



# **2<sup>ND</sup> ANNUAL REPORT 2020-2021**

**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 (DIN: 02154950)       |

**Corporate Identity Number**

CIN: L29304DL2019PLC347460

**Bankers**ICICI Limited  
Kotak Mahindra Bank  
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
- Plot No. 366 P at Pace City 2 Sector 37, Gurugram
- Plot No. 665, Sector 37, Gurugram
- 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**

Ms. Komal Jain

**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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**CONTENTS**

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|   |        |
|---|--------|
| Notice .....  | 2-14   |
| Board's Report (including Management Discussion & Analysis) ..... | 15-37  |
| Auditors' Report .....  | 38-44  |
| Balance Sheet .....   | 45     |
| Statement of Profit & Loss Account .....                          | 46     |
| Cash Flow Statement .....   | 47     |
| Statement of Changes In Equity .....                              | 48     |
| Notes to the Financial Statements .....                           | 49-86  |
| Auditors' Report on Consolidated Financial Statement .....        | 87-92  |
| Consolidated Financial Statement .....                            | 93-137 |

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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](mailto:cs@ndrauto.com) Website: [www.ndrauto.com](http://www.ndrauto.com)

**NOTICE**

**NOTICE** is hereby given that the Second Annual General Meeting (AGM) of the members of NDR Auto Components Limited ("the Company") will be held on Wednesday, 22<sup>nd</sup> September 2021 at 11 a.m. through Video Conferencing ('VC') / other Audio Visual Means ('OAVM'), to transact the following business(es):

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. The Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2021 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, 2021 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, 2021 including the audited Balance Sheet as at 31st March, 2021, 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 Re. 1.00/- per Equity Share for the financial year ended on 31st March, 2021 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 Re. 1/- 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. Rohit Relan (DIN: 00257572), 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. Rohit Relan (DIN: 00257572), 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. Sanjiv Kapur (DIN: 00755441), 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. Sanjiv Kapur (DIN: 00755441), 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 of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter any type/nature of transactions as detailed below by way of entering into contract(s)/ arrangement(s)/ transaction(s) with Bharat Seats Limited, being a related party within the meaning of Section 2(76) of the Act and SEBI (LODR) Regulations, which is exceeding 10% of the consolidated turnover of the Company for financial year 2021-22 and onwards on such terms and conditions as the Board of Directors may deem fit.

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

**"FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised 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 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 of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter 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 SEBI (LODR), which is exceeding 10% of the consolidated turnover of the Company for financial year 2021-22 and onwards on such terms and conditions as the Board of Directors may deem fit.

- I. Transaction of Sale, Purchase, Transfer or receipt of products, goods, materials, assets or services up to a maximum aggregate value of Rs. 100 Crore in a Financial Year”

**“FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised 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 the matters connected therewith or incidental thereto.”

**7. TO AMEND THE ‘MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3(A)’ OF MEMORANDUM OF ASSOCIATION**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and the rules framed there under, consent of the Board of Directors of the Company be and is hereby accorded and subject to approval of Registrar of Companies, NCT of Delhi and Haryana, sub clause 23 of clause 3 (B) the Memorandum of Association of the Company be altered/replaced in the following manner:

Point No. 23 -To lend, invest or otherwise employ or deal with moneys belonging to or entrusted to the Company to subscribe for, take, acquire, hold, and deal in shares, stocks, debentures or securities and movable or immovable property of any other Company, body corporate, limited liability partnerships and / or Corporation and other upon such terms and conditions and in such manner as may be thought proper from time to time whatsoever and wheresoever, and to invest moneys of the Company in any other securities/ instruments/units (including units of any mutual fund registered with SEBI) and in any other manner including the purchase of any book or other debts and to vary such transactions and investment in such manner as the Directors may think fit.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Mr. Rohit Relan Co-Chairman & Director, Mr. Rishabh Relan, Director, Mr. Pranav Relan, Whole Time Director and Mr. Ayush Relan, Whole Time Director of the Company be and is hereby severally authorised, on the behalf of the Company, to do all acts, deeds, matters, and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with Registrar of Companies.”

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

**Komal Jain**  
Company Secretary  
Membership Number: A40470

**Date : 10th August, 2021**  
**Place : Gurugram**

**NOTES:**

- 1 In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”), MCA has permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the Circular no. 14/2020 dated April 08, 2020, issued by Ministry of Corporate Affairs, the facility to appoint Proxy to attend and cast vote for the members is not available for this AGM and hence the Attendance Slip, route map and Proxy Form are not annexed to this Notice.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter by the governing body to the Company and to the RTA atleast 2 days before the date of meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Act, and the register of contract or arrangement in which Directors are interested maintained under section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 22<sup>nd</sup> September, 2021. Members seeking to inspect such documents can send an email to [cs@ndrauto.com](mailto:cs@ndrauto.com)
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com) in case the shares are held in physical form, quoting their folio number. Further, Members may note that Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.
8. The Register of Members and Share Transfer Books will remain closed, from Thursday 16<sup>th</sup> September, 2021 to Wednesday 22<sup>nd</sup> September, 2021 (both days inclusive) for the purpose of 2<sup>nd</sup> AGM for determining the entitlement of the shareholders to the dividend, if declared at the AGM.
9. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members on 15<sup>th</sup> September, 2021 for both physical and demat holding of the members. The recommended dividend is Re. 1.00 per equity share.
10. Members are requested to quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
11. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agents, Beetal Financial and Computer Services Private Limited "Beetal House" 3rd Floor, 99 Madangir, behind local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062.
12. The Securities and Exchange Board of India has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Accordingly, the Company/ Registrar and Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of Dematerialization.
13. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent.
14. Members desirous of making nomination as permitted under section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH- 13, which can be procured from the RTA. The Members holding shares in demat form may contact their respective depository participants for making such nominations.
15. Process and manner for members opting for voting through electronic means:
  - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circular issued by the Ministry of Corporate Affairs dated January 13, 2021, in continuation and read with its Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as e- voting during the AGM will be provided by CDSL

- II. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date i.e. 15<sup>th</sup> September, 2021 shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the notice, who shall has no voting rights as on the Cut-off date, shall treat this notice as intimation only.
  - III. A person who has acquired the shares and has become a member of the Company after the dispatch of the notice of the AGM and prior to the Cut-off date i.e. 15<sup>th</sup> September, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the process mentioned in this part.
  - IV. The remote e-voting will commence at 09.00 a.m. (IST) on 18<sup>th</sup> September, 2021 and will end on 5.00 p.m. (IST) on 21<sup>st</sup> September, 2021. During this period, the member of the Company holding shares either in physical form or in Demat form as on the Cut-off date i.e. 15<sup>th</sup> September, 2021 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
  - V. Once the vote on a resolution is cast by a member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - VI. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 15<sup>th</sup> September, 2021.
  - VII. Mr. R S Bhatia (Membership No. FCS 2599) Company Secretary in Practice and failing him , Mr. Hardev Singh, Company Secretary in Practice, (Membership Number: FCS 6673, CP No.3317) having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process in a fair and transparent manner.
16. 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 18<sup>th</sup> September, 2021 and will end on Tuesday at 5:00 p.m. on 21<sup>st</sup> September, 2021. 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. 15<sup>th</sup> September, 2021 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:

| <b>Type of shareholders</b>   | <b>Login Method</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | 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. |

|   |  |
|---|--|
|   | <p>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.</p> <p>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></p>  |
|   | <p>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.</p>   |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b>                                     | <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.nsd.com">https://eservices.nsd.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.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.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.nsd.com/">https://www.evoting.nsd.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> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <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  |
|--|---|
| Individual Shareholders holding securities in Demat mode with NSDL | 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 |

|  |  |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue to login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at +91 22 2305 8738 or +91 22 2305 8542-43 |
|--|--|

- V. Login method for e-Voting for **shareholders other than Individual shareholders & physical shareholders.**
- The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
  - Click on "Shareholders" module.
  - Now enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - 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.
  - 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<br><b>OR</b><br>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.
- 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant (NDR Auto Components Limited) on which you choose to vote
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.



XVI. 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.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. 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.
3. 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.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [beetalrta@gmail.com](mailto:beetalrta@gmail.com).
2. 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 022- 23058738 and 022-23058542/43.

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 022-23058542/43.

19. 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 2020-21 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).
20. Members may also note that the Notice of the 2<sup>nd</sup> AGM and the Company's Annual Report 2020-21 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.
21. A copy of Audited Financial Statements (Standalone and Consolidated) for the year ended on March 31, 2021 together with the Board's and Auditor's Report thereon are enclosed herewith
22. 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.
23. 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](http://www.ndrauto.com) and on Service Provider's website i.e. [www.evotingindia.com](http://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.
24. An explanatory statement pursuant to Section 102 of the Companies Act, 2013("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed is also annexed.

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

**Date : 10th August, 2021**  
**Place : Gurugram**

**Komal Jain**  
**Company Secretary**  
**M. No: A40470**

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

**Item No. 5 & 6:**

As per Regulation 23(4) of SEBI (LODR) Regulations, 2015, approval of the shareholders through ordinary resolution is required, if the transaction(s) to be entered into individually or taken together with the previous transaction(s) during a financial year with a related party, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Bharat Seats Limited and Toyo Sharda India Private Limited (being Associate/ Joint Venture Company) and is a related party of the Company as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Accordingly, the approval for related party transaction for FY 2021-22 and onwards is required from the shareholders. The details of the proposed related party transactions are below:

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

| DETAILS OF CONTRACT(S)/ ARRANGEMENT(S) |   |   |   |   |  |   |  |
|--|---|---|---|---|--|---|--|
| 1                                      | Name of the Related Party   | Bharat Seats Limited  |   |   | Toyo Sharda India Private Limited              |   |  |
| 2                                      | Nature of relationship  | Associate Company   |   |   | Joint Venture                                  |   |  |
| 3                                      | Name of Directors or key managerial personnel who is related, if any                        | <b>Name of Director</b>   | <b>Designation in Company</b>   | <b>Nature of interest and concern</b>           | <b>Name of Director</b>                        | <b>Designation in Company</b>   | <b>Nature of interest and concern</b>        |
|  |   | Mr. Rohit Relan   | Chairman & Managing Director  | Director and member                             | Mr. Rohit Relan                                | Director  | Director                                     |
|  |   | Mr. Rishabh Relan   | Whole Time Director   | Director and member                             | Mr. Rishabh Relan                              | NIL   | Relative of Mr. Rohit Relan & Mr Ayush Relan |
|  |   | Mr. Pranav Relan  | NIL   | Relative of Mr. Rohit Relan & Mr. Rishabh Relan | Mr. Pranav Relan                               | NIL   | Relative of Mr. Rohit Relan & Mr Ayush Relan |
|  |   | Mr. Ayush Relan   | NIL   | Relative of Mr. Rohit Relan & Mr. Rishabh Relan | Mr. Ayush Relan<br>Mr. Rajat Bhandari          | Director<br>Director  | Director<br>Director                         |
| 4                                      | Nature, material terms, monetary value and particulars of the said contract or arrangement: | Nature of Transaction   | Material terms and particulars of transaction   | Monetary Value                                  | Nature of Transaction                          | Material terms and particulars of transaction   | Monetary Value                               |
|  |   | Sale, Purchase, Transfer or receipt of products, goods, materials, assets or services or services including reimbursement of expenses | <ul style="list-style-type: none"> <li>Ordinary course of business and on arms' length basis.</li> <li>Ongoing &amp; Perpetual Transaction</li> </ul> | Rs. 350 Crores per Annum                        | Sale, Purchase or supply of Goods and material | <ul style="list-style-type: none"> <li>Ordinary course of business and on arms' length basis.</li> <li>Ongoing &amp; Perpetual Transaction</li> </ul> | Rs. 100 Crores per Annum                     |
|  |   | Sale, Purchase of Tools or any asset  | <ul style="list-style-type: none"> <li>Ordinary course of business and on arms' length basis.</li> <li>Ongoing &amp; Perpetual Transaction</li> </ul> | Rs. 50 Crores per Annum                         |  |   |  |

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.

## **NDR AUTO COMPONENTS LIMITED**

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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.

### **Item No. 7:**

In order to deploy the surplus funds of the Company by way of loans, investments etc. it is proposed to carry out certain amendments in the Memorandum of Association of the Company as mentioned in the resolution given in Item no. 7.

Pursuant to Section 13 of the Companies Act, 2013, approval of the shareholders by special resolution is required for alteration in Memorandum of Association. A copy of the proposed new set of Memorandum and Articles will be available for inspection by the members at the registered office of the Company during normal business hours on all working days and is also available on the website of the Company at [www.ndrauto.com](http://www.ndrauto.com)

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the Resolution(s) as set out in item no. 7 above for approval of members by way of Special Resolution.

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

**Date : 10th August, 2021**  
**Place : Gurugram**

**Komal Jain**  
**Company Secretary**  
**M. No: A40470**

**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. Rohit Relan</b>   | <b>Mr. Sanjiv Kapur</b>   |
|---|--|---|
| Date of birth   | 02 <sup>nd</sup> July, 1955  | 01 <sup>st</sup> June, 1959   |
| Nationality   | Indian   | Indian  |
| Din   | 00257572   | 00755441  |
| Date of first appointment on the board of the Company                         | 23 <sup>rd</sup> October, 2020   | 23 <sup>rd</sup> October, 2020  |
| Qualification   | Fellow member of the Institute of Chartered Accountants of India. He has done Owner/ President Management programme from Harvard Business School   | B.TECH and M.S. in Electrical Engineering   |
| Experience including expertise in specific functional area                    | He is having 41 years of experience in the manufacturing Industry. He has experience in collaborating with Japanese and other international partners. Mr. Rohit Relan is Chairman and Managing director of Bharat Seats Limited, a listed company.   | He has over 37 years of experience in the Medical Equipment and Devices industry and he is Promoter/Director of Medelec Systems Pvt. Ltd which is involved in the manufacture of sophisticated medical devices for the domestic and international market.<br>He also has over 11 years' experience in the manufacture of components for the automobile industry |
| Terms & conditions of appointment/ re-appointment                             | As per the resolution at item no.3 of the Notice convening Annual General Meeting  | As per the resolution at item no.4 of the Notice convening Annual General Meeting   |
| Remuneration last drawn, including sitting fees if any                        | 3.40 Lacs (Sitting Fees only)  | 3.00 Lacs (Sitting Fees only)   |
| Remuneration proposed to be paid  | Nil  | Nil   |
| Relationship with other directors/ KMP  | Father of Mr. Rishabh Relan, Mr. Pranav Relan and Mr. Ayush Relan  | Nil   |
| Number of meetings of the board attended during the year                      | 4  | 4   |
| Chairmanships / directorships held in other companies as on 31.03.2021        | i. Bharat Seats Limited<br>ii. Toyo Sharda India Pvt Ltd.<br>iii. Toyota Boshoku Relan India Pvt Ltd.<br>iv. Progressive Engineering and Automation Pvt. Ltd. (under process of strike off)<br>v. Ndrehan Industries Pvt Ltd. (under process of strike off)<br>vi. Sharda Inoac Pvt Ltd. (under process of strike off) | i. Medelec Systems Pvt. Ltd.<br>ii. NUI Crystals Pvt Ltd  |
| Chairmanships / memberships of committees of other companies as on 31.03.2021 | Nil  | Nil   |
| No. of shares held in the Company as on 31.03.2021                            | 35,70,175 Shares   | 36,120 Shares   |
| Confirmation pursuant to bse circular dated 20.06.2018                        | Mr. Rohit Relan has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority  | Mr. Sanjiv Kapur has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority  |

**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<br>• Approved superannuation fund<br>• 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:<br><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><br>(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) Theaforesaid documents such as Form 15G/15H, documents under section 196, 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 September 10, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post September 10, 2021 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 2<sup>nd</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2021.

**STANDALONE FINANCIAL SUMMARY**

Rupees in Lakhs

| <b>Particulars</b>                             | <b>2020-2021</b> | <b>For period January 01, 2019 to March 31, 2020</b> |
|--|------------------|--|
| Revenue from Operations                        | 11412.90         | 9661.52  |
| Other Income                                   | 829.97           | 918.65   |
| Profit before Financial Charges & Depreciation | 1466.35          | 852.52   |
| Less: Finance Costs                            | 12.10            | 15.48  |
| Profit before Depreciation & Taxation          | 1454.25          | 837.04   |
| Less:  |                  |  |
| A) Depreciation                                | 497.42           | 737.54   |
| B) Provision for Taxation                      |                  |  |
| - Current Tax                                  | 263.28           | 50.40  |
| - Deferred Tax                                 | (0.58)           | (117.49)   |
| Net Profit after Tax                           | 694.13           | 166.59   |
| Add: Other Comprehensive Income, Net of Taxes  | 4.63             | (24.11)  |
| Total Comprehensive Income for the year        | 698.76           | 142.48   |
| Balance Carried Forward to Balance Sheet       | 698.76           | 142.48   |

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. It's manufacturing facilities are currently located at Gurugram. The Company is in the process of setting up a manufacturing facility at Harohalli, near Bengaluru for manufacture of seat frames and trims for passenger cars.

**FINANCIAL HIGHLIGHTS AND OPERATIONS**

**Standalone Performance**

Your Company's total income during the financial year under review was Rs. 12242.87 Lakhs as compared to Rs. 10580.17 Lakhs in previous period and net Profit after Tax (PAT) was Rs. 694.13 Lakhs as compared to Rs. 166.59 Lakhs in previous period 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') is provided as an annexure (Form AOC-1) to the consolidated financial statements and hence are not repeated here for the purpose of brevity.

**CHANGE IN MANAGEMENT:**

Members may note that at the time of the listing of the equity shares of the Company Mr. Ajay Relan, Ms. Sharda Relan and Mr. Rohit Relan were the core promoters of the Company along with 13 number of persons as per details mentioned in information memorandum filed with the stock exchanges at the time of getting listing approval. There was a family settlement according to which the control and management of the Company was to vest in Mr. Rohit Relan along with his associates and Mr. Ajay Relan along with his associates were to exit. All shares held by Mr. Ajay Relan and associates stood transferred to Mr. Rohit Relan on 24th October, 2020.

Consequently, Mr. Rohit Relan along with his associates hold 73.06 % stake in the voting power of the Company.

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



### DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders at the ensuing Annual General Meeting, a dividend of 10% (Re 1/- per equity share of Rs. 10) for the financial year ended 31.03.2021.

### TRANSFER TO GENERAL RESERVE

During the financial year 2020-2021, the Company has not transferred any amount to General Reserve.

### 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 2020-21 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 2020-21.

### 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, investments made are provided as part of the financial statements. There are no loans granted, guarantees 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, are 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/2020/10/POLICY-ON-RELATED-PARTY-TRANSACTIONS.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. 480.57 Lakhs during the financial year 2020-2021.

### **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. 165.95 Lakhs during the financial year 2020-2021.

### **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 2020-2021 and incurred loss of Rs. 0.64 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. Rohit Relan (DIN 00257572) and Mr. Sanjiv Kapur (DIN 00755441) 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.

### **Appointments**

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

During the year under review, Mr. Ashok Kumar Bhattacharya was appointed as an Additional Director, designated as Non-Executive Independent Director on the Board of the Company w.e.f. June 17, 2020, to hold office for a term upto June 16, 2025.

Further, Board on the recommendation of Nomination and Remuneration Committee, appointed Mr. Rohit Relan, Mr. Rishabh Relan, Mr. Pranav Relan, Mr. Ayush Relan, Ms. Shyamla Kherra and Mr. Sanjiv Kapur as additional directors w.e.f. October 23, 2020. Ms. Vanita Chhabra, Ms. Deepa Gopalan Wadhwa and Mr. Rajat Bhandari were appointed as additional directors w.e.f. November 30, 2020. Mr. Pranav Relan was appointed as Whole Time Director w.e.f. October 27, 2020. Mr. Ayush Relan and Mr. Rajat Bhandari were appointed as Whole Time Directors w.e.f. January 2, 2021 for a period of 3 years. All Directors appointed as Additional Directors were appointed as regular Directors at the Annual General Meeting held on 29<sup>th</sup> December, 2020.

Ms. Shyamla Kherra was appointed as an Independent director for a period of five years w.e.f. 23<sup>rd</sup> October, 2020. Ms. Vanita Chhabra and Ms. Deepa Gopalan Wadhwa were appointed as Independent Directors for a period of five years w.e.f. 30<sup>th</sup> November, 2020 by Shareholders at the Annual General Meeting held on 29<sup>th</sup> December, 2020.

### Resignations

Ms. Sharda Relan, Mr. Ajay Relan, Mr. Udayan Banerjee, Mr. Kishan Nagin Parikh and Mr. Ashok Kumar Bhattacharya resigned as Directors w.e.f. the close of business hours of October 24, 2020. Mr. Dharam Asrey Aggarwal resigned as a Whole Time Director & Director w.e.f. close of business hours of October 26, 2020.

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;

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

Mr. Ashutosh VEDI was appointed as a Company Secretary w.e.f. 1<sup>st</sup> April, 2020 and he resigned w.e.f. close of business hours of 31<sup>st</sup> October, 2020. Ms. Nitasha Sinha was appointed as Company Secretary w.e.f. 1<sup>st</sup> November, 2020 and she 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.

Mr. Vinod Kumar was appointed as Chief Financial Officer w.e.f. 27<sup>th</sup> October, 2020.

### 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 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. The detail of meetings of the Board held during the year on 22<sup>nd</sup> May, 2020, 23<sup>rd</sup> October, 2020, 27<sup>th</sup> October, 2020, 30<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021 respectively.

As there was a gap of more than the time required as per the provisions of section 173 read with 118 (10) of the Companies Act, 2013,

## NDR AUTO COMPONENTS LIMITED

that is meeting held on 22<sup>nd</sup> May, 2020 and 23<sup>rd</sup> October, 2020, the Company has moved a *suo-moto* application for compounding of the same.

