i) Trade receivables</b>		
<b>Associate</b>		
Bharat Seats Ltd.	2,870.75	3,036.61
	<b>2,870.75</b>	<b>3,036.61</b>
<b>ii) Other financial assets</b>		
<b>Corporate loan given</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1,000.00	-
	<b>1,000.00</b>	-
<b>iii) Other receivables</b>		
<b>Enterprises over which key managerial personnel are able to exercise significant influence</b>		
Sharda Motor Industries Ltd.	-	66.19
	-	<b>66.19</b>
<b>iv) Trade Payable</b>		
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.47	0.19
	<b>0.47</b>	<b>0.19</b>

\*The remuneration to the key management personnel does not include the provision made for leave benefits, as it has been determined on an actuarial basis for the Company as a whole.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**Terms and Conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year –end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**e. Segment Information**

- 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
- Major Customer: Revenue from one customer of the Company's manufacturing business are Rs. 21,365.06 lakhs (31st March 2021 Rs. 10,912.00 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.

**f. Expenditure on corporate social responsibility**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). The Company has contributed a sum of Rs.9 lakhs (31st March, 2021: Nil) towards education purposes . The same is debited to the Statement of Profit and Loss.

(Rs. In Lakhs except as otherwise stated)

Details of CSR Expenditure						As at 31st March, 2022	As at 31st March, 2021
a)	Gross amount required to be spent by the Company during the year					8.72	-
b)	Amount approved by the Board to be spent during the year					9.00	-
c)	Amount spent during year		Amount spent		Yet to be spent	Total	
		2022	2021	2022	2021	2022	2021
	(i) Construction/ acquisition of any asset	-	-	-	-	-	-
	(ii) On purposes other than above	9.00	-	-	-	9.00	-

**g. Financial instruments - fair values and risk management**

**1) Financial instruments by category and fair values**

	As at 31st March 2022		
	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investment in equity instrument*	-	-	-
Corporate Loan given	-	-	1,000.00
Security deposits	-	-	147.37
Trade receivables	-	-	3,045.95
Cash and cash equivalents	-	-	91.18
Bank balances other than above	-	-	5,053.75
Interest accrued on fixed deposits	-	-	156.90
<b>Total</b>	-	-	<b>9,495.15</b>
<b>Financial liabilities</b>			
Borrowings	-	-	198.00
Lease liability	-	-	1,098.73
Trade payables	-	-	4,069.80
Others (refer note no. 25)	-	-	420.56
<b>Total</b>	-	-	<b>5,787.09</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

	As at 31st March 2021		
	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investment in equity instrument*	-	-	-
Security deposits	-	-	62.71
Trade receivables	-	-	3,110.56
Cash and cash equivalents	-	-	389.73
Bank balances other than above	-	-	8,159.00
Interest accrued on fixed deposits	-	-	139.52
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,861.52</b>
<b>Financial liabilities</b>			
Lease Liability	-	-	443.64
Trade payables	-	-	3,570.73
Others (refer note no. 25)	-	-	161.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,175.70</b>

\* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

**II) Financial assets and liabilities measured at fair value - recurring fair value measurements**

**i) Quantitative disclosures fair value measurement hierarchy for assets and liabilities:**

	As at 31st March 2022			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Assets carried at amortised cost for which fair values are disclosed</b>				
Trade receivables	3,045.95	-	-	3,045.95
Cash and cash equivalents	91.18	-	91.18	-
Bank balances other than above	5,053.75	-	5,053.75	-
Corporate loan given	1,000.00	-	-	1,000.00
Security deposits	147.37	-	-	147.37
Interest accrued on fixed deposits	156.90	-	-	156.90
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised cost for which fair values are disclosed</b>				
Borrowing	198.00	-	198.00	-
Lease Liability	1,098.73	-	-	1,098.73
Trade payables	4,069.80	-	-	4,069.80
Others (refer note no. 25)	420.56	-	-	420.56

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

	As at 31st March 2021			
	Carrying Value	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Assets carried at amortised cost for which fair values are disclosed</b>				
Trade receivables	3,110.56	-	-	3,110.56
Cash and cash equivalents	389.73	-	389.73	-
Bank balances other than above	8,159.00	-	8,159.00	-
Security deposits	62.71	-	-	62.71
Interest accrued on fixed deposits	139.52	-	-	139.52
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised cost for which fair values are disclosed</b>				
Lease Liability	443.64	-	-	443.64
Trade payables	3,570.73	-	-	3,570.73
Others (refer note no. 25)	161.33	-	-	161.33

**ii) 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.

**iii) 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.

**h. 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 less cash and cash equivalents. Equity comprises all components of equity.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

The Company's adjusted net debt to equity ratio was as follows:

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Total debt (Refer to Note No. 19, 20 & 23)	1,296.73	443.64
Less: Cash and Cash equivalents (Refer to Note No. 13)	91.18	389.73
<b>Adjusted net debt</b>	<b>1,205.55</b>	<b>53.91</b>
Total equity (Refer to Note No. 17 & 18)	15,004.14	13,961.43
Equity & net debt	16,209.69	14,015.34
<b>Adjusted net debt to equity ratio</b>	<b>0.07</b>	<b>0.00</b>

Note: in current financial year interest bearing liabilities are considered as debt

**i. 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.

**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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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 given in note no. 12

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.

**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, 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, 2022, Company has taken a loan and have sufficient funds to meet its outstanding borrowing.

**Exposure to liquidity risk:**

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

<b>March 31, 2022</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non derivative financial liabilities</b>			
Borrowings	13.35	184.65	-
Lease Liability	71.74	418.97	608.02
Trade payables	4,069.80	-	-
Other Financial Liabilities	420.56	-	-
	<b>4,575.45</b>	<b>603.62</b>	<b>608.02</b>
<b>March 31, 2021</b>			
	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non derivative financial liabilities</b>			
Trade payables	3,570.73	-	-
Lease Liability	26.41	210.59	206.64
Other Financial Liabilities	161.33	-	-
	<b>3,758.47</b>	<b>210.59</b>	<b>206.64</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**j. Lease**

**Contractual maturities of lease liabilities**

The Company has entered into leases for its commercial premises, duration of such leases is for 0-9 years. These lease agreements are normally renewed on expiry. At the date of commencement of the lease, the Company recognize lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The rental expense charged to statement of profit and loss is Rs.26.74 lakhs (31st March 2021: 11.12 lakhs).

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 8.30%.

Set out below are the carrying amounts of lease liabilities and the movements during the year :-

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening balance	443.64	37.54
Add: Creation of lease liability during the year	1,138.01	450.91
Less: Termination of lease liability during the year	430.71	-
Add: Accretion of interest	69.80	4.25
Less: Principal repayment of lease liability	52.21	44.81
Less: Payment of interest on lease liability	69.80	4.25
<b>Closing balance</b>	<b>1,098.73</b>	<b>443.64</b>
Non - current lease liability (Refer note 20)	1,026.99	417.23
Current lease liability (Refer note 20)	71.74	26.41

**k. Disclosures of financial ratio**

(Rs. in lakhs except as otherwise stated)

Ratios	Numerator	Denominator	Year Ended 31st March 2022	Year Ended 31st March 2021	Variance	Remarks
1. Current ratio (Times)	Current Assets	Current liabilities	2.67	3.39	-21.12%	
2. Debt Equity Ratio (Times)	Borrowings + lease liability	Equity	0.09	0.03	171.98%	Primarily due to increase in lease liability
3. Debt Service Coverage Ratio (Times)	EBIDTA	interest cost + current debt	18.20	29.89	-39.12%	Primarily due to increase in lease liability
4. Return on equity ratio	Profit after tax	Average Shareholder's Equity	7.45%	7.03%	6.05%	
5. Inventory turnover ratio	Sales	Average inventory	13.82	11.83	16.82%	
6. Debtors Turnover ratio	Credit sales	Average debtors	7.55	6.14	22.96%	
7. Creditors turnover ratio	Credit purchase	Average creditors	4.85	3.51	38.24%	renegotiation of payment terms with major raw material supplier to avail better pricing
8. Net Capital turnover ratio (Times)	Sales	Working capital	2.99	1.22	144.86%	Improvement in working capital management, due to increase in revenue from operation
9. Net profit	Profit after tax	Total sales	4.64%	6.08%	-23.67%	
10. Return on Capital employed	Earnings before interest and taxes	Net Capital employed	9.13%	6.73%	35.73%	due to improvement in operational income
11. Return on Investment	Current market value of investment - cost of investment	cost of investment	9.20%	67.35%	-86.35%	Market value of investment in opening of previous year was low due to impact of COVID-19, hence resulting in higher return in previous year

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

- i. Following are the restatement made in the current year financial statements in previous year:

(Rs. in lakhs except as otherwise stated)

	<b>As at 31st March, 2021</b>	<b>Reclassification</b>	<b>As at 31st March, 2021 restated</b>
<b>ASSETS</b>			
Non current other financial assets-Loans	52.49	(52.49)	-
Non current other financial assets-Others	-	52.49	52.49
Current other financial assets-Loans	10.22	(10.22)	-
Current other financial assets-Others	139.52	10.22	149.74

Note: The above restatements in previous year have been made, wherever necessary to conform to the current year classification/disclosure pursuant to the amendments prescribed in schedule III, and doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the previous year.

- m. **Dividend Paid and Proposed:**

(Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>Year Ended 31st March, 2022</b>	<b>Year Ended 31st March, 2021</b>
<b>Final dividend declared and paid during the year</b>		
Final dividend for the year ended 31st March 2021 Re. 1 per equity share (31st March, 2020 nil/- per equity share)	59.46	-
<b>Total</b>	<b>59.46</b>	<b>-</b>
<b>Proposed dividend on Equity Shares</b>		
Proposed Dividend for the year ended 31st March, 2022 Rs. 2.5 per equity share (31st March, 2021 Re.1 per equity share)	148.65	59.46
<b>Total</b>	<b>148.65</b>	<b>59.46</b>

- (n) 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.
- (o) Events occurring after balance sheet date:  
There are no major events which has occurred after the balance sheet date.
- (p) The Company has considered the possible effects that may result from Covid-19 pandemic in the preparation of these financial statements and has done an assessment for carrying amount of financial and non-financial assets and does not anticipate any impairment to these assets. Also, the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. 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 results.
- (q) Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.
- (r) Note no. 1 to 37 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

As per our report of even date

**For and on behalf of Board of Directors**

**For S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Rohit Relan**  
Co-Chairman & Director  
DIN: 00257572

**Pranav Relan**  
Whole Time Director  
DIN: 07177944

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Rajat Bhandari**  
Executive Director and Company Secretary  
DIN: 02154950

**Vinod Kumar**  
Chief Financial Officer

Place : Delhi  
Date : May 10, 2022

## **Independent Auditor's Report**

**To The Members of NDR Auto Components Limited**

### **Report on the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **NDR Auto Components Limited** (hereinafter referred to as the "Company"), and its associate and joint ventures which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its associate and joint ventures as at March 31, 2022, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company, its associate and joint ventures 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 on the consolidated financial statements.