The attendance records of the Directors at the Board Meeting during the year ended on 31<sup>st</sup> March, 2021 and at the last AGM are as under:

| Name of Director          | No. of Board Meetings Attended | Attendance at the last AGM |
|---------------------------|--------------------------------|----------------------------|
| Mr. Sanjiv Kapur*         | 4                              | Yes                        |
| Mr. Rohit Relan*          | 4                              | Yes                        |
| Mr. Rishabh Relan*        | 4                              | Yes                        |
| Mr. Pranav Relan*         | 4                              | Yes                        |
| Mr. Ayush Relan*          | 4                              | Yes                        |
| Ms. Shyamla Khera*        | 4                              | Yes                        |
| Ms. Deepa Gopalan Wadhwa* | 2                              | Yes                        |
| Ms. Vanita Chhabra*       | 2                              | Yes                        |
| Mr. Rajat Bhandari*       | 2                              | Yes                        |
| Mr. Ajay Relan**          | 1                              | N.A.                       |
| Ms. Sharda Relan**        | 0                              | N.A.                       |
| Mr. D A Agrawal**         | 2                              | N.A.                       |
| Mr. Udayan Banerjee**     | 2                              | N.A.                       |
| Mr. K N Parikh**          | 2                              | N.A.                       |
| Mr. A K Bhattacharya**    | 0                              | N.A.                       |

\*Mr. Rohit Relan, Mr. Rishabh Relan, Mr. Pranav Relan, Mr. Ayush Relan, Ms. Shyamla Khera and Mr. Sanjiv Kapur w.e.f. October 23, 2020. Ms. Vanita Chhabra, Ms. Deepa Gopalan Wadhwa and Mr. Rajat Bhandari were appointed w.e.f. November 30, 2020

\*\* Ms. Sharda Relan, Mr. Ajay Relan, Mr. Udayan Banerjee, Mr. Kishan Nagin Parikh and Mr. Ashok Kumar Bhattacharya resigned w.e.f. October 24, 2020. Mr. Dharam Asrey Aggarwal resigned w.e.f. October 26, 2020

### COMMITTEES OF THE BOARD:

#### a) AUDIT COMMITTEE

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

| Sr. No. | Name of Member             | Designation | Remarks                  |
|---------|----------------------------|-------------|--------------------------|
| 1.      | *Ms. Shyamla Khera         | Chairperson | Independent Director     |
| 2.      | *Mr. Rohit Relan           | Member      | Non-Executive – Promoter |
| 3.      | **Ms. Vanita Chhabra       | Member      | Independent Director     |
| 4.      | **Ms. Deepa Gopalan Wadhwa | Member      | Independent Director     |

\* Appointed on 23<sup>rd</sup> October, 2020

\*\* Appointed on 30<sup>th</sup> November, 2020

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) Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

vi) Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Five (5) audit committee meetings were held during the year under review i.e. on 22<sup>nd</sup> May, 2020, 23<sup>rd</sup> October, 2020, 27<sup>th</sup> October, 2020, 30<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021.

**b) Stakeholders Relationship Committee**

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

| Sr. No. | Name of Member             | Designation | Remarks                 |
|---------|----------------------------|-------------|-------------------------|
| 1.      | *Mr. Sanjiv Kapur          | Chairperson | Non-Executive Director  |
| 2.      | *Ms. Shyamla Khera         | Member      | Independent Director    |
| 3.      | *Mr. Rishabh Relan         | Member      | Non- Executive Director |
| 4.      | **Ms. Deepa Gopalan Wadhwa | Member      | Independent Director    |

\* Appointed on 23<sup>rd</sup> October, 2020

\*\* Appointed on 30<sup>th</sup> November, 2020

Two (2) Stakeholders Relationship committee meetings were held during the year under review i.e. on 30<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021.

**c) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted with effect from 1<sup>st</sup> April, 2020 and at present the constitution of the committee is as under:

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

\* Appointed on 23<sup>rd</sup> October, 2020

\*\* Appointed on 30<sup>th</sup> November, 2020

Three (3) Nomination and Remuneration committee meetings were held during the year under review i.e. on 23<sup>rd</sup> October, 2020, 27<sup>th</sup> October, 2020 and 30<sup>th</sup> November, 2020.

**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 V.

**AUDIT AND AUDITORS**

**Statutory Auditors**

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

The Board of Directors of the Company at their meeting held on 30<sup>th</sup> November, 2020, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s S. S. Kothari Mehta & Co, Chartered Accountants (Firm Registration No. 000756N) as the Statutory Auditors of the Company for a consecutive term of five years i.e. from the conclusion of the 1<sup>st</sup> Annual General Meeting (AGM) till the conclusion of 6<sup>th</sup> 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 31<sup>st</sup> March, 2021 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

Mr. R S Bhatia, Company Secretary in Practice has been appointed as Secretarial Auditor by the Board in its meeting held on 30<sup>th</sup> November, 2020.

### Secretarial Audit

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: 2020-21. The report of Secretarial Auditor for the financial year 2020-21 is annexed herewith marked as Annexure VI to this Report. The observations given in the Secretarial Audit Report are self-explanatory and does not require any further clarifications.

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

During the year under review, the provisions of section 135 of the Companies Act, 2013 read with rules made there under are not applicable to the Company.

### 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 IV.

### 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>.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### VIGIL MECHANISM

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

The Whistle Blower Policy may be accessed at the Company's 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 since 30<sup>th</sup> July, 2020 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 2020-21 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, 2021 and of the profit of the Company for the period ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SHARES**

**a. Buy Back of Securities**

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

**b. Sweat Equity**

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

**c. Bonus Shares**

No Bonus Shares were issued during the year under review.

**d. Issue of Shares with differential voting rights**

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

**e. Issue of Shares under Employee Stock Option Scheme**

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

**f. Issue of shares through private placement – Nil**

**g. Issue of Shares without differential voting rights – Nil**

**ACKNOWLEDGMENT**

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

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

Your Directors 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 : 10th August, 2021**  
**Place : Gurugram**

**Rohit Relan**  
**Co-Chairman**  
**(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                      | Rs. 11199.17 lakhs   | 14/2/2020                        | Nil                              | 20/02/2020  |
| 2       | Bharat Seats Limited         | Associate Company              | Purchase of property, plant and equipment   | Transaction of non-repetitive nature                  | Rs. 660.51 Lakhs   | 14/2/2020                        | Nil                              | 20/02/2020  |
| 3       | Sharda Motor Industries Ltd. | Holding Company till 29.3.2020 | Management Services   | Transaction of repetitive nature                      | Rs. 142.04 lakhs   | -                                | Nil                              | -   |

**FORM AOC-1**

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

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

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

**Part "B": Associates and Joint Ventures**

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

(Currency: Rs. in Lakhs except otherwise specified)

| Name of associates/Joint Ventures   | Bharat Seats Limited          | Toyota Boshoku Relan India Private Limited | Toyo Sharda India Private Limited |
|---|-------------------------------|--|-----------------------------------|
| 1. Latest audited Balance Sheet Date  | 31st March, 2021              | 31st March, 2021                           | 31st March, 2021                  |
| 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 | 3342.37                       | (10.12)                                    | 525.02                            |
| 7. Profit/Loss for the year   |                               |  |                                   |
| i. Considered in Consolidation  | 135.33                        | (0.32)                                     | 82.93                             |
| ii. Not Considered in Consolidation   | 353.16                        | (0.32)                                     | 82.93                             |

**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  
(DIN: 00257572)

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

**Date : 10th August, 2021**  
**Place : Gurugram**

**Vinod Kumar**  
Chief Financial Officer

**Komal Jain**  
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:**

- We installed the solar plant of 171.6 KWP to use the alternative source. Solar installation has completed 31-03-2021.

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

- For Solar plant installation company has spent Rs 60.06 Lakhs.

**B. TECHNOLOGICAL ABSORPTION:****(i) The efforts made towards technology absorption;****(a) Manufacture parts with high Tensile Steel.**

- (1) Inhouse development done towards the manufacturing of a High Tensile press tools for Front Back Side bracket. Also procured the welding fixture and the Active Wire Process attachment for the Robot.
- (2) Process control established from receipt and storage of Raw Material to establishing the working protocol upto final dispatch of the high tensile components.

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

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

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

- (1) To enhance the level of all personnel in the plant a special Dojo Centre with 8 steps (as guided by Maruti Suzuki India Limited) has been established. This training cell covers all aspects of the company included the advance development of the types of processes like steels, welding and pressing.
- (2) A Karakuri Centre is a practical training center for developing the dexterity of the employees to absorb new technologies.

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

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

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

No Technology has been imported during the last three years

**(iv) The expenditure incurred on Research and Development:**

There was no expenditure on R&D during the year

**C. 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. 23.08 Lakhs (12.54 Lakhs). (Figures in bracket pertain to last year)

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 31.03.21 | 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 |
|-----------------------|-------------------|--------------------------------------|----------------------------|------------------------------------|--------------------|---|---|---|
| Love Adlakha          | Senior GM         | 29.49                                | Graduation /21.6 YRS       | 01.09.2018*                        | 43                 | Hero Cycles Limited                       | Nil   | No  |
| Pritee Shakya         | Manager           | 9.76                                 | Graduation /13 YRS         | 16.09.2015*                        | 35                 | Bony Polymers Pvt Ltd                     | Nil   | No  |
| Sunil                 | Assistant Manager | 8.10                                 | MAB and M.COM/13 YRS       | 29.09.2017*                        | 37                 | Bharat Seats Ltd                          | Nil   | No  |
| Sanjay Kumar          | Manager           | 6.92                                 | P. Graduate/17 YRS         | 01.05.2018*                        | 39                 | Krishna Maruti Ltd                        | Nil   | No  |
| Ajeet Singh Yadav     | Assistant Manager | 6.99                                 | MBA/11 YRS                 | 10.09.2018*                        | 35                 | Bharat Seats Ltd                          | Nil   | No  |
| Rajesh Kumar Sharma   | Manager           | 6.81                                 | DIP./20 YRS                | 18.05.2005*                        | 43                 | Havells India Ltd                         | Nil   | No  |
| Ananta Chandra Prusty | Assistant Manager | 6.52                                 | Graduation / 16 YRS        | 05.05.2009*                        | 39                 | Tenneco Exhaust India Pvt. Ltd.           | Nil   | No  |
| Santosh Kumar Sharma  | Manager           | 6.74                                 | Graduation/31 YRS          | 20.01.2011*                        | 55                 | Liliput Kids Wear Ltd.                    | Nil   | No  |
| Niranjan Das          | Manager           | 5.84                                 | Graduation/18 YRS          | 13.05.2015*                        | 42                 | Insulation & Electrical Products Pvt. Ltd | Nil   | No  |

**Employed for part of the year:-**

|                       |                         |       |                       |             |    |                    |      |   |
|-----------------------|-------------------------|-------|-----------------------|-------------|----|--------------------|------|---|
| Pranav Relan          | Whole Time Director     | 24.30 | Graduate/6 YRS        | 27.10.2020  | 29 | Bharat Seats Ltd   | 0.14 | Yes, Son of Mr. Rohit Relan and Brother of Mr. Ayush Relan  |
| Rajat Bhandari        | Executive Director      | 15.05 | CA and CS/ 35 YRS     | 02.01.2021  | 57 | Bharat Seats Ltd   | NIL  | No  |
| Ayush Relan           | Whole Time Director     | 14.42 | Graduate/6 YRS        | 02.01.2021  | 29 | Bharat Seats Ltd   | 0.16 | Yes, Son of Mr. Rohit Relan and Brother of Mr. Pranav Relan |
| Vinod Kumar           | Chief Financial Officer | 8.36  | CA/18 YRS             | 27.10.2020  | 42 | Bharat Seats Ltd   | NIL  | No  |
| Dushyant Kumar Sharma | Manager                 | 7.85  | DIP./18 YRS           | 14.12.2005* | 38 | Sebros Enterprises | NIL  | No  |
| Brijesh Kumar Yadav   | Sr Manager              | 14.60 | BE-Mech./22 YRS       | 01.11.2020* | 43 | Jbm Group          | NIL  | No  |
| Randhir Singh         | Dgm                     | 15.10 | ITI/35                | 12.08.2014* | 56 | Omax Auto Ltd.     | NIL  | No  |
| Manoj Kumar           | Senior Manager          | 10.60 | Diploma- Mech./20 YRS | 21.10.2016* | 44 | Jakson             | NIL  | No  |

\*Date of employment represents appointment in SMIL (i.e. before demerger)

**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 employee of the Company holds more than 2% of Equity Shares of the Company as on 31<sup>st</sup> March, 2021 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: N.A.
2. The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year: N.A.
3. The percentage increase in the median remuneration of employees in the financial year is 6%
4. Total number of permanent employees on the rolls of company as on March 31, 2021 is 111
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: N.A.

Note : Were Directors for part of the year in 2020-21. Hence, there percentage increase in remuneration is not comparable and therefore not stated.

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****OUTLOOK**

The Financial year (FY) 2020 - 2021 started amidst complete nationwide lockdown and closure of all economic activity, barring essential services, to contain the spread of COVID - 19. This led to an uncertainty adversely affecting consumer confidence thereby leading to a sharp fall in domestic demand. The auto sector was also impacted. Production of passenger vehicles and two wheelers declined by 11% and 13% respectively over last year in 2020-21.

With the moderation in the spread of the virus and scaling down of lockdown restrictions, the economy pulled itself up to the path of recovery. Policy measures taken both by Government and Reserve Bank of India helped the economy in minimising the impact of crisis. A strong rural demand and robust government expenditure supported the economic recovery process. In the second half of the year the automotive industry displayed remarkable resilience and has comeback strongly with the unlocking of the economy. The performance of the vehicle industry starting with the festive season had been heartening. The Union Budget 2020 - 21 brought back focus and Government's commitment to expenditure on road transport and highways infrastructure. The Ministry of Road Transport and Highways is planning to develop around 60,000 Km of roads in the next five years. The ongoing ever expanding network of roads and increased connectivity would definitely provide an impetus to the automobile sector. Further, recently the Government has enunciated the long overdue voluntary vehicle scrappage policy which is likely to boost demand for new vehicles. The Government of India envisages the automobile sector to attract US\$ 8-10 billion in local and foreign investment. The increased focus by the auto industry on localisation and the recent announcement of schemes for the automotive sector by the Government, augur well towards making the auto-component industry a self-reliant one. India is emerging as a global hub for auto component sourcing and is set to become third largest in the world by 2025. Indian auto component makers are well positioned to benefit from the globalization of the sector as export potential could increase by up to US \$ 30 billion by 2021-22. As per Automobile Components Manufacturers Association (ACMA), component export from India is expected to reach US \$ 80 billion out of the consolidated revenue of US \$ 200 billion by 2026. Besides this, the electric vehicle market is estimated to be a US \$ 7 billion opportunity in India by 2025 as several technology and automotive companies have expressed interest and/ or made investment into the India electric vehicle space. The automotive industry is supported by factors such as availability of skilled labour at reasonable rates, robust R&D centres, and steel production etc. This industry therefore provides great opportunities for investment and employment.

The government has expressed that manufacturing sector would grow annually in double digits going forward, it remains to be seen how automobile sector would grow in the near to medium term. To achieve this level of sustained growth, the industry looks forward to innovative government policies for enhancing manufacturing competitiveness and increased affordability for the customers of passenger / commercial vehicles.

We at the Company are fully geared to meet the likely robust demand for seating products and systems.

**INDUSTRY STRUCTURE AND FUTURE DEVELOPMENTS**

In the last few months there is a definite trend towards revival in consumer demand. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 25.40 billion between April 2000 and December 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT). The Union Cabinet has rolled out a production-linked incentive scheme for the automobiles and auto components sector worth INR 57, 042 crores (US\$ 7.81 billion). Also the Government aims to develop India as a global manufacturing center and a Research and Development (R&D) hub.

India's National E-mobility programme aims to provide an impetus to the entire e- mobility ecosystem that includes electric manufacturers, charging infrastructure development companies, fleet operators etc. The "Go Electric" campaign launched by the Government of India aims at reducing the import dependence of fossil fuels as well as ensuring cleaner and greener future. The Pan India level campaign would help create wide awareness amongst consumers and boost the confidence of electric vehicle (EV) manufacturers. Special policy measures such as slashing GST on EVs, exemption on EV purchase loans, custom duty exemption on certain EV parts and so on would go a long way in enhancing production and sale of EVs.

**OPPORTUNITIES AND THREATS**

The opportunities in the Indian automotive sector are plenty. In spite of the lurking COVID-19 pandemic, global and local auto makers continue to bet on India as they foresee the country as a strategic market that is expected to fuel long term growth. No one wants to miss this opportunity.

Your Company is currently a dedicated supplier to Bharat Seats Limited and is engaged in the manufacture of seat frames and seat trims for passenger and utility vehicles manufactured and sold by Maruti Suzuki India Limited. The Company has a complete set up of robotic welding cells, CNC tube bending machines, power presses to make critical press parts in various steel grades, CNC fabric and leather cutting machines, stitching machines to meet increased quality requirements of the customer. Recently your Company also started producing stamping and welded BIW(Body in white) parts for a Tier-1 automotive customer ultimately for use on vehicles produced by Maruti Suzuki India Limited. Your Company is also in the process of setting up a manufacturing plant in Bengaluru for manufacturing seat frames and seat trims for supply to Toyota Boshoku Automotive India Private Limited.

While the COVID-19 pandemic began showing receding trend during the later half of 2020-21, beginning April, 2021 of the FY 2021-22 there were adverse effects of the second wave concerns of the COVID -19 pandemic due to imposed partial lockdown in some states by the governments to curtail its spread. The business recovery post the second wave is facing certain global headwinds on supply of certain critical components including shortage of semiconductors.

Despite concerns of third wave of COVID – 19 pandemic, the industry is cautiously optimistic about the prospects of the Indian economy and the automotive sector for FY 2021-22. While increased visibility and commitment to new program timelines from OEMs is a key industry expectation, at an organizational level, focus on employee productivity and structural consolidation will be the key thrust areas.

In summary, though some uncertainty in the automotive sector in the short term is evident, in the medium to long term the growth prospects appear to be very encouraging for the automobile manufacturers and thereby auto component manufacturing industry as a whole. The industry is seeing a good recovery with improved demand scenario.

### SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company is operating under single business segment manufacturing seat frames and seat trims for passenger and utility vehicles.

### RISKS AND CONCERNS

The Company is conscious that effective risk management is critical in meeting its strategic objectives and achieving sustainable growth. The Company is exposed to external and internal risks associated with the business of an automotive component manufacturing company.

#### Business Risk

The business of the Company is directly dependent on the growth and development of the automobile manufacturing sector and the automotive component industry. General economic conditions and environment prevalent at any point of time has a profound impact on the manufacturing sector and resultantly on the automotive components manufacturing companies also. Operational risks include unhindered supply of raw materials with price stability. Further cheaper import substitutes could also pose some challenge.

The Governments' current initiatives and prevailing policies on automotive industry are very encouraging, various regulations relating to environment, passenger and vehicle safety, fuel pricing, import duties, overall inflation and so on also have a positive impact on the growth prospects and progress of the automotive component industry including your Company

#### Financial Risk

Your Company faces some risk associated with foreign exchange fluctuation, fluctuation in the price of various inputs including raw material supplies and idle or under-utilized capacity.

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

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

### MANUFACTURING AND DEVELOPMENT

Your Company has incorporated latest manufacturing technology in house such as robotic welding, CNC tube bending, stamping of steel parts with different tensile strengths, CNC cutting of fabric and leather, stitching of seat covers. In addition the manufacturing system design is continuously reviewed to realize improvement in product quality and thereby meet increasing customer requirements for quality and productivity. During the year your company also extended product development and manufacturing to BIW automotive parts.

To maintain and enhance the product quality to meet international standards, the employees are put through a rigorous training program at dojo centres so that their skill matches the desired output.

Your company is extremely conscious of safety of its employees and assets and has all the equipments in place. Regular training of employees is carried out to handle these safety equipment, and we insist on third party audits for further improvements.

**HUMAN RESOURCES AND DEVELOPMENT**

Your company continuously strives to promote a safe and healthy work place and environment. It creates and instils a culture of goodwill amongst its employees. During COVID-19 pandemic the company focused on sensitizing its work force on proper COVID safety precautions. Your company believes in fostering equal employment opportunities where individuals are selected and treated on the basis of their job relevant merits and given equal opportunities for growth and development within the organization. Your company always strives to achieve maximum employee satisfaction and has initiated several programs on up-skilling/ training and empowerment of the employees. The company has criteria for hiring suitable talents who can provide quality of work and add to the company's growth.

The company had 111 permanent employees as on 31<sup>st</sup> March 2021. The industrial relations remained peaceful and cordial throughout the year.

**DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

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

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

The company's total income during FY 2020-21 was INR 122.43 crores as compared to INR 105.80 crores in the 15 month period ended on 31<sup>st</sup> March 2020.

**KEY FINANCIAL RATIOS**

The financial and operational performance of the Company can be understood from following ratio analysis.

| Sl. No | Ratios                          | Unit       | FY 2020- 2021<br>(1.4.2020 to<br>31.03.2021) | For 15 months<br>period<br>(1.1.2019 to<br>31.3.2020) | % Change |
|--------|---------------------------------|------------|--|---|----------|
| 1      | Debtors Turnover Ratio          | Times      | 6.14   | 15.94   | 61.48    |
| 2      | Inventory Turnover Ratio        | Times      | 12   | 14  | 14.29    |
| 3      | Interest Coverage Ratio*        | Times      | 121.19                                       | 55.98   | 116.49   |
| 4      | Current Ratio                   | Times      | 3.39   | 6.10  | 44.42    |
| 5      | Operating Profit margin Ratio** | Percentage | 8.49   | 1.19  | 613.45   |
| 6      | Net Profit Margin               | Percentage | 6.08   | 1.72  | 253.49   |
| 7      | Return on Net worth             | Percentage | 4.97   | 1.26  | 294.44   |

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

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

Inspite of effect of COVID pandemic, the overall financial performance of the Company has shown a marked improvement.

**DISCLAIMER**

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



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

**[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, 2021 ("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, 2021 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.

- vi) 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 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, 2021 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 Woman Director. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations.

| S.No. | Particulars                                 | Date of appointment/cessation |
|-------|---|-------------------------------|
| 1.    | Appointment of Mr. Ashok Kumar Bhattacharya | 17/06/2020                    |
| 2.    | Appointment of Mr. Rohit Relan              | 23/10/2020                    |
| 3.    | Appointment of Mr. Sanjiv Kapur             | 23/10/2020                    |
| 4.    | Appointment of Mr. Rishabh Relan            | 23/10/2020                    |
| 5.    | Appointment of Mr. Pranav Relan             | 23/10/2020                    |
| 6.    | Appointment of Mr. Ayush Relan              | 23/10/2020                    |
| 7.    | Appointment of Ms. Shyamla Khera            | 23/10/2020                    |
| 8.    | Cessation of Mr. Ajay Relan                 | 24/10/2020                    |
| 9.    | Cessation of Ms. Sharda Relan               | 24/10/2020                    |
| 10.   | Cessation of Mr. Udayan Banerjee            | 24/10/2020                    |
| 11.   | Cessation of Mr. Kishan Nagian Parikh       | 24/10/2020                    |
| 12.   | Cessation of Mr. Ashok Kumar Bhattacharya   | 24/10/2020                    |
| 13.   | Cessation of Mr. Dharam Asrey Aggarwal      | 26/10/2020                    |
| 14.   | Appointment of Ms. Vanita Chhabra           | 30/11/2020                    |
| 15.   | Appointment of Ms. Deepa Gopalan Wadhwa     | 30/11/2020                    |
| 16.   | Appointment of Mr. Rajat Bhandari           | 30/11/2020                    |

- 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.

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 its last Annual General Meeting held on December 29, 2020 have approved:-
  - i) Appointment of Mr. Rohit Relan as a Director
  - ii) Appointment of Mr. Sanjiv Kapur as a Director
  - iii) Appointment of Mr. Rishabh Relan as a Director
  - iv) Appointment of Mr. Pranav Relan as a Director
  - v) Appointment of Mr. Ayush Relan as a Director
  - vi) Appointment of Ms. Shyamla Khera as an Independent Director
  - vii) Appointment of Ms. Vanita Chhabra as an Independent Director
  - viii) Appointment of Ms. Deepa Gopalan Wadhwa as an Independent Director
  - ix) Appointment of Mr. Rajat Bhandari as a Director
  - x) Altered the Articles of Association pursuant to section 13 of the Companies Act, 2013
  - xi) Appointment of Mr. Pranav Relan as a Whole Time Director
  - xii) Appointment of Mr. Ayush Relan as a Whole Time Director
  - xiii) Appointment of Mr. Rajat Bhandari as a Whole Time Director designated as Executive Director
  - xiv) Approval to give loan(s) and guarantee(s) and make investment(s)
2. The unaudited Standalone and Consolidated quarterly results for quarter/half year ended 30<sup>th</sup> September, 2020 was approved on 30<sup>th</sup> November, 2020.
3. A member of the promoter group had transferred 53,037 equity shares from individual to a joint account in violation of Company's code of conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015 and Reg. 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Audit Committee reviewed the matter. As there was no financial gain involved and the mistake was unintentional, a letter of caution was issued for strict compliance in future.
4. Time gap between two meeting i.e. 22/05/2020 and 23/10/2020 is more than 120 days (which was relaxed by Statutory Authorities and the meeting could have been held by Sept. 2020). However, Company has filed a suo moto compounding application.
5. There were changes in the Management and promoter group of the Company effective from 24<sup>th</sup> October, 2020, thereafter, the Company initiated steps for:
  - i) Appointment of Occupier under the Factories Act, 1948 w.e.f. 30<sup>th</sup> November, 2020.
  - ii) Constitution of Prevention of Sexual Harassment Committee under Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 w.e.f. 30<sup>th</sup> November, 2020.
6. Company was incorporated on 19<sup>th</sup> March, 2019 but Balance sheet was prepared from 1<sup>st</sup> January 2019 onwards.
7. Pursuant to the National Company Law Tribunal (NCLT) order, dated February 20, 2020, which became effective w.e.f. March 16, 2020, the Automobile Seating Business of Sharda Motor Industries Limited (SMIL) has been demerged into NDR Auto Components Limited (Resulting Company or NACL) w.e.f. December 31, 2018, being the appointed date.
8. Pursuant to NCLT order NDR Auto Components Limited on March 30, 2020 allotted 59,46,326 of equity shares to the shareholders of Sharda Motor Industries Limited and cancelled 10,000 of equity shares held by Sharda Motor Industries Limited and its nominees. Thus, it ceased to be subsidiary of Sharda Motor Industries Limited (Demerged Company).
9. The company applied for Listing of it's equity shares to BSE and NSE. The said Stock Exchanges granted listing approval w.e.f. July 30, 2020
10. During the period under review the Company has filed form CFSS with Ministry of Corporate Affairs in respect of 10 E-forms.

**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN No: F002599C000723495**

**Date : 02.08.2021**  
**Place : N Delhi**

**Annexure A**

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.

**Place : New Delhi**  
**Date : 02.08.2021**

**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN No: F002599C000723495**

**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  
Regd. Office : 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) 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 31<sup>st</sup> March, 2021 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.

| <b>Sl. No</b> | <b>Name of Director</b>  | <b>DIN No.</b> | <b>Date of Appointment*</b> |
|---------------|--------------------------|----------------|-----------------------------|
| 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                  |

\* All these dates represents the dates when the directors were appointed as Additional Directors at the AGM of the Company held on 29.12.2020 all above named 9 persons were appointed as regular directors.

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 : 02.08.2021  
Place : New Delhi

R.S. Bhatia  
Practicing Company Secretary  
C.P. No.: 2514  
UDIN:F002599C000723000

**Declarations**

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2020-21**

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, 2021.

**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, 2021:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 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**

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

**For NDR Auto Components Limited**

**Vinod Kumar**  
**Chief Financial Officer**

Dated : 26th May, 2021  
Place : Gurugram

## **Independent Auditors' Report**

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

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

##### **Opinion**

We have audited the accompanying standalone financial statements of **NDR Auto Components Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2021, 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, 2021, 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. 36(o) to the standalone financial statements which describes the management's assessment of the impact of uncertainties arising because of COVID-19 Pandemic and its consequential effects on the financial performance of the Company.

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 auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

##### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other

comprehensive 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.

### **Other Matter**

The standalone financial statements of the Company for the period ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on financial statements on October 23, 2020.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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";
  - 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 26 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;

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

**Neeraj Bansal**  
Partner

Membership No. 095960  
UDIN: 21095960AAAADX4768

Place : Delhi  
Date : 26.05.2021

**“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) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (fixed assets).
- (b) The Property, Plant and Equipment (fixed assets) 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.
- (ii) According to the information and explanations given to us, inventories have been physically verified by the management during the period, except for stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanation given to us, the company has not entered into any transaction covered under section 185 and 186.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (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 in respect of provident fund, employees’ state insurance, income tax, custom duty, goods and services tax, cess and other material 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 dues of income tax, custom duty, goods and service Tax, cess and other material statutory dues which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans from bank, financial institutions, Government and has not issued any debentures.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not raised any money by way of initial public offer or further public offer or term loan during the financial year.
- (x) In our opinion and according to the information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided as specified by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company, therefore provision clause (xii) is not applicable.
- (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. 36(d) to the standalone financial statements.

## **NDR AUTO COMPONENTS LIMITED**

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- (xiv) According to the information and explanations given to us and overall examination of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.
- (xv) In our opinion and on the basis of 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) In our opinion and on the basis of 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.

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

**Neeraj Bansal**  
Partner  
Membership No. 095960  
UDIN: 21095960AAAADX4768

Place : Delhi  
Date : 26.05.2021

**“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, 2021 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, 2021 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 and Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner  
Membership No. 095960  
UDIN: 21095960AAAADX4768

Place : Delhi  
Date : 26.05.2021

# NDR AUTO COMPONENTS LIMITED

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs, except as otherwise stated)

|                                     | Notes  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|-------------------------------------|--|--------------------------|--------------------------|
| <b>ASSETS</b>                       |  |                          |                          |
| <b>1</b>                            | <b>Non-current assets</b>  |                          |                          |
|                                     | Property, plant and equipment  | 5(a) 3,651.05            | 3,307.47                 |
|                                     | Capital work in progress   | 6 322.42                 | -                        |
|                                     | Right of use assets  | 5(c) 450.64              | 35.92                    |
|                                     | Intangible assets  | 5(b) 3.36                | 0.36                     |
|                                     | Financial assets   |                          |                          |
|                                     | (i) Investments  | 7 165.50                 | 165.50                   |
|                                     | (ii) Loans   | 8 52.49                  | 40.47                    |
|                                     | Other non-current assets   | 9 399.01                 | 11.43                    |
|                                     | Non-current tax assets (net)   | 10 7.36                  | 17.07                    |
|                                     | Deferred tax assets (net)  | 20 124.62                | 125.60                   |
|                                     |  | <b>5,176.45</b>          | <b>3,703.82</b>          |
| <b>2</b>                            | <b>Current assets</b>  |                          |                          |
|                                     | Inventories  | 11 1,238.83              | 689.99                   |
|                                     | Financial assets   |                          |                          |
|                                     | i) Trade receivables   | 12 3,110.56              | 606.30                   |
|                                     | ii) Cash and cash equivalents  | 13 389.73                | 524.07                   |
|                                     | iii) Other bank balances   | 14 8,159.00              | 9,086.00                 |
|                                     | iv) Other financial assets   |                          |                          |
|                                     | -Loans   | 15 10.22                 | 9.80                     |
|                                     | -Others  | 15 139.52                | 231.15                   |
|                                     | Other current assets   | 16 209.81                | 384.97                   |
|                                     | Asset held for sale  | -                        | 0.08                     |
|                                     |  | <b>13,257.67</b>         | <b>11,532.36</b>         |
|                                     |  | <b>18,434.12</b>         | <b>15,236.18</b>         |
| <b>Total Assets</b>                 |  |                          |                          |
| <b>EQUITY AND LIABILITIES</b>       |  |                          |                          |
| <b>1</b>                            | <b>Equity</b>  |                          |                          |
|                                     | Equity share capital   | 17 594.63                | 594.63                   |
|                                     | Other equity   | 18 13,366.80             | 12,668.04                |
|                                     |  | <b>13,961.43</b>         | <b>13,262.67</b>         |
| <b>2</b>                            | <b>Liabilities</b>   |                          |                          |
|                                     | <b>Non-current liabilities</b>   |                          |                          |
|                                     | Financial liabilities  |                          |                          |
|                                     | Lease liabilities  | 22 417.23                | -                        |
|                                     | Provisions   | 19 139.22                | 82.10                    |
|                                     |  | <b>556.45</b>            | <b>82.10</b>             |
|                                     | <b>Current liabilities</b>   |                          |                          |
|                                     | Financial liabilities  |                          |                          |
|                                     | i) Trade payables  |                          |                          |
|                                     | - Total outstanding dues of micro and small enterprises                      | 21 259.83                | 67.19                    |
|                                     | - Total outstanding dues of creditors other than micro and small enterprises | 21 3,310.90              | 1,506.93                 |
|                                     | ii) Lease liabilities  | 22 26.41                 | 37.54                    |
|                                     | iii) Other financial liabilities   | 23 161.33                | 74.89                    |
|                                     | Other current liabilities  | 24 37.36                 | 95.60                    |
|                                     | Provisions   | 25 120.41                | 109.26                   |
|                                     |  | <b>3,916.24</b>          | <b>1,891.41</b>          |
|                                     |  | <b>18,434.12</b>         | <b>15,236.18</b>         |
| <b>Total Equity and Liabilities</b> |  |                          |                          |
|                                     | Summary of significant accounting policies                                   | 2                        |                          |
|                                     | Contingent liabilities and commitments                                       | 26                       |                          |
|                                     | Other notes on accounts  | 36                       |                          |

The accompanying notes are an integral part of the financial statements

### As per our report of even date attached

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

**Chartered Accountants**

ICAI Registration No. 000756N

**Neeraj Bansal**

Partner

Membership no. 095960

**Place : Delhi**

**Date : May 26, 2021**

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

**Rohit Relan**

Co-Chairman & Director

DIN: 00257572

**Rajat Bhandari**

Executive Director

DIN: 02154950

**Nitasha Sinha**

Company Secretary

**Vinod Kumar**

Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

(Rs. in lakhs, except as otherwise stated)

| Particulars  | Notes | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|--|-------|-------------------------------|--|
| <b>I INCOME</b>  |       |                               |  |
| Revenue from operations  | 27    | 11,412.90                     | 9,661.52   |
| Other income   | 28    | 829.97                        | 918.65   |
| <b>Total income</b>  |       | <b>12,242.87</b>              | <b>10,580.17</b>   |
| <b>II EXPENSES</b>   |       |                               |  |
| Cost of materials consumed   | 29    | 8,471.77                      | 7,106.01   |
| Changes in inventories of finished goods and work in progress                | 30    | 16.95                         | 103.41   |
| Employee benefits expense  | 31    | 547.68                        | 492.93   |
| Finance costs  | 32    | 12.10                         | 15.48  |
| Depreciation and amortization expenses                                       | 33    | 497.42                        | 737.54   |
| Other expenses   | 34    | 1,740.12                      | 2,025.30   |
| <b>Total expenses</b>  |       | <b>11,286.04</b>              | <b>10,480.67</b>   |
| <b>III Profit before tax</b>   |       | <b>956.83</b>                 | <b>99.50</b>   |
| <b>IV Tax expenses</b>   |       |                               |  |
| Current tax  | 20    | 263.28                        | 50.40  |
| Deferred tax expenses/(credit)   | 20    | (0.58)                        | (117.49)   |
| <b>Income tax expense</b>  |       | <b>262.70</b>                 | <b>(67.09)</b>   |
| <b>V Profit for the year</b>   |       | <b>694.13</b>                 | <b>166.59</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 36(b)) |       | 6.19                          | (32.22)  |
| ii) Income tax effect (refer note 20)  |       | (1.56)                        | 8.11   |
| Total other comprehensive income for the year, net of taxes                  |       | <b>4.63</b>                   | <b>(24.11)</b>   |
| <b>VII Total comprehensive income for the year, net of taxes</b>             |       | <b>698.76</b>                 | <b>142.48</b>  |
| <b>VIII Earnings per equity share of Rs. 10 each:</b>                        |       |                               |  |
| (1) Basic (Rs.)  | 35    | 11.67                         | 2.80   |
| (2) Diluted (Rs.)  | 35    | 11.67                         | 2.80   |
| Summary of significant accounting policies                                   | 2     |                               |  |
| Contingent liabilities and commitments                                       | 26    |                               |  |
| Other notes on accounts  | 36    |                               |  |
| The accompanying notes are an integral part of the financial statements      |       |                               |  |

**As per our report of even date attached**

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

Place : Delhi  
Date : May 26, 2021

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

**NDR AUTO COMPONENTS LIMITED**

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2021**

(Rs. in lakhs, except as otherwise stated)

|   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                               |  |
| Profit before income tax  | 956.83                        | 99.50  |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b>          |                               |  |
| Depreciation and amortization expense   | 497.42                        | 737.54   |
| Provision for doubtful debts  | 2.56                          | 4.59   |
| (Income)/Loss on sale of property, plant and equipment                        | (0.27)                        | (2.31)   |
| Finance cost  | 7.85                          | 15.48  |
| Interest on lease liability   | 4.25                          |  |
| Interest income   | (494.64)                      | (711.29)   |
| Dividend income   | (57.00)                       | (110.25)   |
| Excess provision no longer required written back                              | -                             | (2.77)   |
| Sundry liabilities written back   | (91.92)                       | (91.03)  |
| <b>Operating profit before working capital changes</b>                        | <b>825.08</b>                 | <b>(60.54)</b>   |
| <b>Adjustments for changes in working capital :</b>                           |                               |  |
| (Increase)/decrease in inventories  | (548.84)                      | 255.50   |
| (Increase)/decrease in trade receivables                                      | (2,506.82)                    | 1,128.23   |
| (Increase)/decrease in other financial assets                                 | (20.73)                       | (261.22)   |
| (Increase)/decrease in other assets   | 175.48                        | (186.12)   |
| Increase/(decrease) in trade payables   | 2,088.53                      | (377.09)   |
| Increase/(decrease) in other liabilities                                      | (58.24)                       | 113.82   |
| Increase/(decrease) in other financial liabilities                            | 47.92                         | (149.01)   |
| Increase/(decrease) in provisions   | 74.46                         | (68.28)  |
| <b>Cash generated from operating activities</b>                               | <b>76.84</b>                  | <b>395.29</b>  |
| Income tax paid ( net of refunds)   | (253.57)                      | (67.47)  |
| <b>Net cash flow from/ (used in) operating activities</b>                     | <b>(176.73)</b>               | <b>327.82</b>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                               |  |
| Purchase of property, plant and equipment including capital work in progress, | (1,471.59)                    | (18.13)  |
| capital advances net of capital creditors                                     |                               |  |
| Proceeds from sale of property, plant and equipment                           | 0.62                          | 19.68  |
| Proceeds from sale of intangible assets                                       | -                             | 3.04   |
| Fixed deposits made during the year   | (15,007.77)                   | (14,368.00)  |
| Fixed deposits matured during the year  | 15,934.77                     | 12,780.89  |
| Dividend received- non current investment                                     | 57.00                         | 110.25   |
| Interest income received  | 586.27                        | 480.14   |
| <b>Net cash from/(used in) investing activities</b>                           | <b>99.30</b>                  | <b>(992.13)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                |                               |  |
| Issue of equity shares capital  | -                             | 1.00   |
| Repayment of principal lease payment  | (44.81)                       | (43.25)  |
| Repayment of interest on lease liability                                      | (4.25)                        | (4.82)   |
| Other finance cost paid   | (7.85)                        | (10.66)  |
| <b>Net cash from/ (used in) financing activities</b>                          | <b>(56.91)</b>                | <b>(57.73)</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                      | <b>(134.34)</b>               | <b>(722.04)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                 | <b>524.07</b>                 | <b>1,246.11</b>  |
| <b>Cash and cash equivalents at the end of the year</b>                       | <b>389.73</b>                 | <b>524.07</b>  |
| <b>Components of cash and cash equivalents</b>                                |                               |  |
| <b>Cash and cash equivalents:</b>   |                               |  |
| Balances with banks:  |                               |  |
| Current accounts  | 389.41                        | 328.55   |
| Fixed deposits account with a original maturity of less than three months     | -                             | 195.00   |
| Cash on hand  | 0.32                          | 0.52   |
| <b>Net Cash and cash equivalents as at 31st March 2021</b>                    | <b>389.73</b>                 | <b>524.07</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. 22c for change in financing liabilities arising from financing activities

|  |    |
|--|----|
| Summary of significant accounting policies | 2  |
| Contingent liabilities and commitments     | 26 |
| Other notes on accounts                    | 36 |

The accompanying notes are an integral part of the financial statements

**As per our report of even date attached**

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**A Equity share capital (refer note 17)**

(Rs. in lakhs, except as otherwise stated)

|   | Nos.             | Amount        |
|---|------------------|---------------|
| <b>As at 1st January, 2019</b>  | -                | -             |
| Issue of equity share capital   | 10,000           | 1.00          |
| Increase pursuant to scheme of arrangement (refer note no.36(i))                    | 5,946,326        | 594.63        |
| Reduction in share capital pursuant to scheme of arrangement (refer note no. 36(i)) | (10,000)         | (1.00)        |
| <b>Balance as at 31st March, 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> |

**B Other equity (refer note 18)**

|   | Reserves & surplus |                   | Total            |
|---|--------------------|-------------------|------------------|
|   | Capital reserve    | Retained earnings |                  |
| <b>As at 1st January, 2019</b>  | -                  | -                 | -                |
| Balance acquired pursuant to scheme of arrangement (refer note 36(i))           | 12,524.56          | -                 | 12,524.56        |
| Reduction in share capital pursuant to scheme of arrangement (refer note 36(i)) | 1.00               | -                 | 1.00             |
| Profit / (loss) for the period (net of tax)                                     | -                  | 166.59            | 166.59           |
| <b>Other comprehensive income for the year:</b>                                 |                    |                   |                  |
| Remeasurements gain/(loss) on defined benefit plans (net of tax)                | -                  | (24.11)           | (24.11)          |
| <b>Balance as at 31st March, 2020</b>   | <b>12,525.56</b>   | <b>142.48</b>     | <b>12,668.04</b> |
| Profit / (loss) for the period (net of tax)                                     | -                  | 694.13            | 694.13           |
| <b>Other comprehensive income for the year:</b>                                 |                    |                   |                  |
| Remeasurements gain/(loss) on defined benefit plans (net of tax)                | -                  | 4.63              | 4.63             |
| <b>Balance as at 31st March 2021</b>  | <b>12,525.56</b>   | <b>841.24</b>     | <b>13,366.80</b> |
| Summary of significant accounting policies                                      | 2                  |                   |                  |
| Contingent liabilities and commitments  | 26                 |                   |                  |
| Other notes to accounts   | 36                 |                   |                  |

The accompanying notes are an integral part of the financial statements

**As per our report of even date attached**

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021****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 and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 26th May 2021

**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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**2.5 Operating cycle:**

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

**Note 3: Summary of Significant accounting policies**

**3.1 Revenue recognition and presentation:**

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

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

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

**Use of significant judgements in revenue recognition**

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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 or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

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

**Depreciation:** Depreciation is provided using the written down value method 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 except in respect of the plant and machinery and electrical fittings. The useful lives are as follows:

- i) Plant and machinery and electrical fittings:

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

- ii) Other assets:

| Nature                 | Estimated useful life (years) | Useful life as per Companies Act, 2013 (years) |
|------------------------|-------------------------------|--|
| 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 specified 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 period costing ₹ 5,000 or less are depreciated at the rate of 100%

**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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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 to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

**3.6 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, First-in-First-out (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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

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

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

**Assets held under lease**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

**Lease payments**

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

**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,

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

“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.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- 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.

**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 principle 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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**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 Assets held for sale;**

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

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

**3.17 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:****(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

**(ii) Amendments to Ind AS 103 Business Combinations**

"The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company as there is no business combinations.

**(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material do not have a significant impact on the Company's financial statements.