#### **Material Uncertainty Related to Going Concern**

In case of Toyota Boshoku Relan India Private Limited, a joint venture (this joint venture has been audited by us), as stated in note no. 2.3 to the financial statements for the year ended March 31, 2022 of this joint venture, which indicates that the company was earlier exploring new business opportunities and now under active discussions with OEMs to start new business venture. In absence of any major business operations the company has incurred loss of Rs. 0.62 lakh during the year, and there is negative net worth of Rs. 20.86 lakhs and accumulated losses of Rs. 21.86 lakhs as at March 31, 2022. These indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, considering the future business prospects the management is of the view that going concern basis of accounting is appropriate.

This matter was reported under heading "Material uncertainty related to going concern" in our Independent Auditor's Report on the financial statements of this joint venture.

Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to note no. 37(p) of the consolidated financial results, which describe the management's assessment of the impact of COVID-19 pandemic on financial performance, however real impact of assessment will depend on future economic conditions and developments.

Our opinion is not modified in respect of this matter.

#### **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 that there are no key audit matters to be communicated in our report.

In case of one associate namely Bharat Seats Limited (audited by other auditor), the following has been reported as key audit matter in their Independent Auditor's Report on financial statements;

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Revenue recognition including price variations</b> (as described in note 27 of the financial statements)</p> <p>Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of price variations provided to the customer.</p> <p>The Company's business also requires passing on price variations to the customer for the sales made by the Company. The Company at the year end, has provided for such price variations to be passed on to the customer. The estimated price variations at the year-end is shown under note 27 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price variations to be recorded as at the year end.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's accounting policy for revenue recognition including the policy for recording price variations in terms of Ind AS 115.</li> <li>• Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price variations, including design and implementation of controls, and tested the operating effectiveness of these controls.</li> <li>• Tested completeness and arithmetical accuracy of the data used in the computation of price variations.</li> <li>• Obtained and reviewed balance confirmation from customer to ensure the existence of trade receivables.</li> <li>• Tested, on sample basis, debit/ credit notes in respect of agreed price variations passed on to the customers.</li> <li>• Assessed the revenue-related disclosures included in Note 27 to the financial statements.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our independent auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether such 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

**Responsibility of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company, its associate and joint ventures in accordance with the Ind AS and accounting principles generally accepted in India.

The respective Board of Directors of the Company, its associate and joint ventures are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company, its associate and joint ventures are responsible for assessing the ability of the Company, its associate 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 Company, its associate and joint ventures are also responsible for the overseeing the financial reporting process of the Company, its associate and joint ventures.



### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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, its associate 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 Company, its associate 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company, its associate 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 Company, its associate 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 financial statements of one such entity included in the consolidated financial statements of which we are the independent auditor. For the other entities (one associate and one joint venture) included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Other Matters

- a. We did not audit the financial statements and other financial information, in respect of one associate company whose financial statements and financial information reflects share of total net profit after tax of Rs. 334.87 lakhs and share of total comprehensive income of Rs. 339.81 lakhs for the year ended March 31, 2022, as considered in these consolidated financial statements. These financial statements and other information have been audited by the other auditor whose independent auditor's report, financial statements and other information have been furnished to us by the management. And our opinion in so far as it relates to this associate is based solely on the report of the other auditor.

- b. We did not audit the financial statements and other financial information, in respect of one joint venture whose financial statements and financial information reflects share of total net profit after tax of Rs. 130.67 lakhs and share of total comprehensive income of Rs.131.16 lakhs for the year ended March 31, 2022, as considered in these consolidated financial statements. These financial statements and other information have been audited by the other auditor whose independent auditor's report, financial statements and other information have been furnished to us by the management. And our opinion in so far as it relates to this joint venture is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - 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 auditors;
  - The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements;
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;
  - With respect to clause (f) of section 143(3) regarding the observations or comments on matters which may have any adverse effect on the functioning of the company, in case of associate namely Bharat Seats Limited (audited by other auditor), it has been reported:  
"The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company."
  - With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Company and the operating effectiveness of such controls refer to our separate report in the "Annexure-A" to this report. However, not applicable in case of the two joint venture companies namely Toyo Sharda India Private Limited and Toyota Boshoku Relan India Private Limited both incorporated in India;
  - On the basis of written representations received from the directors of the Company as on March 31, 2022, and taken on record by the Board of Directors of Company, and on the basis of the representation received from the management in respect of its associate and joint ventures, which are companies incorporated in India, none of the directors of the Company, its associate and joint ventures is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act by the Company. With respect to the matter to be included in the Auditors' Report under Section 197(16), in respect of the joint ventures, since both the joint ventures are private limited companies, the provisions of section 197 of the Act are not applicable. And, in respect of one associate, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - the consolidated financial statements disclose the impact of pending litigation which would impact its financial position of the Company, its associate and joint ventures. Refer Note No. 27 to the consolidated financial statements;
    - the Company, its associate and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses therefore the Company, its associate and joint ventures has not made any provision as required under the applicable law or Indian accounting standards;
    - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and one joint venture namely Toyo Sharda India Private Limited and there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the associate and one joint venture incorporated in India.

- iv) a) On the basis of the representation from the management of the Company no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b) On the basis of the representation from the management of the Company no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
  - v) the dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associate and joint ventures included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

Place : Delhi  
Date : 10.05.2022  
UDIN : 22095960AISFYX2070

**Neeraj Bansal**  
Partner  
Membership No. 095960

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## **"Annexure – A" to the Independent Auditor's Report 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 (as amended) ("the Act").

We have audited the internal financial controls over financial reporting of **NDR Auto Components Limited** ("the Company") as at March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these consolidated 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 as specified under section 143(10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements**

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

**Opinion**

In our opinion, based on records, information, and explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and the internal controls over financial reporting with reference to these financial statements are generally operating effectively as at March 31, 2022 based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

Place : Delhi  
Date : 10.05.2022  
UDIN : 22095960AISFYX2070

**Neeraj Bansal**  
Partner  
Membership No. 095960

# NDR AUTO COMPONENTS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

(Rs. in lakhs, except as otherwise stated)

	Notes	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>I Non-current assets</b>			
Property, plant and equipment	5(a)	3,546.95	3,651.05
Capital work in progress	6	3,211.73	322.42
Right of use assets	5(b)	1,159.52	450.64
Intangible assets	5(a)	14.75	3.36
Financial assets			
(i) Investments	7	4,281.36	4,021.52
(ii) Other financial assets	8	147.06	52.49
Other non-current assets	9	27.10	399.01
Non-current tax assets (Net)	10	14.93	7.36
Deferred tax assets (net)	22	187.43	124.62
		<b>12,590.83</b>	<b>9,032.47</b>
<b>II Current assets</b>			
Inventories	11	2,126.31	1,238.83
Financial assets			
i) Trade receivables	12	3,045.95	3,110.56
ii) Cash and cash equivalents	13	91.18	389.73
iii) Other bank balances	14	5,053.75	8,159.00
iv) Other financial assets			
- Loans	15	1,000.00	-
- Others financial assets	15	157.21	149.74
Other current assets	16	952.93	209.81
		<b>12,427.33</b>	<b>13,257.67</b>
<b>Total Assets</b>		<b>25,018.16</b>	<b>22,290.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	17	594.63	594.63
Other equity	18	18,525.87	17,222.82
		<b>19,120.50</b>	<b>17,817.45</b>
<b>II Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowing	19	184.65	-
Lease liabilities	20	1,026.99	417.23
Provisions	21	32.07	139.22
		<b>1,243.71</b>	<b>556.45</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowing	23	13.35	-
ii) Lease liabilities	20	71.74	26.41
iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	24	170.39	259.83
- Total outstanding dues of creditors other than micro enterprises and small enterprises	24	3,899.41	3,310.90
iv) Other financial liabilities	25	420.56	161.33
Other current liabilities	26	38.75	37.36
Provisions	21	39.75	120.41
		<b>4,653.95</b>	<b>3,916.24</b>
<b>Total Equity and Liabilities</b>		<b>25,018.16</b>	<b>22,290.14</b>
Summary of significant accounting policies	2		
Contingent liabilities and commitments	27		
Other notes on accounts	37		

The accompanying notes are an integral part of these consolidated financial statements

### As per our report of even date

For **S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership no. 095960

Place : Delhi  
Date : May 10, 2022

### For and on behalf of Board of Directors

**Rohit Relan**  
Co-Chairman & Director  
Din: 00257572

**Pranav Relan**  
Whole Time Director  
Din: 07177944

**Rajat Bhandari**  
Executive Director and Company Secretary  
Din: 02154950

**Vinod Kumar**  
Chief Financial Officer

## NDR AUTO COMPONENTS LIMITED

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. in lakhs, except as otherwise stated)