**(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments have no impact on the Company's financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

Note 5a : Property, plant and equipment 2020-21

(Rs. in lakhs, except as otherwise stated)

| Particulars  | Freehold land | Plant and Machinery | Building        | Office Equipment | Computers    | Furniture and Fixtures | Electrical Fittings | Vehicles     | Total           |
|--|---------------|---------------------|-----------------|------------------|--------------|------------------------|---------------------|--------------|-----------------|
| <b>Gross carrying amount</b>                       |               |                     |                 |                  |              |                        |                     |              |                 |
| (At deemed cost)                                   |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>Opening balance</b>                             | 752.84        | 3,369.40            | 1,626.51        | 122.26           | 16.62        | 52.45                  | 418.09              | 31.10        | 6,389.27        |
| Add: Additions made during the period              | -             | 638.42              | -               | 11.47            | 11.79        | 10.30                  | 123.86              | -            | 795.84          |
| Less: Disposals / adjustments during the period    | -             | -                   | -               | -                | -            | -                      | -                   | 1.73         | 1.73            |
| <b>As at 31st March 2021</b>                       | <b>752.84</b> | <b>4,007.82</b>     | <b>1,626.51</b> | <b>133.73</b>    | <b>28.41</b> | <b>62.75</b>           | <b>541.95</b>       | <b>29.37</b> | <b>7,183.38</b> |
| <b>Depreciation and impairment</b>                 |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>Opening balance</b>                             | -             | 2,171.21            | 536.65          | 72.24            | 13.20        | 35.84                  | 229.04              | 23.62        | 3,081.80        |
| Add: Depreciation charge for the period            | -             | 293.39              | 103.86          | 9.03             | 2.05         | 4.51                   | 36.99               | 2.08         | 451.91          |
| Less: On disposals / adjustments during the period | -             | -                   | -               | -                | -            | -                      | -                   | 1.38         | 1.38            |
| <b>As at 31st March 2021</b>                       | <b>-</b>      | <b>2,464.60</b>     | <b>640.51</b>   | <b>81.27</b>     | <b>15.25</b> | <b>40.35</b>           | <b>266.03</b>       | <b>24.32</b> | <b>3,532.33</b> |
| <b>Net carrying amount</b>                         |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>As at 31st March 2021</b>                       | <b>752.84</b> | <b>1,543.22</b>     | <b>986.00</b>   | <b>52.46</b>     | <b>13.16</b> | <b>22.40</b>           | <b>275.92</b>       | <b>5.05</b>  | <b>3,651.05</b> |

Note 5a : Property, plant and equipment: January 01, 2019 to March 31, 2020

(Rs. in lakhs, except as otherwise stated)

| Particulars  | Freehold land | Plant and Machinery | Building        | Office Equipment | Computers    | Furniture and Fixtures | Electrical Fittings | Vehicles     | Total           |
|--|---------------|---------------------|-----------------|------------------|--------------|------------------------|---------------------|--------------|-----------------|
| <b>Gross carrying amount</b>   |               |                     |                 |                  |              |                        |                     |              |                 |
| (At deemed cost)   |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>Opening balance</b>   | 752.84        | 3,379.70            | 1,626.51        | 122.27           | 14.74        | 52.46                  | 418.09              | 32.93        | 6,399.54        |
| Balance acquired pursuant to scheme of arrangements (refer note 36(i)) | -             | -                   | -               | -                | -            | -                      | -                   | -            | -               |
| Add: Additions made during the period                                  | -             | 20.12               | -               | 2.21             | 2.30         | -                      | -                   | -            | 24.63           |
| Less: Disposals / adjustments during the period                        | -             | 30.42               | -               | 2.22             | 0.42         | 0.01                   | -                   | 1.83         | 34.90           |
| <b>As at March 31, 2020</b>  | <b>752.84</b> | <b>3,369.40</b>     | <b>1,626.51</b> | <b>122.26</b>    | <b>16.62</b> | <b>52.45</b>           | <b>418.09</b>       | <b>31.10</b> | <b>6,389.27</b> |
| <b>Depreciation and impairment</b>                                     |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>Opening balance</b>   | -             | 1,727.67            | 390.63          | 59.47            | 10.85        | 28.66                  | 174.22              | 19.78        | 2,411.28        |
| Balance acquired pursuant to scheme of arrangements (refer note 36(i)) | -             | -                   | -               | -                | -            | -                      | -                   | -            | -               |
| Add: Depreciation charge for the period                                | -             | 458.51              | 146.02          | 14.52            | 2.71         | 7.18                   | 54.82               | 4.29         | 688.05          |
| Less: On disposals / adjustments during the period                     | -             | 14.97               | -               | 1.75             | 0.36         | -                      | -                   | 0.45         | 17.53           |
| <b>As at March 31, 2020</b>  | <b>-</b>      | <b>2,171.21</b>     | <b>536.65</b>   | <b>72.24</b>     | <b>13.20</b> | <b>35.84</b>           | <b>229.04</b>       | <b>23.62</b> | <b>3,081.80</b> |
| <b>Net carrying amount</b>   |               |                     |                 |                  |              |                        |                     |              |                 |
| <b>As at March 31, 2020</b>  | <b>752.84</b> | <b>1,198.19</b>     | <b>1,089.86</b> | <b>50.02</b>     | <b>3.42</b>  | <b>16.61</b>           | <b>189.05</b>       | <b>7.48</b>  | <b>3,307.47</b> |

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**Note 5b : Intangible assets 2020-21**

(Rs. in lakhs, except as otherwise stated)

| <u>Gross carrying amount</u>                       | <u>Computer Software</u> |
|--|--------------------------|
| <b>(At deemed cost)</b>                            |                          |
| <b>Opening balance</b>                             | <b>3.19</b>              |
| Add: Additions made during the year                | 4.07                     |
| Less: Disposals / adjustments during the year      | -                        |
| <b>Closing balance as at March 31, 2021</b>        | <b>7.26</b>              |
| <b><u>Amortisation and impairment</u></b>          |                          |
| <b>Opening Balance</b>                             | <b>2.83</b>              |
| Add: Amortisation for the period                   | 1.07                     |
| Less: On disposals / adjustments during the period | -                        |
| <b>Closing balance as at March 31, 2021</b>        | <b>3.90</b>              |
| <b><u>Net carrying amount</u></b>                  |                          |
| <b>Closing balance as at March 31, 2021</b>        | <b>3.36</b>              |

**Note 5b : Intangible assets: January 01, 2019 to March 31, 2020**

(Rs. in lakhs, except as otherwise stated)

| <u>Gross carrying amount</u>  | <u>Computer Software</u> |
|---|--------------------------|
| <b>(At deemed cost)</b>   |                          |
| <b>Opening balance</b>  | -                        |
| Balance acquired pursuant to scheme of arrangements(refer note 36(i)) | 17.03                    |
| Less: Disposals / adjustments during the period                       | 13.84                    |
| <b>As at March 31, 2020</b>   | <b>3.19</b>              |
| <b><u>Amortisation and impairment</u></b>                             |                          |
| <b>Opening balance</b>  | -                        |
| Balance acquired pursuant to scheme of arrangements(refer note 36(i)) | 9.01                     |
| Add: Amortisation for the period                                      | 4.62                     |
| Less: On disposals / adjustments during the period                    | 10.80                    |
| <b>As at March 31, 2020</b>   | <b>2.83</b>              |
| <b><u>Net carrying amount</u></b>                                     |                          |
| <b>As at March 31, 2020</b>   | <b>0.36</b>              |

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

**Note 5c : Right-of-use assets: 2020-21**

(Rs. in lakhs, except as otherwise stated)

| <u>Particulars</u>                               | <u>Right-of-use assets</u> |
|--|----------------------------|
| <b><u>Gross carrying amount</u></b>              |                            |
| <b>(At deemed cost)</b>                          |                            |
| <b>Opening balance</b>                           | <b>80.79</b>               |
| Add: Additions made during the period            | 459.31                     |
| Less: Disposals / adjustments during the year    | 80.95                      |
| <b>As at March 31, 2021</b>                      | <b>459.15</b>              |
| <b><u>Depreciation and impairment</u></b>        |                            |
| <b>Opening balance</b>                           | <b>44.87</b>               |
| Add: Depreciation charge for the period          | 44.43                      |
| Less: On disposals / adjustments during the year | 80.79                      |
| <b>As at March 31, 2021</b>                      | <b>8.51</b>                |
| <b><u>Net carrying amount</u></b>                |                            |
| <b>As at March 31, 2021</b>                      | <b>450.64</b>              |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**Note 5c : Right-of-use assets: January 01, 2019 to March 31, 2020**

| Particulars                             | Right-of-use assets |
|---|---------------------|
| <b>Gross carrying amount</b>            |                     |
| (At deemed cost)                        |                     |
| <b>Opening balance</b>                  | -                   |
| Add: Additions made during the period   | 80.79               |
| <b>As at March 31, 2020</b>             | <b>80.79</b>        |
| <b>Depreciation and impairment</b>      |                     |
| <b>Opening balance</b>                  | -                   |
| Add: Depreciation charge for the period | 44.87               |
| <b>As at March 31, 2020</b>             | <b>44.87</b>        |
| <b>Net carrying amount</b>              |                     |
| <b>As at March 31, 2020</b>             | <b>35.92</b>        |

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

**6 Capital work in progress**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Capital work in progress</b>          |                          |                          |
| Opening balance                          | -                        | -                        |
| Additions during the year                | 322.42                   | 6.50                     |
| Deduction and adjustment during the year | -                        | (6.50)                   |
|  | <b>322.42</b>            | -                        |

**7 Non-current Investments measured at cost**

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <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   |                          |                          |
| 5,000 equity shares of ₹ 10/- each of Toyota Boshoku Relan India Pvt. Ltd.                    | 0.50                     | 0.50                     |
| 750,000 equity shares of ₹ 10/- each of Toyo Sharda India Pvt. Ltd.                           | 75.00                    | 75.00                    |
|   | <b>75.50</b>             | <b>75.50</b>             |
|   | <b>165.50</b>            | <b>165.50</b>            |

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

(Rs. in lakhs, except as otherwise stated)

|                                     | As at<br>31st March 2021 | As at<br>31st March 2020 |
|-------------------------------------|--------------------------|--------------------------|
| <b>(Unsecured, considered good)</b> |                          |                          |
| <b>Loans:</b>                       |                          |                          |
| Security deposits                   | 52.49                    | 40.47                    |
|                                     | <b>52.49</b>             | <b>40.47</b>             |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**9 Other non current assets**

(Rs. in lakhs, except as otherwise stated)

|                                     | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|-------------------------------------|----------------------------------|----------------------------------|
| <b>(Unsecured, considered good)</b> |                                  |                                  |
| Capital advance                     | 399.01                           | 11.11                            |
| Prepaid expenses                    | -                                | 0.32                             |
|                                     | <b>399.01</b>                    | <b>11.43</b>                     |

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

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| Advance tax ( net of provisions and tax deducted at source) | 7.36                             | 17.07                            |
|   | <b>7.36</b>                      | <b>17.07</b>                     |

**11 Inventories**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| <b>(Valued at lower of cost and net realisable value unless otherwise stated)</b> |                                  |                                  |
| Raw materials   | 977.50                           | 424.11                           |
| Work-in-progress  | 36.98                            | 171.26                           |
| Finished goods  | 105.83                           | -                                |
| Stores and spares   | 107.02                           | 94.62                            |
| Scrap materials   | 11.50                            | -                                |
|   | <b>1,238.83</b>                  | <b>689.99</b>                    |

**12 Trade receivables**

(Rs. in lakhs, except as otherwise stated)

|                                       | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---------------------------------------|----------------------------------|----------------------------------|
| <b>(Unsecured)</b>                    |                                  |                                  |
| Trade receivable- considered good     | 3,110.56                         | 606.30                           |
| Trade receivable- considered doubtful | 7.15                             | 4.59                             |
| Less: Impairment allowance            | (7.15)                           | (4.59)                           |
|                                       | <b>3,110.56</b>                  | <b>606.30</b>                    |

Note:

- a) Trade receivables are non-interest bearing. Credit period generally falls in the range of 30 to 60 days.
- b) Dues from related parties Rs. 3036.61 lakhs ( 31st March 2020: Rs. 597.78 lakhs ) (refer note 36 (d)).

**13 Cash and cash equivalents**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>Balance with banks:</b>   |                                  |                                  |
| Current accounts   | 389.41                           | 328.55                           |
| Cash on hand   | 0.32                             | 0.52                             |
| Fixed deposits account with an original maturity of less than three months | -                                | 195.00                           |
|  | <b>389.73</b>                    | <b>524.07</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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**14 Other bank balances**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| Fixed deposits account with an original maturity of more than three months but less than twelve months                     | 8,159.00                         | 5,948.00                         |
| Fixed deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months | -                                | 3,138.00                         |
|  | <b>8,159.00</b>                  | <b>9,086.00</b>                  |

**15 Other financial assets**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>(Unsecured, considered good)</b>                      |                                  |                                  |
| Loans:   |                                  |                                  |
| Security deposits  | 10.22                            | 9.80                             |
| Others:  |                                  |                                  |
| Interest accrued but not due on fixed deposits with bank | 139.52                           | 231.15                           |
|  | <b>149.74</b>                    | <b>240.95</b>                    |

**16 Other current assets**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| <b>(Unsecured, considered good)</b>             |                                  |                                  |
| Advance given to MSME suppliers                 | 1.65                             | -                                |
| Advances given to others suppliers              | 95.24                            | 54.90                            |
| <b>Others</b>                                   |                                  |                                  |
| Balance with statutory / government authorities | 39.90                            | 31.62                            |
| Prepaid expenses                                | 13.66                            | 20.30                            |
| Gratuity recoverable (refer note no. 36 (b))    | -                                | 8.32                             |
| Other receivable                                | 59.36                            | 269.83                           |
|   | <b>209.81</b>                    | <b>384.97</b>                    |

**17 Equity**

(Rs. in lakhs, except as otherwise stated)

|                                      | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--------------------------------------|----------------------------------|----------------------------------|
|                                      | <b>Amount</b>                    | <b>Amount</b>                    |
| (a) Equity share capital             |                                  |                                  |
| Authorised                           |                                  |                                  |
| 6,000,000 equity shares of ₹ 10 each | 600.00                           | 600.00                           |
| Issued, subscribed & fully paid-up   |                                  |                                  |
| 5,946,326 equity shares of ₹ 10 each | 594.63                           | 594.63                           |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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

|  | As at 31st March 2021 |                 | As at 31st March 2020 |                 |
|--|-----------------------|-----------------|-----------------------|-----------------|
|  | No. of shares         | Amount in lakhs | No. of shares         | Amount in lakhs |
| At the beginning of the year                                       | 5,946,326             | 594.63          | -                     | -               |
| Add: Equity shares issued  | -                     | -               | 10,000                | 1.00            |
| Increase pursuant to scheme of arrangement (refer note no.36(i))   | -                     | -               | 5,946,326             | 594.63          |
| Reduction pursuant to scheme of arrangement (refer note no. 36(i)) | -                     | -               | (10,000)              | (1)             |
|  | <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 2021 |              | As at 31st March 2020 |              |
|----------------------|-----------------------|--------------|-----------------------|--------------|
|                      | No. of Shares held    | % of Holding | No. of Shares held    | % of Holding |
| Ajay Relan           | -                     | -            | 1,927,219             | 32.41%       |
| Rohit Relan          | 3,570,175             | 60.04%       | 700,268               | 11.78%       |
| Ritu Relan           | 742,520               | 12.49%       | 742,520               | 12.49%       |
| Mala Relan           | -                     | -            | 520,826               | 8.76%        |
| Aashim Relan         | -                     | -            | 304,440               | 5.12%        |
|                      | <b>4,312,695</b>      |              | <b>4,195,273</b>      |              |

**18 Other equity**

(Rs. in lakhs, except as otherwise stated)

|  | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| <b>a) Capital reserve</b>  |                       |                       |
| Balance as at the beginning of the year  | 12,525.56             | -                     |
| Add : Balance acquired pursuant to scheme of arrangements (refer note (i) below) | -                     | 12,524.56             |
| Add : Movement during the period (refer note (ii) below)                         | -                     | 1.00                  |
|  | <b>12,525.56</b>      | <b>12,525.56</b>      |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**(b) Retained earnings**

|   |                  |                  |
|---|------------------|------------------|
| Balance as at the beginning of the year   | 142.48           | -                |
| Net profit for the year   | 694.13           | 166.59           |
| <b>Items of other comprehensive income recognised directly in retained earnings</b> |                  |                  |
| Remeasurements of post employment benefit obligation, net of tax                    | 4.63             | (24.11)          |
|   | <b>841.24</b>    | <b>142.48</b>    |
|   | <b>13,366.80</b> | <b>12,668.04</b> |

- (i) Pursuant to the NCLT order and as per the scheme of arrangements, Company has recorded assets of Rs. 15,666.98 lakh and liabilities of Rs. 2,547.79 lakhs of automobile seating undertaking at their book values and has issued share capital of Rs. 594.63 lakhs against such assets and liabilities acquired. Difference of net assets acquired and issued share capital is recognised as capital reserve.
- (ii) Pursuant to the NCLT order and as per the scheme of arrangements, capital reserve of Rs. 1 lakh is created by debiting Company's equity share capital account with a corresponding credit to capital reserve in respect of cancellation of shares held by Sharda Motor Industries Limited.

**19 Non-current provisions**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>Provision for employee benefits</b> |                                  |                                  |
| Leave encashment (refer note 36(c))    | 11.34                            | 10.38                            |
| Gratuity payable (refer note 36(b))    | 56.16                            | -                                |
| <b>Provision others</b>                |                                  |                                  |
| Provision for warranty                 | 71.72                            | 71.72                            |
|  | <b>139.22</b>                    | <b>82.10</b>                     |

**20 Income taxes**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>a) Income tax expense in the statement of profit and loss comprises:</b>                                |                                  |                                  |
| Current income tax charge  | 263.28                           | 50.40                            |
| <b>Deferred tax</b>  |                                  |                                  |
| Relating to origination and reversal of timing differences   | (0.58)                           | (117.49)                         |
| Income tax expense reported in the statement of profit and loss  | 262.70                           | (67.09)                          |
| <b>b) Other comprehensive income</b>   |                                  |                                  |
| Tax on re-measurement gain/(losses) on defined benefit plans   | (1.56)                           | 8.11                             |
| Income tax related to items recognised in OCI during the year  | (1.56)                           | 8.11                             |
| <b>c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b> |                                  |                                  |
| Accounting profit before tax   | 956.83                           | 99.50                            |
| Applicable tax rate  | 25.168%                          | 25.168%                          |
| Computed tax expense   | 240.81                           | 25.04                            |
| Property, Plant & Equipment  | 10.73                            | (66.14)                          |
| Effect of expenses that are not deductible in determining taxable profit                                   | 12.76                            | 20.90                            |
| Effect of income that are exempt in determining taxable profit   | -                                | (27.75)                          |
| Others   | (1.60)                           | (19.14)                          |
| Income tax charged to statement of profit and loss at effective rate                                       | 262.70                           | (67.09)                          |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

(d) Deferred tax relates to the following:

|  | As at<br>31st March<br>2021 | As at<br>31st March<br>2020 | for the year<br>ended 31st<br>March 2021 | for the year<br>ended 31st<br>March 2020 |
|--|-----------------------------|-----------------------------|--|--|
| <b>Deferred tax liabilities on account of :</b>      |                             |                             |  |  |
| Defined benefit obligation                           | -                           | 2.09                        | (2.09)                                   | 2.09                                     |
| <b>Total deferred tax liabilities</b>                | <b>-</b>                    | <b>2.09</b>                 | <b>(2.09)</b>                            | <b>2.09</b>                              |
| <b>Deferred tax assets on account of :</b>           |                             |                             |  |  |
| Property, plant and equipment and Intangible assets  | 110.67                      | 109.14                      | 1.53                                     | 109.14                                   |
| Expenses deductible in future years                  | 13.95                       | 18.55                       | (4.60)                                   | 18.55                                    |
| <b>Total deferred tax asset</b>                      | <b>124.62</b>               | <b>127.69</b>               | <b>(3.07)</b>                            | <b>127.69</b>                            |
| <b>Total deferred tax liabilities/ (asset) (net)</b> | <b>(124.62)</b>             | <b>(125.60)</b>             | <b>0.98</b>                              | <b>(125.60)</b>                          |

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

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Opening balance</b>   | <b>(125.60)</b>          | <b>-</b>                 |
| Tax expense (credits) during the year recognised in statement to profit and loss | (0.58)                   | (117.49)                 |
| Tax expense (credits) during the year recognised in OCI                          | 1.56                     | (8.11)                   |
| <b>Closing balance as at 31st March</b>  | <b>(124.62)</b>          | <b>(125.60)</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.

21 Trade payables

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Dues of micro and small enterprises (refer below note) | 259.83                   | 67.19                    |
| Dues of other than micro and small enterprises         | 3,310.90                 | 1,506.93                 |
|  | <b>3,570.73</b>          | <b>1,574.11</b>          |

\* Trade payables include due to related parties Re. 0.19 lakhs( 31st March 2020: Rs 15.84 lakhs)(refer note 36(d))

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

\* Trade payables are usually non-interest bearing.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**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, 2021 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.