Particulars	Notes	Year Ended 31st March 2022	Year ended 31st March 2021
<b>I INCOME</b>			
Revenue from operations	28	23,254.89	11,412.90
Other income	29	769.79	772.97
<b>Total income</b>		<b>24,024.68</b>	<b>12,185.87</b>
<b>II EXPENSES</b>			
Cost of materials consumed	30	17,723.45	8,471.77
Changes in inventories of finished goods and work in progress	31	(44.77)	16.95
Employee benefits expense	32	914.04	547.68
Finance costs	33	72.53	12.10
Depreciation and amortization expenses	34	733.05	497.42
Other expenses	35	3,268.22	1,740.12
<b>Total expenses</b>		<b>22,666.52</b>	<b>11,286.04</b>
<b>III</b> Share of profit/(loss) of associate		334.87	133.06
<b>IV</b> Share of profit/(loss) of joint ventures		130.67	82.97
<b>V Profit/(loss) before tax (I-II+III+IV)</b>		<b>1,823.70</b>	<b>1,115.86</b>
Tax expenses			
Current tax	22	405.44	263.28
Deferred tax expenses/(credit)	22	(70.40)	(0.58)
<b>Income tax expense</b>		<b>335.04</b>	<b>262.70</b>
<b>VI Profit for the year</b>		<b>1,488.66</b>	<b>853.16</b>
<b>VII Other comprehensive income</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
i) Gains/(losses) on defined benefit plans (refer note 37(b))		30.14	6.19
ii) Gains/(losses) on share of other comprehensive income of associate and Joint ventures		5.43	2.78
iii) Income tax effect (refer note 22)		(7.59)	(2.12)
Total other comprehensive income for the year, net of taxes		<b>27.98</b>	<b>6.85</b>
<b>VIII Total comprehensive income for the year, net of taxes</b>		<b>1,516.64</b>	<b>860.01</b>
<b>IX Earnings per equity share of Rs. 10 each:</b>			
(i) Basic (Rs.)	36	25.04	14.35
(ii) Diluted (Rs.)	36	25.04	14.35
Summary of significant accounting policies	2		
Contingent liabilities and commitments	27		
Other notes on accounts	37		

The accompanying notes are an integral part of these consolidated financial statements

#### As per our report of even date

For **S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership no. 095960

Place : Delhi  
Date : May 10, 2022

#### For and on behalf of Board of Directors

**Rohit Relan**  
Co-Chairman & Director  
Din: 00257572

**Rajat Bhandari**  
Executive Director and Company Secretary  
Din: 02154950

**Pranav Relan**  
Whole Time Director  
Din: 07177944

**Vinod Kumar**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before income tax	1,823.70	1,115.86
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Share of (profit)/ loss of associate	(334.87)	(133.06)
Share of (profit)/ loss of joint ventures	(130.67)	(82.97)
Depreciation and amortization expense	733.05	497.42
Provision for doubtful debts	-	2.56
(Profit)/loss on sale of property, plant and equipment	75.56	(0.27)
Finance cost	2.73	7.85
Interest on lease liability	69.80	4.25
Interest income	(382.50)	(494.64)
Unrealised (gain)/ loss on foreign exchange fluctuation	(0.46)	-
Income on termination of lease under Ind-AS-116	(13.39)	-
Liabilities no longer required written back	(258.84)	(91.92)
<b>Operating profit before working capital changes</b>	<b>1,584.11</b>	<b>825.08</b>
<b>Adjustments for changes in working capital :</b>		
(Increase)/decrease in inventories	(887.48)	(548.84)
(Increase)/decrease in trade receivables	64.61	(2,506.82)
(Increase)/decrease in other financial assets	(175.53)	(20.73)
(Increase)/decrease in other assets	(743.12)	175.48
Increase/(decrease) in trade payables	757.91	2,088.53
Increase/(decrease) in other liabilities	1.39	(58.24)
Increase/(decrease) in other financial liabilities	23.45	47.92
Increase/(decrease) in provisions	(157.67)	74.46
<b>Cash generated from operating activities</b>	<b>467.67</b>	<b>76.84</b>
Income tax paid ( net of refunds)	(413.01)	(253.57)
<b>Net cash flow from/ (used in) operating activities</b>	<b>54.66</b>	<b>(176.73)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work in progress, capital advances net of capital creditors	(2,924.55)	(1,471.59)
Proceeds from sale of property, plant and equipment	34.23	0.62
Corporate loan given	(1,000.00)	-
Fixed Deposits made during the year	(7,164.00)	(15,007.77)
Fixed Deposits matured during the year	10,270.00	15,934.77
Dividend received- non current investment	57.00	57.00
Interest income received	358.89	586.27
<b>Net cash from/(used in) investing activities</b>	<b>(368.43)</b>	<b>99.30</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	198.00	-
Dividend paid on equity shares	(58.71)	-
Repayment of principal lease payment	(52.21)	(44.81)
Repayment of interest on lease liability	(69.80)	(4.25)
Other finance cost paid	(2.07)	(7.85)
<b>Net cash from/ (used in) financing activities</b>	<b>15.21</b>	<b>(56.91)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(298.55)</b>	<b>(134.34)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>389.73</b>	<b>524.07</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>91.18</b>	<b>389.73</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents		
Balances with banks:		
Current accounts	89.91	389.41
Cash on hand	1.27	0.32
<b>Net Cash and cash equivalents as at 31st March 2022</b>	<b>91.18</b>	<b>389.73</b>
Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind As) 7 statement of cash flows.		
Also refer note no. 24C for change in liabilities arising from financing activities		
Summary of significant accounting policies	2	
Contingent liabilities and commitments	27	
Other notes on accounts	37	

The accompanying notes are an integral part of the financial statements

**As per our report of even date**

For **S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Neeraj Bansal**

Partner  
Membership no. 095960

Place : Delhi  
Date : May 10, 2022

**For and on behalf of Board of Directors**

**Rohit Relan**  
Co-Chairman & Director  
Din: 00257572

**Rajat Bhandari**  
Executive Director and Company Secretary  
Din: 02154950

**Pranav Relan**  
Whole Time Director  
Din: 07177944

**Vinod Kumar**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

**I Equity Share Capital ( Refer note 17)** (Rs. in lakhs, except as otherwise stated)

	Nos.	Amount
<b>Balance as at 1st April, 2020</b>	5,946,326	594.63
Changes in equity share capital due to prior period error	-	-
<b>Balance as at Balance as at 1st April, 2020</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March, 2021</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital due to prior period error	-	-
<b>Balance as at Balance as at 31st March, 2021</b>	<b>5,946,326</b>	<b>594.63</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March 2022</b>	<b>5,946,326</b>	<b>594.63</b>

**II Other Equity ( Refer note 18)**

	Reserves & Surplus			Total
	Capital Reserve	Retained Earnings	remeasurements gain/(loss) on defined benefit plans	
<b>Balance as at 1st April, 2020</b>	<b>15,715.69</b>	<b>659.06</b>	<b>(11.94)</b>	<b>16,362.81</b>
Changes in other equity due to prior period error	-	-	-	-
<b>Balance as at Balance as at 1st April, 2020</b>	<b>15,715.69</b>	<b>659.06</b>	<b>(11.94)</b>	<b>16,362.81</b>
Total Comprehensive Income for the current year	-	853.16	6.85	860.01
<b>Balance as at 31st March, 2021</b>	<b>15,715.69</b>	<b>1,512.22</b>	<b>(5.09)</b>	<b>17,222.82</b>
Changes in equity share capital due to prior period error	-	-	-	-
<b>Balance as at Balance as at 31st March, 2021</b>	<b>15,715.69</b>	<b>1,512.22</b>	<b>(5.09)</b>	<b>17,222.82</b>
Reconciliation adjustment on account of consolidation	(154.13)	-	-	(154.13)
Total Comprehensive Income for the current year	-	1,488.66	27.98	1,516.64
Dividend paid during the year	-	(59.46)	-	(59.46)
<b>Balance as at 31st March 2022</b>	<b>15,561.56</b>	<b>2,941.42</b>	<b>22.89</b>	<b>18,525.87</b>

Summary of significant accounting policies	2
Contingent liabilities and commitments	27
Other notes to accounts	37

The accompanying notes are an integral part of these consolidated financial statements

**As per our report of even date**

For **S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership no. 095960

Place : Delhi  
Date : May 10, 2022

**For and on behalf of Board of Directors**

**Rohit Relan**  
Co-Chairman & Director  
Din: 00257572

**Pranav Relan**  
Whole Time Director  
Din: 07177944

**Rajat Bhandari**  
Executive Director and Company Secretary  
Din: 02154950

**Vinod Kumar**  
Chief Financial Officer



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022****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 Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI Airport, New Delhi 110037. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. 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.

**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, as amended and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 10th May, 2022

**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.

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022****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

**Assumptions and estimation uncertainties**

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

- 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 entirety 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022****3 Summary of Significant accounting policies****3.1 Revenue recognition and presentation:**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. 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. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide price revision receivable from/payable to customers on account of change of commodity prices/ purchase price and these prices escalations and relaxations give rise to variable consideration. Contract revenue includes price revision received/receivable from customers and similarly, price revision for material purchased or payable to vendors has also been included in purchases.

**Other Revenue**

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

Interest income from a financial assets are recognized using effective interest rate method.

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

**3.2 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.

**3.3 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 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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 indicated 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 plant and machinery and electrical fittings. The useful lives are as follows:

- i) Plant and machinery and electrical fittings:

<b>Assets</b>	<b>Estimated useful life (years)</b>	<b>Useful life as per Companies Act, 2013 (years)</b>
Plant & Machinery-Trollies	5	15
Plant & Machinery-Tools & Dies	10	15
Plant & Machinery- Others	20	15
Electrical Fittings	15	10

- ii) Other assets:

<b>Nature</b>	<b>Estimated useful life (years)</b>	<b>Useful life as per Companies Act, 2013 (years)</b>
Furniture and Fixtures	10	10
Vehicles	8	8
Office Equipment	5	5
Computers	3 and 6	3 and 6
Building	30	30

Electrical fittings and plant & machinery has been depreciated over useful life different from life indicated in Schedule II of Companies Act, 2013 based on the technical estimates made by the management, it believes that the useful lives as given above represent the period over which the assets are expected to be used.

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 year costing ₹ 5,000 or less are depreciated at the rate of 100% in the year of purchase.

**3.4 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.

**3.5 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 of disposal. 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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.

**3.6 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.

**3.7 Foreign currencies:****Functional and presentational currency**

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

**3.8 Inventories:**

Raw material, Consumable Stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the company 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 and 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 and 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.

**3.9 Leases:****Determining whether arrangement contains a lease**

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

**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:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

- 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.

**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.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**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.

**3.10 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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.

**3.11 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.

Warranties: The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. In addition, specific provision is also made against customer claims for manufacturing.

Site restoration (decommissioning liability): The Company records a provision for site restoration costs to be incurred for the restoration of leasehold land at the end of the lease period. The provision is measured at the present value of the best estimate of the expected costs to settle the obligation and recognised as part of the cost of property, plant and equipment. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the costs of the asset and site restoration obligation.

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 within 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 within the control of the Company.

**3.12 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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 entirety 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.

**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**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**Impairment of financial assets**

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

- financial assets measured at amortised cost; e.g. security deposits, trade receivables, bank balance, other financial assets etc.
- financial assets that have contractual terms giving rise to cash flows on specified dates are solely for payment of principal and interest (SPPI) are 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 right to receive the cash flows from the asset has expired or,
- 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 in full without material delay 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 interest 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022****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.

**3.13 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 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.

**3.14 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.

**3.15 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**3.16 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 earnings 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.

**4 New and amended standards:**

**4.1 New amendments issued and are effective**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**4.2 New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Below is a summary of such amendments :

Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts - Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5(a) i) Property Plant & Equipment and Intangible Assets: 2021-22

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value	
	Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Depreciation/ amortisation for the year	Disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>Tangible Assets</b>								
Land Free Hold	752.84	-	-	752.84	-	-	-	752.84
Buildings	1,626.51	40.41	15.25	1,651.67	94.27	6.64	728.14	986.00
Plant and Equipment	4,007.82	230.51	367.06	3,871.27	439.98	288.46	2,616.12	1,543.22
Furniture and Fixtures	62.75	0.32	41.92	21.15	4.43	31.49	13.29	22.40
Vehicles	29.37	278.55	26.26	281.66	2.93	22.02	5.23	276.43
Office equipment	133.73	1.52	25.63	109.62	11.12	23.35	69.04	5.05
Computers	28.41	36.54	3.52	61.43	11.72	2.78	24.19	52.46
Electrical Fittings	541.95	36.44	23.71	554.68	54.14	18.81	301.36	13.16
<b>Total (A)</b>	<b>7,183.38</b>	<b>624.29</b>	<b>503.35</b>	<b>7,304.32</b>	<b>618.59</b>	<b>393.55</b>	<b>3,757.37</b>	<b>3,651.05</b>
<b>Intangible Assets</b>								
Software	7.26	19.10	1.90	24.46	7.71	1.90	9.71	3.36
<b>Total (B)</b>	<b>7.26</b>	<b>19.10</b>	<b>1.90</b>	<b>24.46</b>	<b>7.71</b>	<b>1.90</b>	<b>9.71</b>	<b>3.36</b>
<b>Grand Total (A+B)</b>	<b>7,190.64</b>	<b>643.39</b>	<b>505.25</b>	<b>7,328.78</b>	<b>626.30</b>	<b>395.45</b>	<b>3,767.08</b>	<b>3,654.41</b>

5(a) ii) Property Plant & Equipment and Intangible Assets: 2020-21

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value	
	Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Depreciation/ amortisation for the year	Disposals	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>Tangible Assets</b>								
Land Free Hold	752.84	-	-	752.84	-	-	-	752.84
Buildings	1,626.51	-	-	1,626.51	103.86	-	640.51	1,089.86
Plant and Equipment	3,369.40	638.42	-	4,007.82	293.39	-	2,464.60	1,198.19
Furniture and Fixtures	52.45	10.30	-	62.75	4.51	-	40.35	16.61
Vehicles	31.10	-	1.73	29.37	2.08	1.38	24.32	7.48
Office equipment	122.26	11.47	-	133.73	9.03	-	81.27	50.02
Computers	16.62	11.79	-	28.41	2.05	-	15.25	3.42
Electrical Fittings	418.09	123.86	-	541.95	36.99	-	266.03	189.05
<b>Total (A)</b>	<b>6,389.27</b>	<b>795.84</b>	<b>1.73</b>	<b>7,183.38</b>	<b>451.91</b>	<b>1.38</b>	<b>3,532.33</b>	<b>3,307.47</b>
<b>Intangible Assets</b>								
Software	3.19	4.07	-	7.26	1.07	-	3.90	0.36
<b>Total (B)</b>	<b>3.19</b>	<b>4.07</b>	<b>-</b>	<b>7.26</b>	<b>1.07</b>	<b>-</b>	<b>3.90</b>	<b>0.36</b>
<b>Grand Total (A+B)</b>	<b>6,392.46</b>	<b>799.91</b>	<b>1.73</b>	<b>7,190.64</b>	<b>452.98</b>	<b>1.38</b>	<b>3,536.23</b>	<b>3,307.83</b>

5(b) i) Right of use assets: 2021-22

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value		
	Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation for the year	Disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
Buildings	459.15	1,240.76	459.15	1,240.76	8.51	106.75	34.03	81.24	450.64
<b>Total</b>	<b>459.15</b>	<b>1,240.76</b>	<b>459.15</b>	<b>1,240.76</b>	<b>8.51</b>	<b>106.75</b>	<b>34.03</b>	<b>81.24</b>	<b>450.64</b>

Note: The Company has discontinued a lease related to buildings vacated during the year. Consequently the Company has reversed ROU of Rs. 425.12 lakhs and lease liability of Rs. 430.71 lakhs and security deposit by Rs.7.80 lakhs, and recognised gain on termination of Rs. 13.39 lakhs (Refer Note no. 29 and 37)).

ii) Right of use assets: 2020-21

(Rs. in lakhs, except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value		
	Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation for the year	Disposals	Balance as at 31st March 2021	Balance as at 31st March 2020
Buildings	80.79	459.31	80.95	459.15	44.87	44.43	80.79	8.51	35.92
<b>Total</b>	<b>80.79</b>	<b>459.31</b>	<b>80.95</b>	<b>459.15</b>	<b>44.87</b>	<b>44.43</b>	<b>80.79</b>	<b>8.51</b>	<b>35.92</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**6 Capital work in progress**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Capital work in progress</b>		
Opening cost	322.42	-
Additions during the year	3,110.54	322.42
Deduction and adjustment during the year	(221.23)	-
	<b>3,211.73</b>	<b>322.42</b>

**Capital work in progress (CWIP) ageing schedule as at 31st March 2022**

(Rs. in lakhs, except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Projects in Progress		
Less than 1 year	2,935.41	322.42
1-2 years	276.32	-
2-3 years	-	-
more than 3 years	-	-
<b>Total</b>	<b>3,211.73</b>	<b>322.42</b>

**7 Non- current Investments**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>In equity shares of Associate</b>		
Quoted, fully paid up		
9,000,000 Equity Shares (including 4,500,000 bonus shares) of ₹ 2/- each of Bharat Seats Ltd.	3,637.17	3,489.58
	<b>3,637.17</b>	<b>3,489.58</b>
<b>In equity shares of Joint Ventures</b>		
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.	644.19	531.94
	<b>644.19</b>	<b>531.94</b>
	<b>4,281.36</b>	<b>4,021.52</b>

Note: The company had discontinued recognizing share of losses of its investment in Toyota Boshoku Relan India Pvt. Ltd. (joint venture) after its share of losses exceeded its carrying amount of the investment in the said joint venture. However, if the joint venture subsequently reports profit, the company will resume recognizing its share of profits only after its share of profits equals the share of losses not recognized.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**Additional information about Associate & Joint Ventures as required by schedule III**

(a) Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	County of residence	As at 31st March 2022	As at March 31, 2021
<b>Associate</b>			
Bharat Seats Ltd., India, Manufacturing of Seating System	India	28.66%	28.66%
<b>Joint Ventures</b>			
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	India	50.00%	50.00%
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	India	50.00%	50.00%
Aggregate value of unquoted investments		644.19	531.94
Aggregate value of quoted investments		3,637.17	3,489.58
Market value of quoted investments		6,007.50	5,566.50

**(b) 2021-22**

(Rs. in lakhs, except as otherwise stated)

	Net Assets (i.e. Total assets - Total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
<b>Parent Company</b>								
NDR Auto Components Limited	77.77%	15,004.14	72.52%	1,079.62	80.56%	22.54	68.95%	1,045.66
<b>Indian Associates (Investment as per equity method)</b>								
Bharat Seats Limited	18.89%	3,643.75	22.49%	334.87	17.66%	4.94	22.41%	339.81
<b>Indian Joint ventures (Investment as per equity method)</b>								
Toyota Boshoku Relan India Pvt. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Toyo Sharda India Pvt. Ltd.	3.34%	644.18	8.78%	130.67	1.79%	0.50	8.65%	131.17
<b>Total</b>		<b>19,292.07</b>		<b>1,545.16</b>		<b>27.98</b>		<b>1,516.64</b>

**2020-21**

(Rs. in lakhs, except as otherwise stated)

	Net Assets (i.e. Total assets - Total liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
<b>Parent Company</b>								
NDR Auto Components Limited	78.36%	13,961.43	74.68%	637.12	67.54%	4.63	74.62%	641.75
<b>Indian Associates (Investment as per equity method)</b>								
Bharat Seats Limited	19.08%	3,399.58	15.60%	133.06	33.14%	2.27	15.74%	135.33
<b>Indian Joint ventures (Investment as per equity method)</b>								
Toyota Boshoku Relan India Pvt. Ltd.	0.00%	(0.50)	0.00%	-	0.00%	-	0.00%	-
Toyo Sharda India Pvt. Ltd.	2.56%	456.94	9.73%	82.98	-0.01%	-0.05	9.64%	82.93
<b>Total</b>		<b>17,817.45</b>		<b>853.16</b>		<b>6.85</b>		<b>860.01</b>

**Other Disclosures**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**(c) Significant judgements: existence of significant influence**

Please refer note no. 2.4

**(d) Summarised financial statement in respect of the associates and joint ventures is given below:**

Particulars	Bharat Seats Limited		Toyota Boshoku Relan India Pvt. Ltd.		Toyo Sharda India Pvt. Ltd.	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Current assets	17,367.99	12,214.17	1.14	1.14	1,523.25	1,337.09
Non current assets	16,353.46	16,922.32	14.51	14.51	957.25	617.20
Current liabilities	16,863.70	14,111.91	0.59	0.59	1,023.72	858.72
Non current liabilities	4,144.04	3,362.44	35.92	35.30	168.43	45.54
<b>Net Assets</b>	<b>12,713.71</b>	<b>11,662.14</b>	<b>(20.86)</b>	<b>(20.24)</b>	<b>1,288.35</b>	<b>1,050.03</b>
Share of NDR Auto Components Ltd.	3,643.75	3,342.37	(10.43)	(10.12)	644.18	525.02
Adjustment of stock reserve	6.58	4.68	-	-	-	-
Net Share of investment	3,637.17	3,337.69	-10.43	-10.12	644.18	525.02