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note 21 & 23)  | 252.21                   | 61.80                    |
| 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                     | 5.39                     |
| 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                      |

**22 a Non current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Non current lease liability (refer and 36(j)) | 417.23                   | -                        |
|   | <b>417.23</b>            | -                        |

**22b Current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Current lease liability (refer and 36(j)) | 26.41                    | 37.54                    |
|   | <b>26.41</b>             | <b>37.54</b>             |

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

**22c Change in liabilities arising from financing activities**

(Rs. in lakhs, except as otherwise stated)

|                           | As at<br>31st March<br>2020 | Cash flows     | Others        | As at<br>31st March<br>2021 |
|---------------------------|-----------------------------|----------------|---------------|-----------------------------|
| Lease liability           | 37.54                       | (49.06)        | 455.16        | 443.64                      |
| Other financing liability | -                           | (7.85)         | 7.85          | -                           |
| <b>Total</b>              | <b>37.54</b>                | <b>(56.91)</b> | <b>463.01</b> | <b>443.64</b>               |

|                           | As at<br>01 January<br>2019 | Cash flows     | Others        | As at<br>31st March<br>2020 |
|---------------------------|-----------------------------|----------------|---------------|-----------------------------|
| Equity share capital*     | -                           | 1.00           | 593.63        | 594.63                      |
| Lease Liability           | -                           | (48.07)        | 85.61         | 37.54                       |
| Other financing liability | -                           | (10.66)        | 10.66         | -                           |
| <b>Total</b>              | -                           | <b>(57.73)</b> | <b>689.90</b> | <b>632.17</b>               |

\* refer note no. 36(i)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**23 Other financial liabilities**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>Other Payables</b>  |                                  |                                  |
| Creditors for capital goods-Other than micro and small enterprises | 38.52                            | -                                |
| Others   | 122.81                           | 74.89                            |
|  | <b>161.33</b>                    | <b>74.89</b>                     |

**24 Other current liabilities**

(Rs. in lakhs, except as otherwise stated)

|                        | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|------------------------|----------------------------------|----------------------------------|
| <b>Others</b>          |                                  |                                  |
| Statutory dues payable | 37.36                            | 79.78                            |
| Advance from customers | -                                | 9.42                             |
| Others                 | -                                | 6.00                             |
|                        | <b>37.36</b>                     | <b>95.60</b>                     |

**25 Current provisions**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>Provision for employee benefits</b> |                                  |                                  |
| Gratuity payable (refer note 36(b))    | 11.23                            | -                                |
| Leave encashment (refer note 36(c))    | 5.13                             | 4.05                             |
| <b>Provision others</b>                |                                  |                                  |
| Provision for warranty                 | 104.05                           | 105.21                           |
|  | <b>120.41</b>                    | <b>109.26</b>                    |

**Disclosure for warranty claim payable**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| Opening balance   | 176.93                           | -                                |
| Balance acquired pursuant to the scheme of arrangements (refer note 36(ii)) | -                                | 184.90                           |
| Less: Paid during the year  | 1.16                             | 4.47                             |
| Less: Amount reversed during the year                                       | -                                | 3.50                             |
| <b>Closing balance</b>  | <b>175.77</b>                    | <b>176.93</b>                    |

**26 Contingent liabilities & commitments**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| <b>(A) Contingent liabilities ( to the extent not provided for)</b> |                                  |                                  |
| (a) Claims against the company not acknowledged as debt             |                                  |                                  |
| i) Labour court matter  | 8.82                             | 21.00                            |
| ii) Civil case(Pathredi)  | 3.59                             | 3.59                             |
|   | <b>12.41</b>                     | <b>24.59</b>                     |
| <b>(B) Commitments</b>  |                                  |                                  |
| Estimated amount of contracts remaining to be executed :            |                                  |                                  |
| a) Capital commitments (net of advance)                             | 300.80                           | -                                |
|   | <b>300.80</b>                    | <b>-</b>                         |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**27 Revenue from operations**

(Rs. in lakhs, except as otherwise stated)

|                                      | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--------------------------------------|---------------------------------------|---|
| Revenue from contract with customers |                                       |   |
| Sale of products                     | 11,280.64                             | 9,549.53  |
| Scrap sales                          | 132.26                                | 111.99  |
| <b>Revenue from operations</b>       | <b>11,412.90</b>                      | <b>9,661.52</b>   |

**28 Other income**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| <b>Interest income</b>                             |                                       |   |
| Fixed deposit with Banks                           | 494.54                                | 674.66  |
| Others   | 0.10                                  | 36.63   |
| <b>Other non-operating income</b>                  |                                       |   |
| Dividend income from Non-current investment        | 57.00                                 | 110.25  |
| Gain on disposal of property, plant and equipments | 0.27                                  | 2.31  |
| Management support services                        | 142.04                                | -   |
| Miscellaneous income                               | 136.02                                | 94.80   |
|  | <b>829.97</b>                         | <b>918.65</b>   |

**29 Cost of materials consumed**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| Inventory at the beginning of the year   | 424.11                                | -   |
| Add: Balance acquired pursuant to scheme of arrangements (refer note no.36(i)) | -                                     | 619.36  |
| Add: Purchases during the period   | 9,025.16                              | 6,910.76  |
| Less: Balance of raw material at the end of the period                         | 977.50                                | 424.11  |
|  | <b>8,471.77</b>                       | <b>7,106.01</b>   |

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

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| <b>Inventory at the beginning of the year</b>  |                                       |   |
| Finished goods   | -                                     | -   |
| Work in progress   | 171.26                                | -   |
| Add: Balance acquired pursuant to scheme of arrangements (refer note 36(i))                  | -                                     | 274.67  |
| Scrap materials  | -                                     | -   |
|  | <b>171.26</b>                         | <b>274.67</b>   |
| <b>Inventory at the end 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>Changes in inventories of finished goods and work-in-progress ((increase) / decrease)</b> | <b>16.95</b>                          | <b>103.41</b>   |

## NDR AUTO COMPONENTS LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

#### 31 Employee benefits expense

(Rs. in lakhs, except as otherwise stated)

|  | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|--|-------------------------------|--|
| Salaries, wages, bonus and other benefits  | 406.61                        | 410.82   |
| Contributions to provident and other funds | 23.01                         | 30.41  |
| Gratuity expense (refer note No. 36 (b))   | 82.90                         | 9.78   |
| Staff welfare expenses                     | 35.16                         | 41.92  |
|  | <b>547.68</b>                 | <b>492.93</b>  |

#### 32 Finance costs

(Rs. in lakhs, except as otherwise stated)

|                             | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|-----------------------------|-------------------------------|--|
| Interest on others          | 7.76                          | 10.66  |
| Interest on lease liability | 4.25                          | 4.82   |
| Bank charges                | 0.09                          | -  |
|                             | <b>12.10</b>                  | <b>15.48</b>   |

#### 33 Depreciation and amortization expenses

(Rs. in lakhs, except as otherwise stated)

|   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| Depreciation of tangible assets (refer note 5(a))     | 451.92                        | 688.05   |
| Depreciation on right of use assets (refer note 5(c)) | 44.43                         | 44.87  |
| Amortization of intangible assets (refer note 5(b))   | 1.07                          | 4.62   |
|   | <b>497.42</b>                 | <b>737.54</b>  |

#### 34 Other expenses

(Rs. in lakhs, except as otherwise stated)

|  | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|--|-------------------------------|--|
| Power and fuel                                 | 156.72                        | 172.37   |
| Rent, rates & taxes                            | 25.80                         | 44.80  |
| Repair and maintenance:                        |                               |  |
| Buildings                                      | 5.69                          | 57.70  |
| Plant and machinery                            | 200.35                        | 138.47   |
| Others   | 10.22                         | 71.97  |
| Insurance                                      | 18.29                         | 14.33  |
| Loss on sale of property, plant and equipments | -                             | -  |
| Consumption of stores and spares               | 61.56                         | 92.70  |
| Payment to Auditors                            |                               |  |
| As Auditors:                                   |                               |  |
| Audit Fee                                      | 22.70                         | 9.75   |
| Tax Audit Fee                                  | 2.00                          | 1.00   |
| In other capacity                              | -                             | 2.05   |
| Reimbursement of expenses                      | -                             | 0.45   |
| Provision for allowance as per ECL             | 2.56                          | 4.59   |
| Freight outward                                | 53.81                         | 56.66  |
| Factory expenses                               | 1,017.66                      | 980.97   |
| Legal and professional expenses                | 86.62                         | 22.90  |
| Management support services                    | -                             | 284.08   |
| Director sitting fees                          | 19.60                         | -  |
| Listing expense                                | 13.70                         | -  |
| Travelling and conveyance                      | 10.63                         | 11.36  |
| Miscellaneous expenses                         | 32.21                         | 59.15  |
|  | <b>1,740.12</b>               | <b>2,025.30</b>  |



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**35 Earnings per equity shares**

(Rs. in lakhs, except as otherwise stated)

|   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>a) Basic earnings per share</b>                                  |                               |  |
| Numerator for earnings per share                                    |                               |  |
| Profit after taxation   | 694.13                        | 166.59   |
| 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.   | <b>11.67</b>                  | <b>2.80</b>  |
| <b>b) Diluted earnings per share</b>                                |                               |  |
| Numerator for earnings per share                                    |                               |  |
| Profit after taxation   | 694.13                        | 166.59   |
| 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. | <b>11.67</b>                  | <b>2.80</b>  |

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

**36 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                          | 2020-21 | 2019-20 |
|--------------------------------------|---------|---------|
| Provident fund/ other employees fund | 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 Componentes 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.

Further if the fund will not get transferred in the name of Company subsequently, then the Company will take the insurance to create the fund.

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) Defined benefit obligation**

(Rs. in lakhs except as otherwise stated)

| Particulars                               | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Opening defined benefit obligation        | 62.34                    | 133.61                   |
| Current service cost                      | 7.25                     | 8.50                     |
| Interest cost                             | 3.99                     | 12.02                    |
| Remeasurment (gains)/ losses              | (6.19)                   | (48.17)                  |
| Benefits paid                             | -                        | (43.62)                  |
| <b>Closing defined benefit obligation</b> | <b>67.39</b>             | <b>62.34</b>             |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Opening fair value of plan assets   |                          | 119.48                   |
| <b>Fair value of plan assets at the beginning of the period</b>   | -                        | 119.48                   |
| Interest income   |                          | 10.75                    |
| Remeasurment gain /(loss):<br>- Return on plan assets (expected amounts included in net interest expense) |                          | (15.95)                  |
| Benefits paid   |                          | (43.62)                  |
| Closing fair value of plan assets   | -                        | 70.66                    |

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

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Present value of defined benefit obligation                  | 67.39                    | 62.34                    |
| Fair value of plan assets                                    | -                        | 70.66                    |
| <b>Amount recognised in balance sheet-asset/ (liability)</b> | <b>(67.39)</b>           | <b>8.32</b>              |

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

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Current service cost  | 7.25                     | 8.50                     |
| Interest cost on benefit obligation   | 3.99                     | 12.02                    |
| Interest income   | -                        | (10.75)                  |
| Defined benefit cost recognised in statement of profit or loss as per actuarial certificate | 11.24                    | 9.78                     |
| Reversal of opening fund to reconcile the closing liability as per balance sheet            | 71.66                    | -                        |
| Net defined benefit Cost recognised in statement of profit or loss                          | 82.90                    | 9.78                     |

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

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Return on plan assets (excluding amount included in net interest expense) | -                        | 15.95                    |
| Actuarial (gains)/ losses arising from changes in demographic assumption  | -                        | 0.01                     |
| Actuarial (gains)/ losses arising from changes in financial assumptions   | 0.30                     | 2.16                     |
| Actuarial (gains)/ losses arising from experience adjustments             | (6.49)                   | (50.35)                  |
| Defined benefit costs recognised in other comprehensive income            | (6.19)                   | (32.22)                  |

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

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Discount rate  | 6.30%                    | 6.40%                    |
| Rate of increase in compensation                                 | 10.00%                   | 10.00%                   |
| Average outstanding service of employees upto retirement (years) | 21.75                    | 21.27                    |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**vii) A quantitative sensitivity analysis for significant assumption**

(Rs. in lakhs except as otherwise stated)

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Change in discount rate</b>   |                          |                          |
| Decrease in defined benefit obligation due to 1% increase in discount rate                   | (2.91)                   | (2.68)                   |
| Increase in defined benefit obligation due to 1% decrease in discount rate                   | 3.18                     | 2.93                     |
| <b>Rate of salary escalation</b>   |                          |                          |
| Increase in defined benefit obligation due to 1% increase in expected salary escalation rate | 3.04                     | 2.79                     |
| Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate | (2.84)                   | (2.62)                   |

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<br>31st March 2021 | As At<br>31st March 2020 |
|-----------------------|--------------------------|--------------------------|
| Within next 12 months | 11.22                    | 10.56                    |
| Between 2 to 5 years  | 30.68                    | 29.07                    |
| Above 5 years         | 25.48                    | 22.70                    |

**ix) Enterprise best estimate of contribution during next year**

(Rs. in lakhs except as otherwise stated)

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Enterprise best estimate of contribution during next year | 11.66                    | NIL                      |

- 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)**

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

The Company recognizes the leave encashment expenses in the statement of profit and loss based on actuarial valuation.

The expenses recognised in the statement of profit and loss and the leave encashment liability at the beginning and at the end of the year:

(Rs. in lakhs except as otherwise stated)

| Particulars                            | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Liability at the beginning of the year | 14.43                    | 29.73                    |
| Benefits paid during the year          | (4.04)                   | (3.97)                   |
| Provided/(reversal) during the year    | 6.07                     | (11.33)                  |
| Liability at the end of the year       | 16.47                    | 14.43                    |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- d. The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 as amended from time to time) are disclosed below:-

**A. Names of related parties and description of relationship:**

|      | <b>Names of parties</b>  | <b>Nature of relationship</b>  |
|------|--|--|
| i)   | Associate  | Bharat Seats Limited   |
| ii)  | Joint Ventures   | Toyo Sharda India Pvt. Ltd.<br>Toyota Boshoku Relan India Pvt. Ltd.  |
| iii) | Key management persons   | Mr. Pranav Relan- Director (w.e.f. 23.10.2020) and Whole Time Director (w.e.f. 27.10.2020)<br>Mr. Ayush Relan –Director (w.e.f.23.10.2020) and Whole Time Director (w.e.f. 02.01.2021)<br>Mr. Rohit Relan (Director ) (w.e.f. 23.10.2020)<br>Mr.Sanjiv Kapur (Director) (w.e.f. 23.10.2020)<br>Mr. Rishabh Relan(Director ) (w.e.f. 23.10.2020)<br>Mr. Rajat Bhandari- Director (w.e.f.30.11.2020) and Whole Time Director (w.e.f. 02.01.2021)<br>Mr. Vinod Kumar (Chief Financial Officer) (w.e.f. 27.10.2020)<br>Ms. Nitasha Sinha (Company Secretary) (w.e.f. 01.11.2020)<br>Mr. Ashutosh VEDI (Company Secretary) (till 31.10.2020)<br>Mrs. Sharda Relan (Director) (till 24.10.2020)<br>Mr. Ajay Relan (Director) (till 24.10.2020)<br>Mr. Dharam Asrey Agarwal (Whole Time Director & CFO) (till 26.10.2020)<br>Mrs. Shyamla Khera (Director) (w.e.f. 23.10.2020)<br>Mrs. Vanita Chhabra (Director) (w.e.f. 30.11.2020)<br>Mrs. Deepa Gopalan Wadhwa (Director) (w.e.f. 30.11.2020)<br>Mr. Udayan Banerjee (Director) (till 24.10.2020)<br>Mr. Kishan N. Parikh (Director) (till 24.10.2020) |
| iv)  | Enterprises over which key managerial personnel are able to exercise significant influence | Sharda Enterprises<br>Sharda Motor Industries Ltd.   |

**B. Transactions with related parties**

(Rs. in lakhs except as otherwise stated)

| <b>Particulars</b>                             | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| <b>i) Sale of products</b>                     |                                       |   |
| <b>Associate</b>                               |                                       |   |
| Bharat Seats Ltd.                              | 10,912.00                             | 9,549.53  |
|  | <b>10,912.00</b>                      | <b>9,549.53</b>   |
| <b>ii) Purchases of material, traded goods</b> |                                       |   |
| <b>Associate</b>                               |                                       |   |
| Bharat Seats Ltd.                              | 287.17                                | 26.13   |
| <b>Joint ventures</b>                          |                                       |   |
| Toyo Sharda India Pvt. Ltd.                    | -                                     | 1.32  |
|  | <b>287.17</b>                         | <b>27.45</b>  |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Particulars  | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|--|-------------------------------|--|
| <b>iii) Other Income:</b>  |                               |  |
| <b>a) Management support services</b><br><b>Enterprises over which key managerial personnel are</b><br><b>able to exercise significant influence</b><br>Sharda Motor Industries Ltd. | 142.04                        | -  |
| <b>b) Dividend income:</b>   |                               |  |
| <b>Associate</b><br>Bharat Seats Ltd.  | 45.00                         | 90.00  |
| <b>Joint ventures</b><br>Toyo Sharda India Pvt. Ltd.   | 12.00                         | 20.25  |
|  | <b>199.04</b>                 | <b>110.25</b>  |
| <b>iv) Remuneration to key managerial persons</b>  |                               |  |
| <b>Key management persons</b>  |                               |  |
| Pranav Relan   |                               |  |
| -Short term employee benefits  | 22.50                         | -  |
| -Post employment benefits  | 1.80                          | -  |
| Ayush Relan  |                               |  |
| -Short term employee benefits  | 13.35                         | -  |
| -Post employment benefits  | 1.07                          | -  |
| Rajat Bhandari   |                               |  |
| -Short term employee benefits  | 13.87                         | -  |
| -Post employment benefits  | 1.18                          | -  |
| Vinod Kumar  |                               |  |
| -Short term employee benefits  | 7.85                          | -  |
| -Post employment benefits  | 0.51                          | -  |
| Nitasha Sinha  |                               |  |
| -Short term employee benefits  | 3.02                          | -  |
| -Post employment benefits  | 0.18                          | -  |
| Ashutosh Vedi  |                               |  |
| -Short term employee benefits  | 1.89                          | -  |
| -Post employment benefits  | -                             | -  |
|  | <b>67.22</b>                  | <b>-</b>   |
| <b>v) Other expenses :</b>   |                               |  |
| <b>a) Management support services</b><br><b>Enterprises over which key managerial personnel are</b><br><b>able to exercise significant influence</b><br>Sharda Motor Industries Ltd. | -                             | 284.08   |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Particulars   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>b) Rent:</b>   |                               |  |
| <b>Enterprises over which key managerial personnel are able to exercise significant influence</b> |                               |  |
| Sharda Enterprises  | -                             | 22.50  |
| <b>c) Miscellaneous expenses- sitting fees:</b>   |                               |  |
| <b>Key management persons</b>   |                               |  |
| Rohit Relan   | 3.40                          | -  |
| Rishabh Relan   | 2.20                          | -  |
| Sanjiv Kapur  | 3.00                          | -  |
| Ayush Relan   | 1.00                          | -  |
| Pranav Relan  | 0.20                          | -  |
| Rajat Bhandari  | 0.40                          | -  |
| Ajay Relan  | 0.20                          | -  |
| Shyamla Khera   | 4.60                          | -  |
| Vanita Chhabra  | 2.00                          | -  |
| Deepa Gopalan Wadhwa  | 1.20                          | -  |
| Udayan Banerjee   | 0.70                          | -  |
| Kishan N. Parikh  | 0.70                          | -  |
|   | <b>19.60</b>                  | <b>306.58</b>  |
| <b>vi) Purchase of property plant and equipment</b>   |                               |  |
| <b>Associate</b>  |                               |  |
| Bharat Seats Ltd.   | 660.51                        | -  |
|   | <b>660.51</b>                 | -  |
| <b>vii) Sale of property plant and equipment</b>  |                               |  |
| <b>Associate</b>  |                               |  |
| Bharat Seats Ltd.   | -                             | 3.83   |
|   | -                             | <b>3.83</b>  |

**C. Closing Balaces at the year end**

|   |                 |               |
|---|-----------------|---------------|
| <b>i) Trade receivables</b>   |                 |               |
| <b>Associate</b>  |                 |               |
| Bharat Seats Ltd.   | 3,036.61        | 597.78        |
|   | <b>3,036.61</b> | <b>597.78</b> |
| <b>ii) Other receivables</b>  |                 |               |
| <b>Enterprises over which key managerial personnel are able to exercise significant influence</b> |                 |               |
| Sharda Motor Industries Ltd.  | 66.19           | 269.64        |
|   | <b>66.19</b>    | <b>269.64</b> |
| <b>iii) Trade Payable</b>   |                 |               |
| <b>Associate</b>  |                 |               |
| Bharat Seats Ltd.   | -               | 8.78          |
| <b>Joint ventures</b>   |                 |               |
| Toyo Sharda India Pvt. Ltd.   | 0.19            | -             |
| <b>Key management persons</b>   |                 |               |
| Ajay Relan  | -               | 7.06          |
|   | <b>0.19</b>     | <b>15.84</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, 2021**

**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, 2021 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**

- 1 In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing of auto component parts, which is considered to be the only business reportable segment. further, the Company operates only in one geographical segment - India
- 2 Major customer: Revenue from one customer of the Company's manufacturing business are Rs. 10,912.00 lakhs (31st March 2020 Rs. 9,549.53 lakhs) which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue during the period.

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

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

(Rs. in lakhs, except as otherwise stated)

|                                      | <b>As at March 31, 2021</b> |              |                       |
|--------------------------------------|-----------------------------|--------------|-----------------------|
|                                      | <b>FVTPL</b>                | <b>FVOCI</b> | <b>Amortised cost</b> |
| <b>Financial assets</b>              |                             |              |                       |
| <b>Non-current</b>                   |                             |              |                       |
| Investments in equity instrument*    | -                           | -            | -                     |
| Other financial assets               |                             |              |                       |
| -Loan                                | -                           | -            | 52.49                 |
| <b>Current</b>                       |                             |              |                       |
| Trade receivables                    | -                           | -            | 3,110.56              |
| Cash and cash equivalents            | -                           | -            | 389.73                |
| Bank balances other than above       | -                           | -            | 8,159.00              |
| Other financial assets               |                             |              |                       |
| - Loan                               | -                           | -            | 10.22                 |
| - Interest accrued on fixed deposits | -                           | -            | 139.52                |
| <b>Total</b>                         | <b>-</b>                    | <b>-</b>     | <b>11,861.51</b>      |
| <b>Financial liabilities</b>         |                             |              |                       |
| <b>Non current</b>                   |                             |              |                       |
| Other financial liabilities          |                             |              |                       |
| - Lease liability                    | -                           | -            | 417.23                |
| <b>Current</b>                       |                             |              |                       |
| Trade payables                       | -                           | -            | 3,570.73              |
| Other financial liabilities          |                             |              |                       |
| - Lease liability                    | -                           | -            | 26.41                 |
| - Others                             | -                           | -            | 161.33                |
| <b>Total</b>                         | <b>-</b>                    | <b>-</b>     | <b>4,175.70</b>       |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

(Rs. in lakhs, except as otherwise stated)

| <b>As at March 31, 2020</b>          |              |              |                       |
|--------------------------------------|--------------|--------------|-----------------------|
|                                      | <b>FVTPL</b> | <b>FVOCI</b> | <b>Amortised cost</b> |
| <b>Financial assets</b>              |              |              |                       |
| <b>Non-current</b>                   |              |              |                       |
| Investment in equity instrument*     | -            | -            | -                     |
| Other financial assets               |              |              |                       |
| - Loan                               | -            | -            | 40.47                 |
| <b>Current</b>                       |              |              |                       |
| Trade receivables                    | -            | -            | 606.30                |
| Cash and cash equivalents            | -            | -            | 524.07                |
| Bank balances other than above       | -            | -            | 9,086.00              |
| Other financial assets               |              |              |                       |
| - Loan                               | -            | -            | 9.80                  |
| - Interest accrued on fixed deposits | -            | -            | 231.15                |
| <b>Total</b>                         | <b>-</b>     | <b>-</b>     | <b>10,497.79</b>      |
| <b>Financial liabilities</b>         |              |              |                       |
| <b>Current</b>                       |              |              |                       |
| Trade payables                       | -            | -            | 1,574.12              |
| Other financial liabilities          |              |              |                       |
| - Lease liability                    | -            | -            | 37.54                 |
| - Others                             | -            | -            | 74.89                 |
| <b>Total</b>                         | <b>-</b>     | <b>-</b>     | <b>1,686.55</b>       |

\* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75.50 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

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

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

(Rs. in lakhs, except as otherwise stated)

| <b>As at March 31, 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       | -              |
| Other financial assets   | 202.23                | -              | -              | 202.23         |
| <b>Financial liabilities</b>   |                       |                |                |                |
| <b>Liabilities carried at amortised cost for which fair values are disclosed</b> |                       |                |                |                |
| Trade payables   | 3,570.73              | -              | -              | 3,570.73       |
| Lease liability  | 443.64                | -              | -              | 443.64         |
| Others   | 161.33                | -              | -              | 161.33         |



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at March 31, 2020</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  | 606.30                      | -              | -              | 606.30         |
| Cash and cash equivalents  | 524.07                      | -              | 524.07         | -              |
| Bank balances other than above   | 9,086.00                    | -              | 9,086.00       | -              |
| Other financial assets   | 281.42                      | -              | -              | 281.42         |
| <b>Financial liabilities</b>   |                             |                |                |                |
| <b>Liabilities carried at amortised cost for which fair values are disclosed</b> |                             |                |                |                |
| Trade payables   | 1,574.12                    | -              | -              | 1,574.12       |
| Lease liability  | 37.54                       | -              | -              | 37.54          |
| Others   | 74.89                       | -              | -              | 74.89          |

**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:

- 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.