Note: a) During the period in pursuance to reconciliation of certain items pertaining to demerger, due to disclosures requirements, amount of investment and capital reserve have been adjusted by Rs. (-)154.13 lacs

**(e) Summarised Statement of Profit and Loss in respect of the associates and joint ventures is given below:**

Particulars	Bharat Seats Limited		Toyota Boshoku Relan India Pvt. Ltd.		Toyo Sharda India Pvt. Ltd.	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Revenue	81,763.17	54,971.01	-	-	5,510.30	4,016.29
Profit / (loss) after tax	1,191.34	480.57	(0.62)	(0.64)	261.33	165.95
Other comprehensive income	17.23	7.92	-	-	0.99	(0.09)
<b>Total comprehensive income</b>	<b>1,208.57</b>	<b>488.49</b>	<b>(0.62)</b>	<b>(0.64)</b>	<b>262.32</b>	<b>165.86</b>

**8 Non-current financial assets (valued at amortised cost)**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured, considered good)</b>		
Others:		
Security Deposits	147.06	52.49
	<b>147.06</b>	<b>52.49</b>

**9 Other non current assets**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(Unsecured, considered good)</b>		
Capital Advance	27.10	399.01
	<b>27.10</b>	<b>399.01</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**10 Non-current tax assets (net)**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Advance Tax ( net of provisions and tax deducted at source)	14.93	7.36
	<b>14.93</b>	<b>7.36</b>

**11 Inventories**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw materials	1,798.88	977.50
Work-in-progress	60.57	36.98
Finished goods	118.15	105.83
Stores and spares	128.35	107.02
Scrap materials	20.36	11.50
	<b>2,126.31</b>	<b>1,238.83</b>

**12 Trade receivables**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>(Unsecured)</b>		
Trade Receivable- considered good	3,045.95	3,110.56
Trade Receivable- considered doubtful	-	7.15
Less: Impairment Allowance	-	(7.15)
	<b>3,045.95</b>	<b>3,110.56</b>

Note:

- a) Trade Receivables are not interest bearing. Credit period generally falls in the range of 30 to 60 days.
- b) Due from related parties Rs. 2870.75 lakhs ( 31st March 2021: Rs. 3036.61 lakhs ) (refer note 37 (d)).

(Rs. in lakhs, except as otherwise stated)

<b>Ageing of trade receivables</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Undisputed trade receivable - considered good</b>	-	2,473.25
current but not due	2,473.25	3,037.49
less than 6 months past due	572.65	73.07
6 months - 1 year past due	0.05	-
	<b>3,045.95</b>	<b>3,110.56</b>

**13 Cash and cash equivalents**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Balance with banks:		
Current accounts	89.91	389.41
Cash on hand	1.27	0.32
	<b>91.18</b>	<b>389.73</b>

Note: There are no restrictions with regard to cash and cash equivalents at the end of the current and previous year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**14 Other bank balances**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Fixed deposits account with an original maturity of more than three months but less than twelve months	-	8,159.00
Fixed deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months	5,053.00	-
Unclaimed dividend accounts*	0.75	-
	<b>5,053.75</b>	<b>8,159.00</b>

\* The company can utilise the balance towards settlement of unclaimed dividend.

**15 Other financial assets**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>(Unsecured, considered good)</b>		
<b>Loans:</b>		
Corporate Loan	1,000.00	-
<b>Others:</b>		
Security Deposits	0.31	10.22
Interest accrued but not due on fixed deposits with bank	156.90	139.52
	<b>1,157.21</b>	<b>149.74</b>

**Details of Loans and advance given to related parties, promoters, directors, KMPs**

<b>Type of Borrower</b>	As at 31st March 2022	
	<b>Amount of loans or advances</b>	<b>% to the total loans and advances</b>
1. Related Parties - Bharat Seats Limited (refer note no. 37(d))	1,000.00	100%
<b>Total</b>	<b>1,000.00</b>	<b>100%</b>

<b>Type of Borrower</b>	As at 31st March 2021	
	<b>Amount of loans or advances</b>	<b>% to the total loans and advances</b>
1. Related Parties - Bharat Seats Limited (refer note no. 37(d))	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**16 Other current assets**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>(Unsecured, considered good)</b>		
Advance given to MSME suppliers	-	1.65
Advances given to suppliers	872.69	95.24
<b>Others</b>		
Balance with statutory / government authorities	66.11	39.90
Prepaid expenses	14.13	13.66
Other Receivable	-	59.36
	<b>952.93</b>	<b>209.81</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**17 Equity**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	<b>Amount</b>	<b>Amount</b>
<b>(a) Equity Share Capital</b>		
<b>Authorised</b>		
6,000,000 equity shares of ₹ 10 each	600.00	600.00
<b>Issued ,subscribed &amp; fully paid-up</b>		
5,946,326 equity shares of ₹ 10 each	594.63	594.63

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	<b>As at 31st March 2022</b>		<b>As at 31st March 2021</b>	
	<b>No. of shares</b>	<b>Amount in lakhs</b>	<b>No. of shares</b>	<b>Amount in lakhs</b>
At the beginning of the year	5,946,326	594.63	5,946,326	594.63
Add: Equity shares issued	-	-	-	-
	5,946,326	594.63	5,946,326	594.63

**(c) 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. 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.
- (d) **Details of Shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

(Rs. in lakhs, except as otherwise stated)

<b>Name of Shareholders</b>	<b>As at 31st March 2022</b>		<b>As at 31st March 2021</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Rohit Relan	3,570,175	60.04%	3,570,175	60.04%
Ritu Relan	744,646	12.52%	742,520	12.49%
	<b>4,314,821</b>		<b>4,312,695</b>	

**(e) Details of Shares held by promoters:**

<b>Name of Promoter</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>As at 31st March 2022</b>
			<b>% change during the year</b>
<b>Shares held by promoters at the end of the year</b>			
Rohit Relan	3,570,175	60.04%	0.00%
Ritu Relan	744,646	12.52%	0.04%
Rishabh Relan	9,233	0.16%	0.02%
Pranav Relan	9,315	0.16%	0.02%
Ayush Relan	10,736	0.18%	0.02%
Indira Choudhary	53,037	0.89%	0.00%
	<b>4,397,142</b>	<b>73.95%</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

			As at 31st March 2021
Shares held by promoters at the end of the year			% change during the year
Name of Promoter	No. of Shares	% of total shares	
Rohit Relan	3,570,175	60.04%	48.26%
Ritu Relan	742,520	12.49%	0.00%
Rishabh Relan	8,233	0.14%	0.09%
Pranav Relan	8,315	0.14%	0.08%
Ayush Relan	9,736	0.16%	0.09%
Ram Prakash Choudhary	53,037	0.89%	0.88%
	<b>4,392,016</b>	<b>73.86%</b>	

**18 Other equity**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>a) Capital Reserve</b>		
Balance as at the beginning of the year	15,715.69	15,715.69
Reconciliation adjustment on account of consolidation	(154.13)	-
	<b>15,561.56</b>	<b>15,715.69</b>
<b>(b) Retained earnings</b>		
Balance as at the beginning of the year	1,507.13	647.12
Net profit for the year	1,488.66	853.16
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurements of post employment benefit obligation, net of tax	27.98	6.85
<b>Dividends</b>		
Final dividend of Re. 1/-per share (31st March, 2020 nil/- per share)	(59.46)	-
	<b>2,964.31</b>	<b>1,507.13</b>
	<b>18,525.87</b>	<b>17,222.82</b>

**19 Borrowings**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Secured		
Vehicle loan	184.65	-
	<b>184.65</b>	<b>-</b>

The requisite particulars in respect of secured borrowings are as under:

	As at 31st March 2022	As at 31st March 2021	Particulars of security / guarantees / terms of repayment / default
<b>Loan - Daimler Financial Services India Pvt. Ltd.</b>			<b>Particulars of security:</b>
Balance outstanding	198.00	-	First pari passu charge over the asset financed <b>Terms of repayment :</b> Period of loan is 36 months, sanctioned on 17.03.2022, repayable in 35 equal monthly instalments of Rs. 2,59,230 commencing from 18.04.2022 and last instalment of Rs. 1,56,55,500 <b>Rate of interest is 9.25% per annum.</b>
Current maturity	13.35	-	
Non - current amount	184.65	-	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**20 Non Current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Non Current lease liability (refer and 37(j))	1,026.99	417.23
	<b>1,026.99</b>	<b>417.23</b>
<b>Current lease liabilities</b>		
	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Current lease liability (refer and 37(j))	71.74	26.41
	<b>71.74</b>	<b>26.41</b>

Note: Refer note no. 2.4 on use of estimates and judgements

**21 Non- Current provisions**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Provision for employee benefits</b>		
Leave encashment (refer note 37(c))	-	11.34
Gratuity Payable (refer note 37(b))	32.07	56.16
<b>Provision others</b>		
Provision for warranty	-	71.72
	<b>32.07</b>	<b>139.22</b>
<b>Current provisions</b>		
	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Provision for employee benefits</b>		
Gratuity Payable (refer note 37(b))	12.94	11.23
Leave encashment (refer note 37(c))	26.81	5.13
<b>Provision others</b>		
Provision for warranty	-	104.05
	<b>39.75</b>	<b>120.41</b>
<b>Disclosure for warranty claim payable</b>		
	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Opening Balance	175.77	176.93
Less: Paid during the year	0.46	1.16
Less: Amount reversed during the year	175.31	-
<b>Closing Balance</b>	<b>-</b>	<b>175.77</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

22 Income Taxes

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021		
<b>a) Income Tax expense in the statement of profit and loss comprises:</b>				
Current income tax charge	405.44	263.28		
<b>Deferred Tax</b>	-	-		
Relating to origination and reversal of timing differences	(70.40)	(0.58)		
Income tax expense reported in the statement of profit and loss	335.04	262.70		
<b>b) Other comprehensive income</b>				
Tax on Re-measurement gain/(losses) on defined benefit plans	7.59	2.12		
Income tax related to items recognised in OCI during the year	7.59	2.12		
<b>c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>				
Accounting profit before tax	1,823.70	1,115.86		
Applicable tax rate	25.17%	25.17%		
Computed tax expense	458.99	280.84		
	7.85			
Property, Plant & Equipment	(9.76)	10.73		
Effect of expenses that are not deductible in determining taxable profit	(4.75)	12.76		
Effect of income that are exempt in determining taxable profit	(14.35)	-		
Effect of share of profit in associate and joint ventures after adjustment of dividend received from them	(102.95)	(40.02)		
Others	-	(1.60)		
Income tax charged to Statement of Profit and loss at effective rate	335.03	262.70		
<b>(d) Deferred tax relates to the following:</b>				
	As at 31st March 2022	As at 31st March 2021	for the year ended 31st March 2022	for the year ended 31st March 2021
<b>Deferred tax liabilities on account of:</b>				
Defined Benefit Obligation	(11.33)	-	(11.33)	(2.09)
<b>Total deferred tax liabilities</b>	<b>(11.33)</b>	<b>-</b>	<b>(11.33)</b>	<b>(2.09)</b>
<b>Deferred tax assets on account of:</b>				
Property, plant and equipment and Intangible assets	157.08	110.67	46.41	1.53
Expenses deductible in future years	19.02	13.95	5.07	(4.60)
<b>Total deferred tax asset</b>	<b>176.10</b>	<b>124.62</b>	<b>51.48</b>	<b>(3.07)</b>
<b>Total deferred tax liabilities/(asset) (net)</b>	<b>187.43</b>	<b>124.62</b>	<b>62.81</b>	<b>(0.98)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

(e) **Reconciliation of deferred tax liabilities/ (asset) (net)**

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Opening balance	(124.62)	(125.60)
Tax expense (credits) during the year recognised in Statement to profit and loss	(70.40)	(0.58)
Tax expense (credits) during the year recognised in OCI	7.59	1.56
<b>Closing balance as at 31st March</b>	<b>(187.43)</b>	<b>(124.62)</b>

The Taxation Laws (Amendment) Ordinance 2019, had introduced a new taxation regime for domestic companies and inserted section 115BAA in the Income Tax Act 1961, providing benefit of reduced corporate tax of 22% plus surcharge & cess subject to certain applicable conditions. The newly inserted provision is effective from April 01, 2019 onwards and can be opted for, on or before the due date of filling of return of income tax by the Company. The management basis its estimate of future tax obligation had opted for the reduced corporate tax rate for the year 2019-20 and future years.

**23 Short Term Borrowings**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Secured</b>		
Vehicle loan- current maturities of long term borrowing (refer note no.19)	13.35	-
	<b>13.35</b>	<b>-</b>

**24 Trade payables**

(Rs. in lakhs, except as otherwise stated)

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Dues of micro enterprises and small enterprises (refer below note)	170.39	259.83
Dues of other than micro enterprises and small enterprises	3,899.41	3,310.90
	<b>4,069.80</b>	<b>3,570.73</b>

\* Trade Payables include due to related parties Re. 0.47 lakh ( 31st March 2021: Re 0.19 lakh)(refer note 37(d))

\* Trade Payables are unsecured and usually paid within 60 days of recognition.

\* Trade Payables are usually non-interest bearing.

**(A) Disclosure under MSMED Act**

Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for year ended 31st March, 2022 is given below. This information has been determined to the extent such parties (micro enterprises and small enterprises) have been identified on the basis of information available with the Company.

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note no. 24 )	170.39	252.21
ii) Interest due remaining unpaid to any supplier covered under MSMED Act	Nil	Nil
iii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iv) 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 MSMED Act.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	7.62
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**(B) Ageing of trade payables**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022		As at 31st March 2021	
	MSME	Other than MSME	MSME	Other than MSME
less than 1 year	170.39	3,876.74	246.72	3,017.32
1-2 years	-	5.82	11.15	76.56
2-3 years	-	3.38	1.38	3.57
more than 3 years	-	13.47	0.58	213.45
	<b>170.39</b>	<b>3,899.41</b>	<b>259.83</b>	<b>3,310.90</b>

**(C) Change in liabilities arising from financing activities**

	As at 31st March 2021	Cash flows	Others	As at 31st March 2022
Lease Liability	443.64	(122.01)	777.10	1,098.73
Borrowings	-	198.00	-	198.00
Other financing liability	-	(60.78)	60.78	-
	<b>443.64</b>	<b>15.21</b>	<b>837.88</b>	<b>1,296.73</b>

  

	As at 31st March 2020	Cash flows	Others	As at 31st March 2021
Lease Liability	37.54	(49.06)	455.15	443.64
Other financing liability	-	(7.85)	7.85	-
	<b>37.54</b>	<b>(56.91)</b>	<b>463.00</b>	<b>443.64</b>

**25 Other financial liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due	0.66	-
Unpaid dividends	0.75	-
<b>Other Payables</b>		
Creditors for capital goods-Other than micro and small enterprises	274.30	38.52
Others		
-Employees related dues	144.85	100.38
-Others	-	22.43
	<b>420.56</b>	<b>161.33</b>

**26 Other current liabilities**

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>Others</b>		
Statutory dues payable	35.59	37.36
Advance from customers	3.16	-
	<b>38.75</b>	<b>37.36</b>



## NDR AUTO COMPONENTS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022

#### 27 Contingent liabilities & commitments

(Rs. in lakhs, except as otherwise stated)

	As at 31st March 2022	As at 31st March 2021
<b>(A) Contingent liabilities ( to the extent not provided for)</b>		
(a) Claims against the company not acknowledged as debt		
i) Labour court matter	0.71	8.82
ii) Civil case(Pathredi)	3.59	3.59
	4.30	12.41
<b>(B) Commitments</b>		
Estimated amount of contracts remaining to be executed :		
a) Capital commitments (net of advance)	224.68	300.80
	224.68	300.80

#### 28 Revenue from operations

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year ended 31st March 2021
Revenue from contract with Customers		
a) Sale of products	22,950.02	11,280.64
b) Other operating revenues		
Scrap sales	304.87	132.26
<b>Revenue from operations (a+b)</b>	<b>23,254.89</b>	<b>11,412.90</b>

#### 29 Other income

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year ended 31st March 2021
<b>Interest income</b>		
Fixed deposit with Banks	314.40	494.54
Others	68.10	0.10
<b>Other non-operating income</b>		
Gain on disposal of property, plant and equipments	5.47	0.27
Foreign exchange gain or loss	4.91	-
Management support services	-	142.04
Gain on termination of right of use asset	13.39	-
Sundry old liabilities/ excess provision written back	258.84	91.92
Miscellaneous Income	104.68	44.10
	<b>769.79</b>	<b>772.97</b>

#### 30 Cost of materials consumed

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year ended 31st March 2021
Inventory at the beginning of the year	977.50	424.11
Add: Purchases during the period	18,544.83	9,025.16
Less: Balance of Raw Material at the end of the period	1,798.88	977.50
	<b>17,723.45</b>	<b>8,471.77</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**31 Changes in inventories of finished goods and work-in-progress**

(Rs. in lakhs, except as otherwise stated)

	<b>Year Ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
<b>Inventory at the beginning of the year</b>		
Finished goods	105.83	-
Work in progress	36.98	171.26
Scrap materials	11.50	-
	<b>154.31</b>	<b>171.26</b>
<b>Inventory at the end of the year</b>		
Finished goods	118.15	105.83
Work-in-progress	60.57	36.98
Scrap materials	20.36	11.50
	<b>199.08</b>	<b>154.31</b>
<b>Changes in inventories of finished goods and work-in-progress ((Increase) / Decrease)</b>	<b>(44.77)</b>	<b>16.95</b>

**32 Employee benefits expense**

(Rs. in lakhs, except as otherwise stated)

	<b>Year Ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Salaries, wages, bonus and other benefits	783.52	406.61
Contributions to provident and other funds	30.27	23.01
Gratuity expense (refer note No. 37 (b))	13.19	82.90
Staff welfare expenses	87.06	35.16
	<b>914.04</b>	<b>547.68</b>

**33 Finance costs**

(Rs. in lakhs, except as otherwise stated)

	<b>Year Ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Interest on debts & borrowings	0.66	-
Interest on others	0.14	7.76
Interest on MSME suppliers	1.00	-
Interest on lease liability	69.80	4.25
Bank charges	0.93	0.09
	<b>72.53</b>	<b>12.10</b>

**34 Depreciation and amortization expenses**

(Rs. in lakhs, except as otherwise stated)

	<b>Year Ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Depreciation of tangible assets (refer note 5(a))	618.59	451.92
Depreciation on right of use assets (refer note 5(b))	106.75	44.43
Amortization of intangible assets (refer note 5(a))	7.71	1.07
	<b>733.05</b>	<b>497.42</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**35 Other expenses**

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year ended 31st March 2021
Power and fuel	239.45	156.72
Rent, rates & taxes	29.94	25.80
Repair and maintenance:		
Buildings	18.29	5.69
Plant and machinery	324.30	200.35
Others	8.04	10.22
Insurance	19.28	18.29
Loss on sale of property, plant and equipments	81.03	-
Consumption of stores and spares	145.00	61.56
Payment to Auditors		
As Auditors:		
Audit Fee	15.15	22.70
Tax Audit Fee	1.00	2.00
In other capacity		
Reimbursement of expenses	0.85	-
Provision for allowance as per ECL	-	2.56
Freight Outward	120.10	53.81
Contribution towards Corporate Social Responsibility (CSR) (refer note no. 37 (f))	9.00	-
Factory expenses	2,002.66	1,017.66
Legal and professional expenses	83.51	86.62
Impairment loss - investment in joint venture	-	-
Director sitting fees	28.40	19.60
Listing expense	5.40	13.70
Travelling and conveyance	84.04	10.63
Miscellaneous expenses	52.78	32.21
	<b>3,268.22</b>	<b>1,740.12</b>