**g. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

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

|  | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|--|-----------------------|-----------------------|
| Total liabilities                        | 4,472.69              | 1,973.51              |
| Less: Cash and cash equivalents          | 389.73                | 524.07                |
| <b>Adjusted net debt</b>                 | <b>4,082.96</b>       | <b>1,449.44</b>       |
| Total equity                             | 13,961.43             | 13,262.67             |
| Equity & net debt                        | 18,044.39             | 14,712.11             |
| <b>Adjusted net debt to equity ratio</b> | <b>0.23</b>           | <b>0.10</b>           |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**h. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

**Risk management framework:**

“The Company’s principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, security deposit and others. The main purpose of these financial liabilities is to finance the Company’s operations and to provide guarantees to support its operations.

The Company’s principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company’s senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision.

**A. Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company’s financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

**B. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

**i) Trade receivables**

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company’s review includes due diligence by analysing financial statements, industry information, promoter’s background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company’s expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

| <b>Particulars</b>                 | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|------------------------------------|-----------------------|-----------------------|
| Neither past due nor impaired      | 3,037.62              | -                     |
| 0-180 days                         | 73.07                 | 603.29                |
| more than 180 days                 | 7.15                  | 7.60                  |
| <b>Total</b>                       | <b>3,117.84</b>       | <b>610.89</b>         |
| Trade receivables- credit impaired | 7.15                  | 4.59                  |
| <b>Closing Balance</b>             | <b>3,110.69</b>       | <b>606.30</b>         |

“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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

The following table summarises the change in the impairment allowances measured using expected credit loss model (ECL):

|                                     | <b>ECL for trade receivables</b> |
|-------------------------------------|----------------------------------|
| <b>As at 01/01/2019</b>             | -                                |
| Provided/(reversal) during the year | 4.59                             |
| <b>As at 31/03/2020</b>             | <b>4.59</b>                      |
| Provided/(reversal) during the year | 2.56                             |
| <b>As at 31/03/2021</b>             | <b>7.15</b>                      |

**C. Liquidity risk**

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

The Company's primary sources of liquidity include cash deposits, short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2021, Company doesn't have any outstanding borrowing.

**Exposure to liquidity risk:**

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

| <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>            |
| <hr/>                                       |                         |                  |                          |
| <b>March 31, 2020</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                              | 1,574.12                | -                | -                        |
| Lease liability                             | 37.54                   | -                | -                        |
| Other financial liabilities                 | 74.89                   |                  |                          |
|   | <b>1,686.55</b>         | -                | -                        |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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

Pursuant to the Scheme of Arrangement (“the Scheme”) under Section 230 to 232 of the Companies Act, 2013 between Sharda Motor Industries Limited (SMIL) (“the demerged company”) and NDR Auto Components Limited (NACL) (“the resulting company”) as approved by the National Company Law Tribunal (NCLT), Delhi on February 20, 2020:

- a) NACL has recorded the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective book values thereof.
- b) NACL has credited its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL in the following proportion:  
for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date i.e. March 27, 2020, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL
- c) In respect of cancellation of shares held by SMIL, NACL has debited to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to capital reserve of NACL.
- d) The difference between a) and b) above has been recorded as capital reserve.

The company is in the process to complete certain reconciliation and procedural requirements

Summary of assets and liabilities transferred from SMIL to NACL pursuant to demerger are as under:

| <b>S. No.</b> | <b>Particulars</b>                       | <b>As at<br/>December 31, 2018</b> |
|---------------|--|------------------------------------|
| <b>I</b>      | <b>Assets</b>                            |                                    |
|               | <b>Non current assets</b>                |                                    |
|               | a) Property, plant and equipment         | 3,988.26                           |
|               | b) Capital work in progress              | 6.50                               |
|               | c) Intangible assets                     | 8.02                               |
|               | d) Financial assets                      |                                    |
|               | i) Investments                           | 165.50                             |
|               | ii) Other financial assets               | 49.85                              |
|               | <b>Total non-current assets</b>          | <b>4,218.13</b>                    |
|               | <b>Current assets</b>                    |                                    |
|               | a) Inventories                           | 945.49                             |
|               | b) Financial assets                      |                                    |
|               | i) Investments                           | 1,427.33                           |
|               | ii) Trade receivables                    | 1,739.12                           |
|               | iii) Cash and cash equivalents           | 1,246.11                           |
|               | iv) Bank balances other than (iii) above | 6,071.56                           |
|               | v) Other financial assets                | 8.84                               |
|               | c) Other current assets                  | 10.32                              |
|               | d) Asset classified as held for sale     | 0.08                               |
|               | <b>Total current assets</b>              | <b>11,448.85</b>                   |
|               | <b>Total assets</b>                      | <b>15,666.98</b>                   |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

| <b>S. No.</b> | <b>Particulars</b>   | <b>As at<br/>December 31, 2018</b> |
|---------------|--|------------------------------------|
| II            | <b>Liabilities</b>   |                                    |
|               | <b>Non-current liabilities</b>   |                                    |
|               | a) Provisions  | 14.73                              |
|               | b) Other non-current liabilities   | 183.55                             |
|               | <b>Total non-current liabilities</b>                                       | <b>198.28</b>                      |
|               | <b>Current liabilities</b>   |                                    |
|               | a) Financial liabilities   |                                    |
|               | i) Trade payables  |                                    |
|               | · Total outstanding dues to micro and small enterprises                    | -                                  |
|               | · Total outstanding dues to parties other than micro and small enterprises | 2,074.39                           |
|               | ii) Other financial liabilities  | 1.38                               |
|               | b) Other current liabilities   | 244.61                             |
|               | c) Provisions  | 29.13                              |
|               | <b>Total current liabilities</b>   | <b>2,349.51</b>                    |
|               | <b>Total liabilities</b>   | <b>2,547.79</b>                    |

**Details of contingent liabilities pertaining to Automobile Seating Undertaking**

| <b>Details of contingent liabilities of seating business</b> |              |
|--|--------------|
| <b>As on December 31, 2018</b>                               |              |
| Excise matter  | 2.96         |
| Labour court matter  | 23.28        |
| <b>Total</b>   | <b>26.24</b> |
| <b>Other civil case</b>                                      |              |
| Civil - case (Pathredi)                                      | 3.59         |
| <b>Total</b>   | <b>3.59</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. 11.12 lakhs (31st March 2020: 34.18 lakhs).

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 8.25%.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| Opening balance /Reclassified on account of adoption of Ind AS 116 | 37.54                            | -                                |
| Addition during the year   | 450.91                           | 80.79                            |
| Add: Accretion of interest   | 4.25                             | 4.82                             |
| Less: Principal repayment of lease liability                       | 44.81                            | 43.25                            |
| Less: Payment of interest on lease liability                       | 4.25                             | 4.82                             |
| Closing balance  | <b>443.64</b>                    | <b>37.54</b>                     |
| Non current lease liability (Refer note 22)                        | 417.23                           | -                                |
| Current lease liability (Refer note 22)                            | 26.41                            | 37.54                            |

k. Following are the restatement made in the current year financial statements in relation to previous year's figures:

(Rs. in lakhs except as otherwise stated)

|   | <b>As at<br/>31st March, 2020</b> | <b>Reclassification</b> | <b>As at<br/>31st March, 2020<br/>restated</b> |
|---|-----------------------------------|-------------------------|--|
| <b>Assets</b>   |                                   |                         |  |
| Other non-current assets                              | 0.32                              | 11.11                   | 11.43  |
| Other financial assets ( current)                     | 510.59                            | (269.64)                | 240.95   |
| Other current assets                                  | 115.33                            | 269.64                  | 384.97   |
| <b>Equity and liabilities</b>                         |                                   |                         |  |
| Trade payables-other than micro and small enterprises | 1,495.82                          | 11.11                   | 1506.93  |
| <b>Expenses</b>                                       |                                   |                         |  |
| Other expenses - factory expenses                     | 897.72                            | 83.25                   | 980.97   |
| Other expenses - manufacturing expenses               | 12.23                             | (12.23)                 | -  |
| Other expenses - communication cost                   | 5.03                              | (5.03)                  | -  |
| Other expenses - packing material                     | 2.38                              | (2.38)                  | -  |
| Other expenses - miscellaneous expenses               | 122.76                            | (63.61)                 | 59.15  |

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

i. **Dividend paid and proposed:**

(Rs. in lakhs except as otherwise stated)

| <b>Particulars</b>   | <b>Year Ended<br/>31st March, 2021</b> | <b>Year Ended<br/>31st March, 2020</b> |
|--|--|--|
| <b>Proposed dividend on equity shares</b>                          |  |  |
| Proposed dividend for the year ended 31st March, 2021              | 59.46                                  | -                                      |
| Re. 1 per equity share (31st March, 2020 Rs. Nil per equity share) |  |  |
| <b>Total</b>   | <b>59.46</b>                           | <b>-</b>                               |

With effect from 1 April 2020, the Dividend Distribution Tax ("DDT") payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- m.** 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.
- n. Events occurring after balance sheet date:**  
There are no major events which has occurred after the balance sheet date.
- o. Impact of Covid -19 Pandemic:**  
Consequent to the uncertainties caused due to continuation of Covid-19 pandemic, the Company has considered the possible effects that may result from this pandemic in the preparation of these financial statements and has done a detailed 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 situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of Covid-19 and due to which the Company will continue to closely monitor any material changes to future economic conditions, if any.
- p.** Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.
- q.** Note no. 1 to 36 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 attached**

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

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Place : Delhi**  
**Date : May 26, 2021**

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

**Independent Auditors' 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, 2021, 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, 2021, 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, 2021 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. 0.64 lakh during the year, and there is negative net worth of Rs. 20.24 lakhs and accumulated losses of Rs. 21.24 lakhs as at March 31, 2021. 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. 36(o) of the consolidated financial results, which describes the management's assessment of the impact of uncertainties arising because of COVID-19 Pandemic and its consequential effects on the financial performance.

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;

| <b>Key audit matters</b>                                  | <b>How our audit addressed the key audit matter</b>                 |
|---|---|
| <b>(a) Revenue recognition including price variations</b> | <i>(as described in note 27 of the Ind AS financial statements)</i> |



| <b>Key audit matters</b>  | <b>How our audit addressed the key audit matter</b>  |
|---|--|
| <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>   |
| <p><b>Impairment assessment of property, plant and equipment due to Covid-19</b> (as described in note 37 (l) of the Ind AS financial statements)</p>   |  |
| <p>As at March 31, 2021, the carrying value of property, plant and equipment incl. capital work in progress is Rs. 15,347.05 lacs.</p> <p>The Company reviews annually whether there are any indicators of impairment.</p> <p>In view of the continuous outrage of COVID 19 pandemic, the Company has assessed the recoverable value of its property, plant and equipment and performed impairment assessment based on discounted cash flow model. The Company prepared its cash flow projections by applying assumptions and sensitivities for the likely impact of disruption relating to COVID -19.</p> <p>We considered impairment of property, plant and equipment as a key audit matter because it involved significant judgment and estimates in calculating the recoverable value.</p>      | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• Read and evaluated the accounting policy with respect to impairment of non-financial assets.</li> <li>• Assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of Covid-19 pandemic, applied in determining the recoverable amount.</li> <li>• Evaluated the management's impairment assessments and the assumptions adopted therein, including revenue assumptions, with reference to the actual revenue levels achieved in the current year and future operating plans.</li> <li>• We tested the input data such as expected revenue, costs, terminal growth and discount rate used in estimating the recoverable value by comparing them to external and internal sources of information.</li> <li>• We performed the stress test pursuant to change in underlying budget assumptions for future years.</li> <li>• Compared the recoverable amount of the property, plant and equipment to the carrying value in books.</li> <li>• Assessed the disclosures made in the financial statements for compliance with the relevant accounting standards requirements.</li> </ul> |
| <p><b>Related party transactions</b> (as described in note 37 (d) to the Ind AS financial statements)</p>   |  |
| <p>The Company has undertaken transactions with its related parties in the ordinary course of business at arm's length. These include availing loans from related parties; sales and purchases to and from related parties, etc. as disclosed in note 37(d) to the Ind AS financial statements.</p> <p>We identified the accuracy and completeness of the related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matter due to the significance of transactions with related parties and regulatory compliances thereon, during the year ended March 31, 2021.</p>   | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, determining arm's length pricing, recording and disclosure of related party transactions;</li> <li>• Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length;</li> <li>• Obtained and reviewed transfer pricing study for establishing arm length pricing.</li> <li>• Tested, related party transactions with the underlying contracts, confirmation letters and other supporting documents;</li> <li>• Assessed the related party disclosures included in the financial statements for compliance with the relevant accounting standards requirements.</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 auditor's report thereon. The Annual Report

is expected to be made available to us after the date of this auditor's report.

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

### **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 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. The consolidated financial statements of the Company for the period ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed modified opinion on financial statements on October 23, 2020.
- b. 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. 133.06 lakhs and share of total comprehensive income of Rs.135.33 lakhs for the year ended March 31, 2021, 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.
- c. 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. 82.98 lakhs and share of total comprehensive income of Rs. 82.93 lakhs for the year ended March 31, 2021, 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

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 of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
- c. 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;
- d. 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;
- e. 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."

- f. 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;
- g. On the basis of written representations received from the directors of the Company as on March 31, 2021, 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, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- h. 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 associate company has paid remuneration to their directors for the year ended March 31, 2021, in excess of the limits prescribed within the provisions of section 197 read with Schedule V of the Act by Rs. 27 Lakhs, and is subject to the approval by a special resolution by the shareholders in the ensuing Annual General Meeting of the associate company, as stated in the note no. 37(m) to the financial statements of this associate for the year ended March 31, 2021.

- i. 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 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. 26 to the consolidated financial statements;
- ii) 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;
- iii) 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.

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

**Neeraj Bansal**  
Partner

Membership No. 095960  
UDIN: 21095960AAAADY7135

Place : Delhi  
Date : 26.05.2021

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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, 2021 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.

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**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, 2021 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 and Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Neeraj Bansal**  
Partner

Membership No. 095960  
UDIN: 21095960AAAADY7135

Place : Delhi  
Date : 26.05.2021

# NDR AUTO COMPONENTS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

(Rs. in lakhs, except as otherwise stated)

|  | Notes | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|-------|--------------------------|--------------------------|
| <b>ASSETS</b>  |       |                          |                          |
| <b>1 Non-current assets</b>  |       |                          |                          |
| Property, plant and equipment  | 5(a)  | 3651.05                  | 3307.47                  |
| Capital work in progress   | 6     | 322.42                   | -                        |
| Right of use assets  | 5(c)  | 450.64                   | 35.92                    |
| Intangible assets  | 5(b)  | 3.36                     | 0.36                     |
| Financial assets   |       |                          |                          |
| (i) Investments  | 7     | 4021.52                  | 3860.27                  |
| (ii) Loans   | 8     | 52.49                    | 40.47                    |
| Other non-current assets   | 9     | 399.01                   | 11.43                    |
| Non-current tax assets (net)   | 10    | 7.36                     | 17.07                    |
| Deferred tax assets (net)  | 20    | 124.62                   | 125.60                   |
|  |       | <b>9032.47</b>           | <b>7398.59</b>           |
| <b>2 Current assets</b>  |       |                          |                          |
| Inventories  | 11    | 1238.83                  | 689.99                   |
| Financial assets   |       |                          |                          |
| i) Trade receivables   | 12    | 3110.56                  | 606.30                   |
| ii) Cash and cash equivalents  | 13    | 389.73                   | 524.07                   |
| iii) Other bank balances   | 14    | 8159.00                  | 9086.00                  |
| iv) Other financial assets   |       |                          |                          |
| - Loans  | 15    | 10.22                    | 9.80                     |
| - Others   | 15    | 139.52                   | 231.15                   |
| Other current assets   | 16    | 209.81                   | 384.97                   |
| Asset held for sale  |       | -                        | 0.08                     |
|  |       | <b>13257.67</b>          | <b>11532.36</b>          |
| <b>Total Assets</b>  |       | <b>22290.14</b>          | <b>18930.95</b>          |
| <b>EQUITY AND LIABILITIES</b>  |       |                          |                          |
| <b>1 Equity</b>  |       |                          |                          |
| Equity share capital   | 17    | 594.63                   | 594.63                   |
| Other equity   | 18    | 17222.82                 | 16362.81                 |
|  |       | <b>17817.45</b>          | <b>16957.44</b>          |
| <b>2 Liabilities</b>   |       |                          |                          |
| <b>Non-current liabilities</b>   |       |                          |                          |
| Financial liabilities  |       |                          |                          |
| Lease liabilities  | 22    | 417.23                   | -                        |
| Provisions   | 19    | 139.22                   | 82.10                    |
|  |       | <b>556.45</b>            | <b>82.10</b>             |
| <b>Current liabilities</b>   |       |                          |                          |
| Financial liabilities  |       |                          |                          |
| i) Trade payables  |       |                          |                          |
| - Total outstanding dues of micro and small enterprises                      | 21    | 259.83                   | 67.19                    |
| - Total outstanding dues of creditors other than micro and small enterprises | 21    | 3310.90                  | 1506.93                  |
| ii) Lease liabilities  | 22    | 26.41                    | 37.54                    |
| iii) Other financial liabilities   | 23    | 161.33                   | 74.89                    |
| Other current liabilities  | 24    | 37.36                    | 95.60                    |
| Provisions   | 25    | 120.41                   | 109.26                   |
|  |       | <b>3916.24</b>           | <b>1891.41</b>           |
| <b>Total Equity and Liabilities</b>  |       | <b>22290.14</b>          | <b>18930.95</b>          |
| Summary of significant accounting policies                                   | 2     |                          |                          |
| Contingent liabilities and commitments                                       | 26    |                          |                          |
| Other notes on accounts  | 36    |                          |                          |

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

### As per our report of even date attached

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

### For and on behalf of Board of Directors

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

(Rs. in lakhs, except as otherwise stated)

| Particulars   | Notes | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------|-------------------------------|--|
| <b>I INCOME</b>   |       |                               |  |
| Revenue from operations   | 27    | 11,412.90                     | 9,661.52   |
| Other income  | 28    | 772.97                        | 808.40   |
| <b>Total income</b>   |       | <b>12,185.87</b>              | <b>10,469.92</b>   |
| <b>II EXPENSES</b>  |       |                               |  |
| Cost of materials consumed  | 29    | 8,471.77                      | 7,106.01   |
| Changes in inventories of finished goods and work in progress                             | 30    | 16.95                         | 103.41   |
| Employee benefits expense   | 31    | 547.68                        | 492.93   |
| Finance costs   | 32    | 12.10                         | 15.48  |
| Depreciation and amortization expenses  | 33    | 497.42                        | 737.54   |
| Other expenses  | 34    | 1,740.12                      | 2,025.30   |
| <b>Total expenses</b>   |       | <b>11,286.04</b>              | <b>10,480.67</b>   |
| <b>III Share of profit/(loss) of associate</b>  |       | <b>133.06</b>                 | <b>492.81</b>  |
| <b>IV Share of profit/(loss) of joint ventures</b>  |       | <b>82.97</b>                  | <b>109.91</b>  |
| <b>V Profit/(loss) before tax (I-II+III+IV)</b>   |       | <b>1,115.86</b>               | <b>591.97</b>  |
| <b>IV Tax expenses</b>  |       |                               |  |
| Current tax   | 20    | 263.28                        | 50.40  |
| Deferred tax expenses/(credit)  | 20    | (0.58)                        | (117.49)   |
| <b>Income tax expense</b>   |       | <b>262.70</b>                 | <b>(67.09)</b>   |
| <b>V Profit for the year</b>  |       | <b>853.16</b>                 | <b>659.06</b>  |
| <b>VI 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 36(b))                             |       | 6.19                          | (32.22)  |
| ii) Gains/(losses) on share of other comprehensive income of associate and Joint ventures |       | 2.78                          | 16.39  |
| iii) Income tax effect ( refer note 20)   |       | (2.12)                        | 3.89   |
| Total other comprehensive income for the year, net of taxes                               |       | <b>6.85</b>                   | <b>(11.94)</b>   |
| <b>VII Total comprehensive income for the year, net of taxes</b>                          |       | <b>860.01</b>                 | <b>647.12</b>  |
| <b>VIII Earnings per equity share of Rs. 10 each:</b>                                     |       |                               |  |
| (1) Basic ( Rs.)  | 35    | 14.35                         | 11.08  |
| (2) Diluted ( Rs.)  | 35    | 14.35                         | 11.08  |
| Summary of significant accounting policies  | 2     |                               |  |
| Contingent liabilities and commitments  | 26    |                               |  |
| Other notes on accounts   | 36    |                               |  |

The accompanying notes form an integral part of these Consolidated financial statements

**As per our report of even date attached**

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

# NDR AUTO COMPONENTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2021

(Rs. in lakhs, except as otherwise stated)

|   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                               |  |
| Profit before income tax  | 1,115.86                      | 591.97   |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b>          |                               |  |
| Share of (profit)/ loss of associate  | (133.06)                      | (492.81)   |
| Share of (profit)/ loss of joint ventures                                     | (82.97)                       | (109.91)   |
| Depreciation and amortization expense   | 497.42                        | 737.54   |
| Provision for doubtful debts  | 2.56                          | 4.59   |
| (Income)/Loss on sale of property, plant and equipment                        | (0.27)                        | (2.31)   |
| Finance cost  | 7.85                          | 15.48  |
| Interest on lease liability   | 4.25                          |  |
| Interest income   | (494.64)                      | (711.29)   |
| Excess provision no longer required written back                              | -                             | (2.77)   |
| Sundry liabilities written back   | (91.92)                       | (91.03)  |
| <b>Operating profit before working capital changes</b>                        | <b>825.08</b>                 | <b>(60.54)</b>   |
| <b>Adjustments for changes in working capital :</b>                           |                               |  |
| (Increase)/decrease in inventories  | (548.84)                      | 255.50   |
| (Increase)/decrease in trade receivables                                      | (2,506.82)                    | 1,128.23   |
| (Increase)/decrease in other financial assets                                 | (20.73)                       | (261.22)   |
| (Increase)/decrease in other assets   | 175.48                        | (186.12)   |
| Increase/(decrease) in trade payables   | 2,088.53                      | (377.09)   |
| Increase/(decrease) in other liabilities                                      | (58.24)                       | 113.82   |
| Increase/(decrease) in other financial liabilities                            | 47.92                         | (149.01)   |
| Increase/(decrease) in provisions   | 74.46                         | (68.28)  |
| <b>Cash generated from operating activities</b>                               | <b>76.84</b>                  | <b>395.29</b>  |
| Income tax paid ( net of refunds)   | (253.57)                      | (67.47)  |
| <b>Net cash flow from/ (used in) operating activities</b>                     | <b>(176.73)</b>               | <b>327.82</b>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                               |  |
| Purchase of property, plant and equipment including capital work in progress, | (1,471.59)                    | (18.13)  |
| capital advances net of capital creditors                                     |                               |  |
| Proceeds from sale of property, plant and equipment                           | 0.62                          | 19.68  |
| Proceeds from sale of intangible assets                                       | -                             | 3.04   |
| Fixed deposits made during the year   | (15,007.77)                   | (14,368.00)  |
| Fixed deposits matured during the year  | 15,934.77                     | 12,780.89  |
| Dividend received- non current investment                                     | 57.00                         | 110.25   |
| Interest income received  | 586.27                        | 480.14   |
| <b>Net cash from/(used in) investing activities</b>                           | <b>99.30</b>                  | <b>(992.13)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                |                               |  |
| Issue of equity shares capital  | -                             | 1.00   |
| Repayment of principal lease payment  | (44.81)                       | (43.25)  |
| Repayment of interest on lease liability                                      | (4.25)                        | (4.82)   |
| Other finance cost paid   | (7.85)                        | (10.66)  |
| <b>Net cash from/ (used in) financing activities</b>                          | <b>(56.91)</b>                | <b>(57.73)</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                      | <b>(134.34)</b>               | <b>(722.04)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                 | <b>524.07</b>                 | <b>1,246.11</b>  |
| <b>Cash and cash equivalents at the end of the year</b>                       | <b>389.73</b>                 | <b>524.07</b>  |
| <b>Components of cash and cash equivalents</b>                                |                               |  |
| Cash and cash equivalents   |                               |  |
| Balances with banks:  |                               |  |
| Current accounts  | 389.41                        | 328.55   |
| Fixed deposits account with a original maturity of less than three months     | -                             | 195.00   |
| Cash on hand  | 0.32                          | 0.52   |
| <b>Net Cash and cash equivalents as at 31st March 2021</b>                    | <b>389.73</b>                 | <b>524.07</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. 22c for change in financing liabilities arising from financing activities

|  |    |
|--|----|
| Summary of significant accounting policies | 2  |
| Contingent liabilities and commitments     | 26 |
| Other notes on accounts                    | 36 |

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

### As per our report of even date attached

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

### For and on behalf of Board of Directors

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**A Equity share capital (refer note 17)**

(Rs. in lakhs, except as otherwise stated)

|   | Nos.             | Amount        |
|---|------------------|---------------|
| <b>As at 1st January, 2019</b>  | -                | -             |
| Issue of equity share capital   | 10,000           | 1.00          |
| Increase pursuant to scheme of arrangement (refer note no.36(i))                    | 5,946,326        | 594.63        |
| Reduction in share capital pursuant to scheme of arrangement (refer note no. 36(i)) | (10,000)         | (1.00)        |
| <b>Balance as at 31st March, 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> |

**B Other equity (refer note 18)**

|  | Reserves & surplus |                   | Total            |
|--|--------------------|-------------------|------------------|
|  | Capital reserve    | Retained earnings |                  |
| <b>As at 1st January, 2019</b>   | -                  | -                 | -                |
| Balance acquired pursuant to scheme of arrangement (refer note 36(i))                          | 12,524.56          | -                 | 12,524.56        |
| Balance acquired pursuant to scheme of arrangement on account of consolidation (refer note 18) | 3,190.13           | -                 | 3,190.13         |
| Reduction in share capital pursuant to scheme of arrangement (refer note 36(i))                | 1.00               | -                 | 1.00             |
| Profit / (loss) for the period (net of tax)  | -                  | 659.06            | 659.06           |
| <b>Other comprehensive income for the year</b>   |                    |                   |                  |
| Remeasurements gain/(loss) on defined benefit plans (net of tax)                               | -                  | (11.94)           | (11.94)          |
| <b>Balance as at 31st March, 2020</b>  | <b>15,715.69</b>   | <b>647.12</b>     | <b>16,362.81</b> |
| Profit / (loss) for the period (net of tax)  | -                  | 853.16            | 853.16           |
| <b>Other comprehensive income for the year</b>   |                    |                   |                  |
| Remeasurements gain/(loss) on defined benefit plans (net of tax)                               | -                  | 6.85              | 6.85             |
| <b>Balance as at 31st March 2021</b>   | <b>15,715.69</b>   | <b>1,507.13</b>   | <b>17,222.82</b> |

|  |    |
|--|----|
| Summary of significant accounting policies | 2  |
| Contingent liabilities and commitments     | 26 |
| Other notes to accounts                    | 36 |

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

**As per our report of even date attached**

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

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Place : Delhi**  
**Date : May 26, 2021**

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021****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 and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 26th May, 2021

**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.

**2.3 Use of estimates and judgements:**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**2.5 Operating cycle:**

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

**Note 3: Summary of significant accounting policies****3.1 Revenue recognition and presentation:**

Revenue from sale of products is recognized upon transfer of control to customers. Revenue is measured at the amount of

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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).

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

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

**Use of significant judgements in revenue recognition**

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts, price concessions, incentives etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**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 or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

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

Depreciation: Depreciation is provided using the written down value method 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 except in respect of the plant and machinery and electrical fittings. The useful lives are as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- 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 specified 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 period costing ₹ 5,000 or less are depreciated at the rate of 100%

**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 to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021****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, First-in-First-out basis (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.

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

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

**Assets held under lease**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021****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 (LIC) 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 LIC is provided for as liability in the books.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021****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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**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 principle 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

**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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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 Assets held for sale:**

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

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

**3.17 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:****(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

**(ii) Amendments to Ind AS 103 Business Combinations**

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company as there is no business combinations.

**(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material do not have a significant impact on the Company's financial statements.

**(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments have no impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

**Note 5a : Property, plant and equipment 2020-21** (Rs. in lakhs, except as otherwise stated)

| Particulars  | Freehold land | Plant and Machinery | Building        | Office Equipment | Computers    | Furniture and Fixtures | Electrical Fittings | Vehicles     | Total           |
|--|---------------|---------------------|-----------------|------------------|--------------|------------------------|---------------------|--------------|-----------------|
| <b>Gross carrying amount (At deemed cost)</b>      |               |                     |                 |                  |              |                        |                     |              |                 |
| Opening balance                                    | 752.84        | 3,369.40            | 1,626.51        | 122.26           | 16.62        | 52.45                  | 418.09              | 31.10        | 6,389.27        |
| Add: Additions made during the period              | -             | 638.42              | -               | 11.47            | 11.79        | 10.30                  | 123.86              | -            | 795.84          |
| Less: Disposals / adjustments during the period    | -             | -                   | -               | -                | -            | -                      | -                   | 1.73         | 1.73            |
| <b>As at 31st March 2021</b>                       | <b>752.84</b> | <b>4,007.82</b>     | <b>1,626.51</b> | <b>133.73</b>    | <b>28.41</b> | <b>62.75</b>           | <b>541.95</b>       | <b>29.37</b> | <b>7,183.38</b> |
| Depreciation and impairment                        |               |                     |                 |                  |              |                        |                     |              |                 |
| Opening balance                                    | -             | 2,171.21            | 536.65          | 72.24            | 13.20        | 35.84                  | 229.04              | 23.62        | 3,081.80        |
| Add: Depreciation charge for the period            | -             | 293.39              | 103.86          | 9.03             | 2.05         | 4.51                   | 36.99               | 2.08         | 451.91          |
| Less: On disposals / adjustments during the period | -             | -                   | -               | -                | -            | -                      | -                   | 1.38         | 1.38            |
| <b>As at 31st March 2021</b>                       | <b>-</b>      | <b>2,464.60</b>     | <b>640.51</b>   | <b>81.27</b>     | <b>15.25</b> | <b>40.35</b>           | <b>266.03</b>       | <b>24.32</b> | <b>3,532.33</b> |
| <b>Net carrying amount</b>                         |               |                     |                 |                  |              |                        |                     |              |                 |
| As at 31st March 2021                              | 752.84        | 1,543.22            | 986.00          | 52.46            | 13.16        | 22.40                  | 275.91              | 5.05         | 3,651.05        |

**Note 5a : Property, plant and equipment: January 01, 2019 to March 31, 2020** (Rs. in lakhs, except as otherwise stated)

| Particulars   | Freehold land | Plant and Machinery | Building        | Office Equipment | Computers    | Furniture and Fixtures | Electrical Fittings | Vehicles     | Total           |
|---|---------------|---------------------|-----------------|------------------|--------------|------------------------|---------------------|--------------|-----------------|
| <b>Gross carrying amount (At deemed cost)</b>                           |               |                     |                 |                  |              |                        |                     |              |                 |
| Opening balance   | 752.84        | 3,379.70            | 1,626.51        | 122.27           | 14.74        | 52.46                  | 418.09              | 32.93        | 6,399.54        |
| Balance acquired pursuant to scheme of arrangements (refer note 36(ii)) | -             | -                   | -               | -                | -            | -                      | -                   | -            | -               |
| Add: Additions made during the period                                   | -             | 20.12               | -               | 2.21             | 2.30         | -                      | -                   | -            | 24.63           |
| Less: Disposals / adjustments during the period                         | -             | 30.42               | -               | 2.22             | 0.42         | 0.01                   | -                   | 1.83         | 34.90           |
| <b>As at March 31, 2020</b>   | <b>752.84</b> | <b>3,369.40</b>     | <b>1,626.51</b> | <b>122.26</b>    | <b>16.62</b> | <b>52.45</b>           | <b>418.09</b>       | <b>31.10</b> | <b>6,389.27</b> |
| <b>Depreciation and impairment</b>                                      |               |                     |                 |                  |              |                        |                     |              |                 |
| Opening balance   | -             | 1,727.67            | 390.63          | 59.47            | 10.85        | 28.66                  | 174.22              | 19.78        | 2,411.28        |
| Balance acquired pursuant to scheme of arrangements (refer note 36(ii)) | -             | -                   | -               | -                | -            | -                      | -                   | -            | -               |
| Add: Depreciation charge for the period                                 | -             | 458.51              | 146.02          | 14.52            | 2.71         | 7.18                   | 54.82               | 4.29         | 688.05          |
| Less: On disposals / adjustments during the period                      | -             | 14.97               | -               | 1.75             | 0.36         | -                      | -                   | 0.45         | 17.53           |
| <b>As at March 31, 2020</b>   | <b>-</b>      | <b>2,171.21</b>     | <b>536.65</b>   | <b>72.24</b>     | <b>13.20</b> | <b>35.84</b>           | <b>229.04</b>       | <b>23.62</b> | <b>3,081.80</b> |
| <b>Net carrying amount</b>  |               |                     |                 |                  |              |                        |                     |              |                 |
| As at March 31, 2020  | 752.84        | 1,198.19            | 1,089.86        | 50.02            | 3.42         | 16.61                  | 189.05              | 7.48         | 3,307.47        |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**Note 5b : Intangible assets**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Computer Software</b> |
|--|--------------------------|
| <b>Gross carrying amount</b><br>(At deemed cost)   |                          |
| <b>Opening balance</b>                             | <b>3.19</b>              |
| Add: Additions made during the year                | 4.07                     |
| Less: Disposals / adjustments during the year      | -                        |
| <b>Closing balance as at March 31, 2021</b>        | <b>7.26</b>              |
| <b>Amortisation and impairment</b>                 |                          |
| <b>Opening balance as at March 31, 2020</b>        | <b>2.83</b>              |
| Add: Amortisation for the period                   | 1.07                     |
| Less: On disposals / adjustments during the period | -                        |
| <b>Closing balance as at March 31, 2021</b>        | <b>3.90</b>              |
| <b>Net carrying amount</b>                         |                          |
| <b>Closing balance as at March 31, 2021</b>        | <b>3.36</b>              |

**Note 5b : Intangible assets: January 01, 2019 to March 31, 2020**

(Rs. in lakhs, except as otherwise stated)

|   | <b>Computer Software</b> |
|---|--------------------------|
| <b>Gross carrying amount</b><br>(At deemed cost)                      |                          |
| <b>Opening balance</b>  | -                        |
| Balance acquired pursuant to scheme of arrangements(refer note 36(i)) | 17.03                    |
| Less: Disposals / adjustments during the period                       | 13.84                    |
| <b>As at March 31, 2020</b>   | <b>3.19</b>              |
| <b>Amortisation and impairment</b>                                    |                          |
| <b>Opening balance</b>  | -                        |
| Balance acquired pursuant to scheme of arrangements(refer note 36(i)) | 9.01                     |
| Add: Amortisation for the period                                      | 4.62                     |
| Less: On disposals / adjustments during the period                    | 10.80                    |
| <b>As at March 31, 2020</b>   | <b>2.83</b>              |
| <b>Net carrying amount</b>  |                          |
| <b>As at March 31, 2020</b>   | <b>0.36</b>              |

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

**Note 5c : Right-of-use assets: 2020-21**

(Rs. in lakhs, except as otherwise stated)

| <b>Particulars</b>                               | <b>Right-of-use assets</b> |
|--|----------------------------|
| <b>Gross carrying amount</b><br>(At deemed cost) |                            |
| <b>Opening balance</b>                           | <b>80.79</b>               |
| Add: Additions made during the period            | 459.31                     |
| Less: Disposals / adjustments during the year    | 80.95                      |
| <b>As at March 31, 2021</b>                      | <b>459.15</b>              |
| <b>Depreciation and impairment</b>               |                            |
| <b>Opening balance</b>                           | <b>44.87</b>               |
| Add: Depreciation charge for the period          | 44.43                      |
| Less: On disposals / adjustments during the year | 80.79                      |
| <b>As at March 31, 2021</b>                      | <b>8.51</b>                |
| <b>Net carrying amount</b>                       |                            |
| <b>As at March 31, 2021</b>                      | <b>450.64</b>              |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

Note 5c : Right-of-use assets: January 01, 2019 to March 31, 2020

| Particulars                             | Right-of-use assets |
|---|---------------------|
| <b>Gross carrying amount</b>            |                     |
| (At deemed cost)                        |                     |
| Opening balance                         | -                   |
| Add: Additions made during the period   | 80.79               |
| <b>As at March 31, 2020</b>             | <b>80.79</b>        |
| <b>Depreciation and impairment</b>      |                     |
| Opening balance                         | -                   |
| Add: Depreciation charge for the period | 44.87               |
| <b>As at March 31, 2020</b>             | <b>44.87</b>        |
| <b>Net carrying amount</b>              |                     |
| <b>As at March 31, 2020</b>             | <b>35.92</b>        |

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

6 Capital work in progress

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Capital work in progress</b>          |                          |                          |
| Opening cost                             | -                        | -                        |
| Additions during the year                | 322.42                   | 6.50                     |
| Deduction and adjustment during the year | -                        | (6.50)                   |
|  | <b>322.42</b>            | -                        |

7 Non-current Investments

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <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. | 3,489.58                 | 3,399.26                 |
|   | <b>3,489.58</b>          | <b>3,399.26</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.                           | 531.94                   | 461.01                   |
|   | <b>531.94</b>            | <b>461.01</b>            |
|   | <b>4,021.52</b>          | <b>3,860.27</b>          |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

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 March 31, 2021 | As At March 31, 2020 |
| <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                                      |                                   | 531.94               | 461.01               |
| Aggregate value of quoted investments  |                                   | 3,489.58             | 3,399.26             |
| Market value of quoted investments   |                                   | 5,566.50             | 3,186.00             |

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%   | -             |
| 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> |

2019-20 (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                                    | 78.21%   | 13,262.67        | 8.71%                                 | 56.34         | -3.73%  | (24.11)        | 4.98%   | 32.23         |
| <b>Indian associates (investment as per equity method)</b>     |  |                  |                                       |               |   |                |   |               |
| Bharat Seats Limited   | 19.52%   | 3,309.26         | 76.15%                                | 492.81        | -77.15%   | 9.21           | 77.58%  | 502.02        |
| <b>Indian joint ventures (investment as per equity method)</b> |  |                  |                                       |               |   |                |   |               |
| Toyota Boshoku Relan India Pvt. Ltd.                           | 0.00%  | (0.50)           | -0.06%                                | -0.38         | 0%  | -              | -0.06%  | (0.38)        |
| Toyo Sharda India Pvt. Ltd.                                    | 2.28%  | 386.01           | 16.73%                                | 110.29        | -24.80%   | 2.96           | 17.50%  | 113.25        |
| <b>Total</b>   |  | <b>16,957.44</b> |                                       | <b>659.06</b> |   | <b>(11.94)</b> |   | <b>647.12</b> |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**Other Disclosures**

**c. Significant judgements: existence of significant influence**

Please refer note no. 2.3 of standalone financial statements

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

| Particulars                       | Bharat Seats Limitd   |                       | Toyotal Bhoshoku Relan India Pvt. Ltd. |                       | Toyo Sharda India Pvt. Ltd. |                       |
|-----------------------------------|-----------------------|-----------------------|--|-----------------------|-----------------------------|-----------------------|
|                                   | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021                  | As at 31st March 2020 | As at 31st March 2021       | As at 31st March 2020 |
| Current assets                    | 12,214.17             | 6,186.89              | 1.14                                   | 1.14                  | 1,337.09                    | 802.33                |
| Non current assets                | 16,922.32             | 17,983.26             | 14.51                                  | 14.51                 | 617.20                      | 594.13                |
| Current liabilities               | 14,111.91             | 8,898.24              | 0.59                                   | 1.13                  | 858.72                      | 435.15                |
| Non current liabilities           | 3,362.44              | 3,941.26              | 35.30                                  | 34.12                 | 45.54                       | 53.14                 |
| Net Assets                        | <b>11,662.14</b>      | <b>11,330.65</b>      | <b>(20.24)</b>                         | <b>(19.60)</b>        | <b>1,050.03</b>             | <b>908.16</b>         |
| Share of NDR Auto Components Ltd. | 3,342.37              | 3,247.36              | (10.12)                                | (9.80)                | 525.02                      | 454.08                |

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

| Particulars                       | Bharat Seats Limitd   |                       | Toyotal Bhoshoku Relan India Pvt. Ltd. |                       | Toyo Sharda India Pvt. Ltd. |                       |
|-----------------------------------|-----------------------|-----------------------|--|-----------------------|-----------------------------|-----------------------|
|                                   | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021                  | As at 31st March 2020 | As at 31st March 2021       | As at 31st March 2020 |
| Revenue                           | 54,971.01             | 59,065.88             | -                                      | -                     | 4,016.29                    | 3,965.98              |
| Profit / (loss) after tax         | 480.57                | 1,251.89              | (0.64)                                 | (1.81)                | 165.95                      | 163.44                |
| Other comprehensive income        | 7.92                  | 1.41                  | -                                      | -                     | (0.09)                      | 5.46                  |
| <b>Total comprehensive income</b> | <b>488.49</b>         | <b>1,253.30</b>       | <b>(0.64)</b>                          | <b>(1.81)</b>         | <b>165.86</b>               | <b>168.90</b>         |

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

(Rs. in lakhs, except as otherwise stated)

|                                     | As at<br>31st March 2021 | As at<br>31st March 2020 |
|-------------------------------------|--------------------------|--------------------------|
| <b>(Unsecured, considered good)</b> |                          |                          |
| Loans                               | 52.49                    | 40.47                    |
|                                     | <b>52.49</b>             | <b>40.47</b>             |

**9 Other non current assets**

(Rs. in lakhs, except as otherwise stated)

|                                     | As at<br>31st March 2021 | As at<br>31st March 2020 |
|-------------------------------------|--------------------------|--------------------------|
| <b>(Unsecured, considered good)</b> |                          |                          |
| Capital advance                     | 399.01                   | 11.11                    |
| Prepaid expenses                    | -                        | 0.32                     |
|                                     | <b>399.01</b>            | <b>11.43</b>             |

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

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Advance tax (net of provisions and tax deducted at source) | 7.36                     | 17.07                    |
|  | <b>7.36</b>              | <b>17.07</b>             |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**11 Inventories**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| <b>(Valued at lower of cost and net realisable value unless otherwise stated)</b> |                                  |                                  |
| Raw materials   | 977.50                           | 424.11                           |
| Work-in-progress  | 36.98                            | 171.26                           |
| Finished goods  | 105.83                           | -                                |
| Stores and spares   | 107.02                           | 94.62                            |
| Scrap materials   | 11.50                            | -                                |
|   | <b>1,238.83</b>                  | <b>689.99</b>                    |

**12 Trade receivables**

(Rs. in lakhs, except as otherwise stated)

|                                       | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---------------------------------------|----------------------------------|----------------------------------|
| <b>(Unsecured)</b>                    |                                  |                                  |
| Trade receivable- considered good     | 3,110.56                         | 606.30                           |
| Trade receivable- considered doubtful | 7.15                             | 4.59                             |
| Less: impairment allowance            | (7.15)                           | (4.59)                           |
|                                       | <b>3,110.56</b>                  | <b>606.30</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. 3036.61 lakhs ( 31st March 2020: Rs. 597.78 lakhs ) (refer note 36 (d)).