**36 Earnings per equity shares**

(Rs. in lakhs, except as otherwise stated)

	Year Ended 31st March 2022	Year ended 31st March 2021
<b>a) Basic Earnings per share</b>		
Numerator for earnings per share		
Profit after taxation	1,488.66	853.16
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	5,946,326	5,946,326
Earnings per share- Basic (one equity share of Rs. 10/- each) Rs.	25.04	14.35
<b>b) Diluted Earnings per share</b>		
Numerator for earnings per share		
Profit after taxation	1,488.66	853.16
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	5,946,326	5,946,326
Earnings per share- Diluted (one equity share of Rs. 10/- each) Rs.	25.04	14.35

Note: There are no instruments issued by the Company which have effect of dilution of basic earnings per share.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**37 Other Notes to Accounts**

- (a) Disclosures pursuant to Ind AS-19 “Employee Benefits” (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

**Contribution to Defined Contribution Plan, recognised as expense for the year is as under:**

(Rs. in lakhs except as otherwise stated)

Particulars	2021-22	2020-21	2019-20
Provident fund/ other employees fund	30.27	23.01	30.41

**(b) Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Pursuant to the scheme of arrangements, the employee’s gratuity fund value has to be transferred by demerged Company i.e. Sharda Motor Industries Ltd. in the name of resulting Company -NDR Auto Components Limited. However due to some procedural delay, the title has not yet been transferred in the name of the Company. Accordingly, the provision for liability has been recognised during the year without considering the fund value. However the liability will be updated in the next year upon transfer of fund value in the name of the Company.

The Company has also provided for leave encashment which is unfunded.

The following tables summarize the components of net benefit expense recognised in the other comprehensive income in the statement of the profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**i) Net defined benefit obligation**

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	67.39	62.34
Current Service Cost	9.70	7.25
Interest Cost	4.23	3.99
Remeasurement (gains)/ losses	(30.14)	(6.19)
Benefits paid	(5.43)	-
<b>Closing defined benefit obligation</b>	<b>45.75</b>	<b>67.39</b>

**ii) Changes in the fair value of plan assets are as follows:**

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening fair value of plan assets	-	-
Interest income	0.05	-
Benefits paid	0.69	-
<b>Closing fair value of plan assets</b>	<b>0.74</b>	<b>-</b>

**iii) The amount included in the Balance Sheet**

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Present value of defined benefit obligation	45.75	67.39
Fair value of plan assets	0.74	-
<b>Amount Recognised in Balance Sheet-Asset/ (Liability)</b>	<b>(45.01)</b>	<b>(67.39)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**iv) Amount recognised in the statement of profit and loss** (Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Current service cost	9.70	7.25
Interest cost on benefit obligation	4.23	3.99
Interest income	(0.05)	-
Defined benefit cost recognised in statement of Profit or Loss as per actuarial certificate	13.88	11.24
Reversal of opening fund to reconcile the closing liability as per balance sheet	-	71.66
Closing fair value of the plan assets	(0.69)	-
<b>Net defined benefit cost recognised in statement of Profit or Loss</b>	<b>13.19</b>	<b>82.90</b>

**v) Remeasurements- other comprehensive income (OCI)** (Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	(3.03)	0.30
Actuarial (gains)/ losses arising from experience adjustments	(27.11)	(6.49)
<b>Defined benefit costs recognised in other comprehensive income</b>	<b>(30.14)</b>	<b>(6.19)</b>

**vi) The principal assumptions used in determining defined benefit obligation**

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Discount rate	6.70%	6.30%
Rate of increase in compensation	9.00%	10.00%
Average outstanding service of employees upto retirement (years)	23.01	21.75

**vii) A quantitative sensitivity analysis for significant assumption** (Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Change in discount rate</b>		
Decrease in defined benefit obligation due to 1% increase in discount rate	(2.00)	(2.91)
Increase in defined benefit obligation due to 1% decrease in discount rate	2.19	3.18
<b>Rate of salary escalation</b>		
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	2.11	3.04
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	(1.97)	(2.84)

Change in defined benefit obligation due to 1% increase/ decrease in mortality rate, if all other assumptions remains constant is negligible

**viii) Maturity profile of defined benefit obligation** (Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Within next 12 months	7.30	11.22
Between 2 to 5 years	22.34	30.68
Above 5 years	16.11	25.48

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

ix) **Enterprise best estimate of contribution during next year** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Enterprise best estimate of contribution during next year	13.68	11.66

x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

xi) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

xii) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period.

xiii) The plan assets are maintained with Life Insurance Corporation of India (LIC).

(c) **Leave Encashment (Unfunded)** (Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2022	As at 31st March 2021
Liability at the beginning of the year	16.47	14.43
Benefits paid during the year	(5.57)	(4.04)
Provided/(reversal) during the year	15.92	6.07
Liability at the end of the year	26.81	16.47

(d) **Names of related parties and description of relationship:**

S. No.	Names of parties	Nature of relationship
(i)	Associate	Bharat Seats Limited
(ii)	Joint Ventures	Toyo Sharda India Pvt. Ltd. Toyota Boshoku Relan India Pvt. Ltd.
(iii)	Key management persons	Mr. Pranav Relan- Whole time director Mr. Ayush Relan - Whole time director Mr. Rohit Relan -Co. Chairman and director Mr. Sanjiv Kapur - Chairman and Director Mr. Rishabh Relan - Director Mr. Rajat Bhandari-Whole time director and Company Secretary Mr. Vinod Kumar -Chief Financial Officer Ms. Nitasha Sinha -Company Secretary upto 1st June, 2021 Ms. Komal Jain - Company Secretary w.e.f. 2nd June 2021 upto 1st October, 2021 Mrs. Shyamla Khera -Director Mrs. Vanita Chhabra-Director Mrs. Deepa Gopalan Wadhwa -Director Mr. Ajay Relan (Director) (till 24th October, 2020) Mr. Udayan Banerjee (Director) (till 24th October, 2020) Mr. Kishan N. Parikh (Director) (till 24th October, 2020)
(iv)	Enterprises over which key managerial personnel are able to exercise significant influence	Sharda Motor Industries Ltd.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**(d) Transactions with related parties**

(Rs. in lakhs except as otherwise stated)

Particulars	Year Ended 31st March 2022	Year ended 31st March 2021
<b>i) Sale of products</b>		
<b>Associate</b>		
Bharat Seats Ltd.	21,365.06	10,912.00
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	9.71	-
	<b>21,374.77</b>	<b>10,912.00</b>
<b>ii) Purchases of Material (including Taxes)</b>		
<b>Associate</b>		
Bharat Seats Ltd.	37.07	287.17
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.73	-
	<b>37.80</b>	<b>287.17</b>
<b>iii) Other Income:</b>		
<b>a) Management support services</b>		
<b>Enterprises over which key managerial personnel are able to exercise significant influence</b>		
Sharda Motor Industries Ltd.	-	142.04
<b>b) Interest Income:</b>		
<b>Associate</b>		
Bharat Seats Ltd.	61.86	-
<b>c) Dividend Income:</b>		
<b>Associate</b>		
Bharat Seats Ltd.	45.00	45.00
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	12.00	12.00
	<b>118.86</b>	<b>199.04</b>
<b>iv) Remuneration to Key Managerial Persons</b>		
<b>Key management persons</b>		
Pranav Relan		
-Short term employee benefits	56.32	22.50
-Post employment benefits	5.44	1.80
Ayush Relan		
-Short term employee benefits	55.34	13.35
-Post employment benefits	5.37	1.07
Rajat Bhandari		
-Short term employee benefits	60.51	13.87
-Post employment benefits	4.87	1.18

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

<b>Particulars</b>	<b>Year Ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Vinod Kumar		
-Short term employee benefits	21.79	7.85
-Post employment benefits	1.55	0.51
Nitasha Sinha		
-Short term employee benefits	2.21	3.02
-Post employment benefits	0.09	0.18
Komal Jain		
-Short term employee benefits	1.93	-
-Post employment benefits	0.10	-
Ashutosh Vedi		
-Short term employee benefits	-	1.89
-Post employment benefits	-	-
	<b>215.52</b>	<b>67.22</b>
<b>v) Other Expenses :</b>		
<b>a) Freight Outward</b>		
<b>Associate</b>		
Bharat seats Limited	16.94	-
<b>b) Other expenses</b>		
<b>Associate</b>		
Bharat seats Limited	0.30	-
<b>c) Director Sitting Fees:</b>		
Non -Executive/ Independent Directors	28.40	19.60
	<b>45.64</b>	<b>19.60</b>
<b>vi) Other Financial Assets</b>		
<b>Corporate loan given</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1,000.00	-
	<b>1,000.00</b>	-
<b>vii) Purchase of property plant and equipment</b>		
<b>Associate</b>		
Bharat Seats Ltd.	127.79	660.51
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.81	
	<b>128.60</b>	<b>660.51</b>
<b>viii) Sale of property plant and equipment</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1.64	-
	<b>1.64</b>	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

Particulars	Year Ended 31st March 2022	Year ended 31st March 2021
<b>ix) Capital Work in Progress</b>		
<b>Associate</b>		
Bharat Seats Ltd.	81.51	-
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.40	-
	<b>81.91</b>	-

**Closing Balances at the year end**

(Rs. in lakhs except as otherwise stated)

<b>i) Trade receivables</b>		
<b>Associate</b>		
Bharat Seats Ltd.	2,870.75	3,036.61
	<b>2,870.75</b>	<b>3,036.61</b>
<b>ii) Other financial assets</b>		
<b>Corporate loan given</b>		
<b>Associate</b>		
Bharat Seats Ltd.	1,000.00	-
	<b>1,000.00</b>	-
<b>iii) Other receivables</b>		
<b>Enterprises over which key managerial personnel are able to exercise significant influence</b>		
Sharda Motor Industries Ltd.	-	66.19
	-	<b>66.19</b>
<b>iv) Trade Payable</b>		
<b>Joint Ventures</b>		
Toyo Sharda India Pvt. Ltd.	0.47	0.19
	<b>0.47</b>	<b>0.19</b>

\*The remuneration to the key management personnel does not include the provision made for leave benefits, as it has been determined on an actuarial basis for the Company as a whole.

**Terms and Conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year –end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**(e) Segment Information**

- 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
- Major Customer: Revenue from one customer of the Company's manufacturing business are Rs. 21,365.06 lakhs (31st March 2021 Rs. 10,912.00 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**(f) Expenditure on corporate social responsibility**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). The Company has contributed a sum of Rs.9 lakhs (31st March, 2021: Nil) towards education purpose. The same is debited to the Statement of Profit and Loss.

(Rs. In Lakhs except as otherwise stated)

Details of CSR Expenditure					As at 31st March, 2022	As at 31st March, 2021
a)	Gross amount required to be spent by the Company during the year				8.72	-
b)	Amount approved by the Board to be spent during the year				9.00	-
c)	Amount spent during year	Amount spent		Yet to be spent		Total
		2022	2021	2022	2021	
	(i) Construction/ acquisition of any asset	-	-	-	-	-
	(ii) On purposes other than above	9.00	0.00	-	-	9.00

**(g) Financial instruments - fair values and risk management**

**1) Financial instruments by category and fair values**

	As at 31st March 2022		
	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investment in equity instrument*	-	-	-
Corporate Loan given	-	-	1,000.00
Security deposits	-	-	147.37
Trade receivables	-	-	3,045.95
Cash and cash equivalents	-	-	91.18
Bank balances other than above	-	-	5,053.75
Interest accrued on fixed deposits	-	-	156.90
<b>Total</b>	-	-	<b>9,495.15</b>
<b>Financial liabilities</b>			
Borrowings	-	-	198.00
Lease liability	-	-	1,098.73
Trade payables	-	-	4,069.80
Others (refer note no. 25)	-	-	420.56
<b>Total</b>	-	-	<b>5,787.09</b>
<b>As at 31st March 2021</b>			
	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investment in equity instrument*	-	-	-
Security deposits	-	-	62.71
Trade receivables	-	-	3,110.56
Cash and cash equivalents	-	-	389.73
Bank balances other than above	-	-	8,159.00
Interest accrued on fixed deposits	-	-	139.52
<b>Total</b>	-	-	<b>11,861.52</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

<b>Financial liabilities</b>			
Lease Liability	-	-	443.64
Trade payables	-	-	3,570.73
Others (refer note no. 25)	-	-	161.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,175.70</b>

\* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

**II) Financial assets and liabilities measured at fair value - recurring fair value measurements**

**i) Quantitative disclosures fair value measurement hierarchy for assets and liabilities:**

	<b>As at 31st March 2022</b>			
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
<b>Assets carried at amortised cost for which fair values are disclosed</b>				
Trade receivables	3,045.95	-	-	3,045.95
Cash and cash equivalents	91.18	-	91.18	-
Bank balances other than above	5,053.75	-	5,053.75	-
Corporate loan given	1,000.00	-	-	1,000.00
Security deposits	147.37	-	-	147.37
Interest accrued on fixed deposits	156.90	-	-	156.90
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised cost for which fair values are disclosed</b>				
Borrowing	198.00	-	198.00	-
Lease Liability	1,098.73	-	-	1,098.73
Trade payables	4,069.80	-	-	4,069.80
Others (refer note no. 25)	420.56	-	-	420.56
<b>As at 31st March 2021</b>				
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
<b>Assets carried at amortised cost for which fair values are disclosed</b>				
Trade receivables	3,110.56	-	-	3,110.56
Cash and cash equivalents	389.73	-	389.73	-
Bank balances other than above	8,159.00	-	8,159.00	-
Security deposits	62.71	-	-	62.71
Interest accrued on fixed deposits	139.52	-	-	139.52
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised cost for which fair values are disclosed</b>				
Lease Liability	443.64	-	-	443.64
Trade payables	3,570.73	-	-	3,570.73
Others (refer note no. 25)	161.33	-	-	161.33

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**ii) 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.

**iii) 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.

**(h) 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 less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Total debt (Refer to Note No. 19, 20 & 23)	1,296.73	443.64
Less: Cash and Cash equivalents (Refer to Note No. 13)	91.18	389.73
<b>Adjusted net debt</b>	<b>1,205.55</b>	<b>53.91</b>
Total equity (Refer to Note No. 17 & 18)	19,120.50	17,817.45
Equity & net debt	20,326.05	17,871.36
<b>Adjusted net debt to equity ratio</b>	<b>0.06</b>	<b>0.00</b>

Note: in current financial year interest bearing liabilities are considered as debt

**(i) 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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.

**I. 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.

**II. 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.

**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 given in note no. 12

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.

**III. 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, 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 YEAR ENDED ON 31ST MARCH, 2022**

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, 2022, Company has taken a loan and have sufficient funds to meet its outstanding borrowing.

**Exposure to liquidity risk:**

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

**March 31, 2022**

	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non derivative financial liabilities</b>			
Borrowings	13.35	184.65	-
Lease Liability	71.74	418.97	608.02
Trade payables	4,069.80	-	-
Other Financial Liabilities	420.56	-	-
	<b>4,575.45</b>	<b>603.62</b>	<b>608.02</b>

**March 31, 2021**

	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non derivative financial liabilities</b>			
Trade payables	3,570.73	-	-
Lease Liability	26.41	210.59	206.64
Other Financial Liabilities	161.33	-	-
	<b>3,758.47</b>	<b>210.59</b>	<b>206.64</b>

**(j) Lease**

**Contractual maturities of lease liabilities**

The Company has entered into leases for its commercial premises, duration of such leases is for 0-9 years. These lease agreements are normally renewed on expiry. At the date of commencement of the lease, the Company recognize lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The rental expense charged to statement of profit and loss is Rs.26.74 lakhs (31st March 2021: 11.12 lakhs).

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 8.30%.

Set out below are the carrying amounts of lease liabilities and the movements during the year :-

(Rs. in lakhs except as otherwise stated)

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Opening balance	443.64	37.54
Add: Creation of lease liability during the year	1,138.01	450.91
Less: Termination of lease liability during the year	430.71	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

Particulars	As at 31st March 2022	As at 31st March 2021
Add: Accretion of interest	69.80	4.25
Less: Principal repayment of lease liability	52.21	44.81
Less: Payment of interest on lease liability	69.80	4.25
<b>Closing balance</b>	<b>1,098.73</b>	<b>443.64</b>
Non - current lease liability (Refer note 20)	1,026.99	417.23
Current lease liability (Refer note 20)	71.74	26.41

**(k) Disclosures of financial ratio**

(Rs. in lakhs except as otherwise stated)

Ratios	Numerator	Denominator	Year Ended 31st March 2022	Year Ended 31st March 2021	Variance	Remarks
1. Current ratio (Times)	Current Assets	Current liabilities	2.67	3.39	-21.12%	
2. Debt Equity Ratio (Times)	Borrowings + lease liability	Equity	0.09	0.03	171.98%	Primarily due to increase in lease liability
3. Debt Service Coverage Ratio (Times)	EBIDTA	interest cost + current debt	18.20	29.89	-39.12%	Primarily due to increase in lease liability
4. Return on equity ratio	Profit after tax	Average Shareholder's Equity	7.45%	7.03%	6.05%	
5. Inventory turnover ratio	Sales	Average inventory	13.82	11.83	16.82%	
6. Debtors Turnover ratio	Credit sales	Average debtors	7.55	6.14	22.96%	
7. Creditors turnover ratio	Credit purchase	Average creditors	4.85	3.51	38.24%	renegotiation of payment terms with major raw material supplier to avail better pricing
8. Net Capital turnover ratio (Times)	Sales	Working capital	2.99	1.22	144.86%	Improvement in working capital management, due to increase in revenue from operation
9. Net profit	Profit after tax	Total sales	4.64%	6.08%	-23.67%	
10. Return on Capital employed	Earnings before interest and taxes	Net Capital employed	9.13%	6.73%	35.73%	due to improvement in operational income
11. Return on Investment	Current market value of investment - cost of investment	cost of investment	9.20%	67.35%	-86.35%	Market value of investment in opening of previous year was low due to impact of COVID-19, hence resulting in higher return in previous year

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2022**

**(l) Following are the restatement made in the current year financial statements in previous year:**

(Rs. in lakhs except as otherwise stated)

	As at 31st March, 2021	Reclassification	As at 31st March, 2021 restated
<b>ASSETS</b>			
Non current other financial assets-Loans	52.49	(52.49)	-
Non current other financial assets-Others	-	52.49	52.49
Current other financial assets-Loans	10.22	(10.22)	-
Current other financial assets-Others	139.52	10.22	149.74

Note: The above restatements in previous year have been made, wherever necessary to conform to the current year classification/disclosure pursuant to the amendments prescribed in schedule III, and doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the previous year.

**(m) Dividend Paid and Proposed:**

(Rs. in lakhs except as otherwise stated)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Final dividend declared and paid during the year</b>		
Final dividend for the year ended 31st March 2021	59.46	-
Re. 1 per equity share (31st March, 2020 nil/- per equity share)		
<b>Total</b>	<b>59.46</b>	<b>-</b>
<b>Proposed dividend on Equity Shares</b>		
Proposed Dividend for the year ended 31st March, 2022	148.65	59.46
Rs. 2.5 per equity share (31st March, 2021 Re.1 per equity share)		
<b>Total</b>	<b>148.65</b>	<b>59.46</b>

**(n)** 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.

**(o)** Events occurring after balance sheet date:

There are no major events which has occurred after the balance sheet date.

**(p)** The Company has considered the possible effects that may result from Covid-19 pandemic in the preparation of these financial statements and has done an assessment for carrying amount of financial and non-financial assets and does not anticipate any impairment to these assets. Also, the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. 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 results.

**(q)** Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

**(r)** Note no. 1 to 37 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

**For and on behalf of Board of Directors**

For **S. S. Kothari Mehta & Co.**  
Chartered accountants  
ICAI Registration No. 000756N

**Rohit Relan**  
Co-Chairman & Director  
DIN: 00257572

**Pranav Relan**  
Whole Time Director  
DIN: 07177944

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Rajat Bhandari**  
Executive Director and Company Secretary  
DIN: 02154950

**Vinod Kumar**  
Chief Financial Officer

Place : Delhi  
Date : May 10, 2022