**13 Cash and cash equivalents**

(Rs. in lakhs, except as otherwise stated)

|  | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| Balance with banks:  |                                  |                                  |
| Current accounts   | 389.41                           | 328.55                           |
| Cash on hand   | 0.32                             | 0.52                             |
| Fixed deposits account with an original maturity of less than three months | -                                | 195.00                           |
|  | <b>389.73</b>                    | <b>524.07</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<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| Fixed deposits account with an original maturity of more than three months but less than twelve months                     | 8,159.00                         | 5,948.00                         |
| Fixed deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months | -                                | 3,138.00                         |
|  | <b>8,159.00</b>                  | <b>9,086.00</b>                  |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

15 Other financial assets

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>(Unsecured, considered good)</b>                      |                          |                          |
| <b>Loans:</b>  |                          |                          |
| Security deposits  | 10.22                    | 9.80                     |
| <b>Others:</b>   |                          |                          |
| Interest accrued but not due on fixed deposits with bank | 139.52                   | 231.15                   |
|  | <b>149.74</b>            | <b>240.95</b>            |

16 Other current assets

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <b>(Unsecured, considered good)</b>             |                          |                          |
| Advance given to MSME suppliers                 | 1.65                     | -                        |
| Advances given to other suppliers               | 95.24                    | 54.90                    |
| <b>Others</b>                                   |                          |                          |
| Balance with statutory / government authorities | 39.90                    | 31.62                    |
| Prepaid expenses                                | 13.66                    | 20.30                    |
| Gratuity recoverable (refer note no. 36 (b))    | -                        | 8.32                     |
| Other receivable                                | 59.36                    | 269.83                   |
|   | <b>209.81</b>            | <b>384.97</b>            |

17 Equity

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 |                 | As at<br>31st March 2020 |                 |
|---|--------------------------|-----------------|--------------------------|-----------------|
|   | Amount                   |                 | Amount                   |                 |
| <b>(a) Equity share capital</b>   |                          |                 |                          |                 |
| <b>Authorised</b>   |                          |                 |                          |                 |
| 6,000,000* equity shares of ₹ 10 each   | 600.00                   |                 | 600.00                   |                 |
| Issued, subscribed & fully paid-up  |                          |                 |                          |                 |
| 5,946,326* equity shares of ₹ 10 each   | 594.63                   |                 | 594.63                   |                 |
| <b>(b) Reconciliation of the shares outstanding at the beginning and at the end of the year</b> |                          |                 |                          |                 |
|   | As at 31st March 2021    |                 | As at 31st March 2020    |                 |
|   | No. of shares            | Amount in lakhs | No. of shares            | Amount in lakhs |
| At the beginning of the year  | 5,946,326                | 594.63          |                          | -               |
| Add: Equity shares issued   | -                        | -               | 10,000                   | 1.00            |
| Increase pursuant to scheme of arrangement (refer note no.36(i))                                | -                        | -               | 5,946,326                | 594.63          |
| Reduction pursuant to scheme of arrangement (refer note no. 36(ii))                             | -                        | -               | (10,000)                 | (1)             |
|   | <b>5,946,326</b>         | <b>594.63</b>   | <b>5,946,326</b>         | <b>594.63</b>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**(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 2021 |              | As at 31st March 2020 |              |
|----------------------|-----------------------|--------------|-----------------------|--------------|
|                      | No. of shares held    | % of holding | No. of shares held    | % of holding |
| Ajay Relan           | -                     | -            | 1,927,219             | 32.41%       |
| Rohit Relan          | 3,570,175             | 60.04%       | 700,268               | 11.78%       |
| Ritu Relan           | 742,520               | 12.49%       | 742,520               | 12.49%       |
| Mala Relan           | -                     | -            | 520,826               | 8.76%        |
| Aashim Relan         | -                     | -            | 304,440               | 5.12%        |
|                      | <b>4,312,695</b>      |              | <b>4,195,273</b>      |              |

**18 Other equity**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>a) Capital reserve</b>  |                          |                          |
| Balance as at the beginning of the year  | 15,715.69                | -                        |
| Add : Balance acquired pursuant to scheme of arrangements (refer note (i) below)                               | -                        | 12,524.56                |
| Add : Balance acquired pursuant to scheme of arrangements on account of consolidation (refer note (iii) below) |                          | 3,190.13                 |
| Add : Movement during the period (refer note (ii) below)   | -                        | 1.00                     |
|  | <b>15,715.69</b>         | <b>15,715.69</b>         |
| <b>(b) Retained earnings</b>   |                          |                          |
| Balance as at the beginning of the year  | 647.12                   | -                        |
| Net profit for the year  | 853.16                   | 659.06                   |
| <b>Items of other comprehensive income recognised directly in retained earnings</b>                            |                          |                          |
| Remeasurements of post employment benefit obligation, net of tax   | 6.85                     | (11.94)                  |
|  | <b>1,507.13</b>          | <b>647.12</b>            |
|  | <b>17,222.82</b>         | <b>16,362.81</b>         |

- (i) Pursuant to the NCLT order and as per the scheme of arrangements, Company has recorded assets of Rs. 15666.98 lakh and liabilities of Rs. 2547.79 lakhs of automobile seating undertaking at their book values and has issued share capital of Rs. 594.63 lakhs against such assets and liabilities acquired. Difference of net assets acquired and issued share capital is recognised as capital reserve.
- (ii) Pursuant to the NCLT order and as per the scheme of arrangements, capital reserve of Rs. 1 lakh is created by debiting Company's equity share capital account with a corresponding credit to capital reserve in respect of cancellation of shares held by Sharda Motor Industries Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- (iii) Pursuant to the scheme of arrangements, the investment balances of associate and joint ventures are re-instated from standalone balance sheet to consolidated balance sheet and accordingly balances reinstated from the date of acquisition to the date of arrangements.

**19 Non-current provisions**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Provision for employee benefits</b> |                          |                          |
| Leave encashment (refer note 36(c))    | 11.34                    | 10.38                    |
| Gratuity payable (refer note 36(b))    | 56.16                    | 0                        |
| <b>Provision others</b>                |                          |                          |
| Provision for warranty                 | 71.72                    | 71.72                    |
|  | <b>139.22</b>            | <b>82.10</b>             |

**20 Income taxes**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>a) Income tax expense in the statement of profit and loss comprises:</b>                                |                          |                          |
| Current income tax charge  | 263.28                   | 50.40                    |
| <b>Deferred tax</b>  | -                        |                          |
| Relating to origination and reversal of timing differences   | (0.58)                   | (117.49)                 |
| Income tax expense reported in the statement of profit and loss  | 262.70                   | (67.09)                  |
| <b>b) Other comprehensive income</b>   |                          |                          |
| Tax on re-measurement gain/(losses) on defined benefit plans   | 2.12                     | 8.11                     |
| Income tax related to items recognised in OCI during the year  | 2.12                     | 8.11                     |
| <b>c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b> |                          |                          |
| Accounting profit before tax   | 1,115.86                 | 591.97                   |
| Applicable tax rate  | 25.168%                  | 25.168%                  |
| Computed tax expense   | 280.84                   | 148.99                   |
| Property, plant & equipment  | 10.73                    | (66.14)                  |
| Effect of expenses that are not deductible in determining taxable profit                                   | 12.76                    | 20.90                    |
| Effect of income that are exempt in determining taxable profit   | -                        | (27.75)                  |
| Effect of share of profit in associate and joint ventures after adjustment of dividend received from them  | (40.02)                  | (123.95)                 |
| Others   | (1.60)                   | (19.14)                  |
| Income tax charged to statement of profit and loss at effective rate                                       | 262.70                   | (67.09)                  |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

(d) Deferred tax relates to the following:

|  | As at<br>31st March<br>2021 | As at<br>31st March<br>2020 | for the year<br>ended 31st<br>March 2021 | for the year<br>ended 31st<br>March 2020 |
|--|-----------------------------|-----------------------------|--|--|
| <b>Deferred tax liabilities on account of :</b>      |                             |                             |  |  |
| Defined benefit obligation                           | -                           | 2.09                        | (2.09)                                   | 2.09                                     |
| <b>Total deferred tax liabilities</b>                | <b>-</b>                    | <b>2.09</b>                 | <b>(2.09)</b>                            | <b>2.09</b>                              |
| <b>Deferred tax assets on account of :</b>           |                             |                             |  |  |
| Property, plant and equipment and intangible assets  | 110.67                      | 109.14                      | 1.53                                     | 109.14                                   |
| Expenses deductible in future years                  | 13.95                       | 18.55                       | (4.60)                                   | 18.55                                    |
| <b>Total deferred tax asset</b>                      | <b>124.62</b>               | <b>127.69</b>               | <b>(3.07)</b>                            | <b>127.69</b>                            |
| <b>Total deferred tax liabilities/ (asset) (net)</b> | <b>(124.62)</b>             | <b>(125.60)</b>             | <b>0.98</b>                              | <b>(125.60)</b>                          |

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

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Opening balance  | (125.60)                 | -                        |
| Tax expense (credits) during the year recognised in statement to profit and loss | (0.58)                   | (117.49)                 |
| Tax expense (credits) during the year recognised in OCI                          | 1.56                     | (8.11)                   |
| <b>Closing balance as at 31st March</b>  | <b>(124.62)</b>          | <b>(125.60)</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.

21 Trade payables

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Dues of micro and small enterprises (refer below note) | 259.83                   | 67.19                    |
| Dues of other than micro and small enterprises         | 3,310.90                 | 1,506.93                 |
|  | <b>3,570.73</b>          | <b>1,574.12</b>          |

\* Trade payables include due to related parties Re. 0.19 lakhs( 31st March 2020: Rs 15.84 lakhs)(refer note 36(d))

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

\* Trade payables are usually non-interest bearing.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**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, 2021 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<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|--|----------------------------------|----------------------------------|
| i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note 21 & 23)  | 252.21                           | 61.80                            |
| 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                             | 5.39                             |
| 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                              |

**22 a Non current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| Non current lease liability (refer and 36(j)) | 417.23                           | -                                |
|   | <b>417.23</b>                    | <b>-</b>                         |

**22b Current lease liabilities**

(Rs. in lakhs, except as otherwise stated)

|   | <b>As at<br/>31st March 2021</b> | <b>As at<br/>31st March 2020</b> |
|---|----------------------------------|----------------------------------|
| Current lease liability (refer and 36(j)) | 26.41                            | 37.54                            |
|   | <b>26.41</b>                     | <b>37.54</b>                     |

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

**22c Change in liabilities arising from financing activities**

(Rs. in lakhs, except as otherwise stated)

|                           | <b>As at<br/>31st March 2020</b> | <b>Cash flows</b> | <b>Others</b> | <b>As at<br/>31st March 2021</b> |
|---------------------------|----------------------------------|-------------------|---------------|----------------------------------|
| Lease liability           | 37.54                            | (49.06)           | 455.16        | 443.64                           |
| Other financing liability | -                                | (7.85)            | 7.85          | -                                |
| <b>Total</b>              | <b>37.54</b>                     | <b>(56.91)</b>    | <b>463.01</b> | <b>443.64</b>                    |

|                           | <b>As at<br/>01 January 2019</b> | <b>Cash flows</b> | <b>Others</b> | <b>As at<br/>31st March 2020</b> |
|---------------------------|----------------------------------|-------------------|---------------|----------------------------------|
| Equity share capital*     | -                                | 1.00              | 593.63        | 594.63                           |
| Lease liability           | -                                | (48.07)           | 85.61         | 37.54                            |
| Other financing liability | -                                | (10.66)           | 10.66         | -                                |
| <b>Total</b>              | <b>-</b>                         | <b>(57.73)</b>    | <b>689.90</b> | <b>632.17</b>                    |

\* refer note no. 36(i)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**23 Other financial liabilities**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Other payables</b>  |                          |                          |
| Creditors for capital goods-other than micro and small enterprises | 38.52                    | -                        |
| Others   | 122.81                   | 74.89                    |
|  | <b>161.33</b>            | <b>74.89</b>             |

**24 Other current liabilities**

(Rs. in lakhs, except as otherwise stated)

|                        | As at<br>31st March 2021 | As at<br>31st March 2020 |
|------------------------|--------------------------|--------------------------|
| <b>Others</b>          |                          |                          |
| Statutory dues payable | 37.36                    | 79.78                    |
| Advance from customers | -                        | 9.42                     |
| Others                 | -                        | 6.40                     |
|                        | <b>37.36</b>             | <b>95.60</b>             |

**25 Current provisions**

(Rs. in lakhs, except as otherwise stated)

|  | As at<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Provision for employee benefits</b> |                          |                          |
| Gratuity payable (refer note 36(b))    | 11.23                    | -                        |
| Leave encashment (refer note 36(c))    | 5.13                     | 4.05                     |
| <b>Provision others</b>                |                          |                          |
| Provision for warranty                 | 104.05                   | 105.21                   |
|  | <b>120.41</b>            | <b>109.26</b>            |

**Disclosure for warranty claim payable**

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Opening balance   | 176.93                   | -                        |
| Balance acquired pursuant to the scheme of arrangements (refer note 36(ii)) | -                        | 184.90                   |
| Less: Paid during the year  | 1.16                     | 4.47                     |
| Less: Amount reversed during the year                                       | -                        | 3.50                     |
| <b>Closing balance</b>  | <b>175.77</b>            | <b>176.93</b>            |

**26 Contingent liabilities & commitments**

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March 2021 | As at<br>31st March 2020 |
|---|--------------------------|--------------------------|
| <b>(A) Contingent liabilities ( to the extent not provided for)</b> |                          |                          |
| (a) Claims against the company not acknowledged as debt             |                          |                          |
| i) Labour court matter  | 8.82                     | 21.00                    |
| ii) Civil case(Pathredi)  | 3.59                     | 3.59                     |
|   | <b>12.41</b>             | <b>24.59</b>             |
| <b>(B) Commitments</b>  |                          |                          |
| Estimated amount of contracts remaining to be executed :            |                          |                          |
| a) Capital commitments (net of advance)                             | 300.80                   | -                        |
|   | <b>300.80</b>            | <b>-</b>                 |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**27 Revenue from operations**

(Rs. in lakhs, except as otherwise stated)

|                                      | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--------------------------------------|---------------------------------------|---|
| Revenue from contract with customers |                                       |   |
| Sale of products                     | 11,280.64                             | 9,549.53  |
| Scrap sales                          | 132.26                                | 111.99  |
| <b>Revenue from operations</b>       | <b>11,412.90</b>                      | <b>9,661.52</b>   |

**28 Other income**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| <b>Interest income</b>                             |                                       |   |
| Fixed deposit with Banks                           | 494.54                                | 674.66  |
| Others   | 0.10                                  | 36.63   |
| <b>Other non-operating income</b>                  |                                       |   |
| Gain on disposal of property, plant and equipments | 0.27                                  | 2.31  |
| Management support services                        | 142.04                                | -   |
| Miscellaneous income                               | 136.02                                | 94.80   |
|  | <b>772.97</b>                         | <b>808.40</b>   |

**29 Cost of materials consumed**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| Inventory at the beginning of the year   | 424.11                                | -   |
| Add: Balance acquired pursuant to scheme of arrangements (refer note no.36(i)) | -                                     | 619.36  |
| Add: Purchases during the period   | 9,025.16                              | 6,910.76  |
| Less: Balance of raw material at the end of the period                         | 977.50                                | 424.11  |
|  | <b>8,471.77</b>                       | <b>7,106.01</b>   |

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

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| <b>Inventory at the beginning of the year</b>  |                                       |   |
| Finished goods   | -                                     |   |
| Work in progress   | 171.26                                |   |
| Add: Balance acquired pursuant to scheme of arrangements (refer note 36(i))                  | -                                     | 274.67  |
| Scrap materials  | -                                     |   |
|  | <b>171.26</b>                         | <b>274.67</b>   |
| <b>Inventory at the end 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>Changes in inventories of finished goods and work-in-progress ((increase) / decrease)</b> | <b>16.95</b>                          | <b>103.41</b>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**31 Employee benefits expense**

(Rs. in lakhs, except as otherwise stated)

|  | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|--|---------------------------------------|---|
| Salaries, wages, bonus and other benefits  | 406.61                                | 410.82  |
| Contributions to provident and other funds | 23.01                                 | 30.41   |
| Gratuity expense (refer note No. 36 (b))   | 82.90                                 | 9.78  |
| Staff welfare expenses                     | 35.16                                 | 41.92   |
|  | <b>547.68</b>                         | <b>492.93</b>   |

**32 Finance costs**

(Rs. in lakhs, except as otherwise stated)

|                             | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|-----------------------------|---------------------------------------|---|
| Interest on others          | 7.76                                  | 10.66   |
| Interest on lease liability | 4.25                                  | 4.82  |
| Bank charges                | 0.09                                  | -   |
|                             | <b>12.10</b>                          | <b>15.48</b>  |

**33 Depreciation and amortization expenses**

(Rs. in lakhs, except as otherwise stated)

|   | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|---|---------------------------------------|---|
| Depreciation of tangible assets (refer note 5(a))     | 451.92                                | 688.05  |
| Depreciation on right of use assets (refer note 5(c)) | 44.43                                 | 44.87   |
| Amortization of intangible assets (refer note 5(b))   | 1.07                                  | 4.62  |
|   | <b>497.42</b>                         | <b>737.54</b>   |

**34 Other expenses**

(Rs. in lakhs, except as otherwise stated)

|                                    | <b>Year Ended<br/>31st March 2021</b> | <b>For the period from<br/>January 01, 2019 to<br/>March 31, 2020</b> |
|------------------------------------|---------------------------------------|---|
| Power and fuel                     | 156.72                                | 172.37  |
| Rent, rates & taxes                | 25.80                                 | 44.80   |
| Repair and maintenance:            |                                       |   |
| Buildings                          | 5.69                                  | 57.70   |
| Plant and machinery                | 200.35                                | 138.47  |
| Others                             | 10.22                                 | 71.97   |
| Insurance                          | 18.29                                 | 14.33   |
| Consumption of stores and spares   | 61.56                                 | 92.70   |
| Payment to Auditors                |                                       |   |
| As Auditors:                       |                                       |   |
| Audit Fee                          | 22.70                                 | 9.75  |
| Tax Audit Fee                      | 2.00                                  | 1.00  |
| In other capacity                  | -                                     | 2.05  |
| Reimbursement of expenses          | -                                     | 0.45  |
| Provision for allowance as per ECL | 2.56                                  | 4.59  |
| Freight outward                    | 53.81                                 | 56.66   |
| Factory expenses                   | 1,017.66                              | 980.97  |
| Legal and professional expenses    | 86.62                                 | 22.90   |
| Management support services        | -                                     | 284.08  |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

|                           | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---------------------------|-------------------------------|--|
| Director sitting fees     | 19.60                         | -  |
| Listing expense           | 13.70                         | -  |
| Travelling and conveyance | 10.63                         | 11.36  |
| Miscellaneous expenses    | 32.21                         | 59.15  |
|                           | <b>1,740.12</b>               | <b>2,025.30</b>  |

**35 Earnings per equity shares**

(Rs. in lakhs, except as otherwise stated)

|   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>a) Basic earnings per share</b>                                  |                               |  |
| Numerator for earnings per share                                    |                               |  |
| Profit after taxation   | 853.16                        | 659.06   |
| 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.   | <b>14.35</b>                  | <b>11.08</b>   |
| <b>b) Diluted earnings per share</b>                                |                               |  |
| Numerator for earnings per share                                    |                               |  |
| Profit after taxation   | 853.16                        | 659.06   |
| 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. | <b>14.35</b>                  | <b>11.08</b>   |

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

**36 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                          | 2020-21 | 2019-20 |
|--------------------------------------|---------|---------|
| Provident fund/ other employees fund | 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 Componentes 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.

Further if the fund will not get transferred in the name of Company subsequently, then the Company will take the insurance to create the fund."

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

i) Defined benefit obligation

(Rs. in lakhs except as otherwise stated)

| Particulars                               | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Opening defined benefit obligation        | 62.34                    | 133.61                   |
| Current service cost                      | 7.25                     | 8.50                     |
| Interest cost                             | 3.99                     | 12.02                    |
| Remeasurment (gains)/ losses              | (6.19)                   | (48.17)                  |
| Benefits paid                             | -                        | (43.62)                  |
| <b>Closing defined benefit obligation</b> | <b>67.39</b>             | <b>62.34</b>             |

ii) Changes in the fair value of plan assets are as follows:

(Rs. in lakhs except as otherwise stated)

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Opening fair value of plan assets  | -                        | 119.48                   |
| <b>Fair value of plan assets at the beginning of the period</b>  | <b>-</b>                 | <b>119.48</b>            |
| Interest income  | -                        | 10.75                    |
| Remeasurment gain /(loss):<br>-Return on plan assets (expected amounts included in net interest expense) | -                        | (15.95)                  |
| Benefits paid  | -                        | (43.62)                  |
| <b>Closing fair value of plan assets</b>   | <b>-</b>                 | <b>70.66</b>             |

iii) The amount included in the balance sheet

(Rs. in lakhs except as otherwise stated)

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Present value of defined benefit obligation                  | 67.39                    | 62.34                    |
| Fair value of plan assets                                    | -                        | 70.66                    |
| <b>Amount recognised in balance sheet-asset/ (liability)</b> | <b>(67.39)</b>           | <b>8.32</b>              |

iv) Amount recognised in the statement of profit and loss

(Rs. in lakhs except as otherwise stated)

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Current service cost  | 7.25                     | 8.50                     |
| Interest cost on benefit obligation   | 3.99                     | 12.02                    |
| Interest income   | -                        | (10.75)                  |
| Defined benefit cost recognised in statement of profit or loss as per actuarial certificate | 11.24                    | 9.78                     |
| Reversal of opening fund to reconcile the closing liability as per balance sheet            | 71.66                    | -                        |
| Net defined benefit cost recognised in statement of profit or loss                          | 82.90                    | 9.78                     |

v) Remeasurments- other comprehensive income (OCI)

(Rs. in lakhs except as otherwise stated)

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Return on plan assets (excluding amount included in net interest expense) | -                        | 15.95                    |
| Actuarial (gains)/ losses arising from changes in demographic assumption  | -                        | 0.01                     |
| Actuarial (gains)/ losses arising from changes in financial assumptions   | 0.30                     | 2.16                     |
| Actuarial (gains)/ losses arising from experience adjustments             | (6.49)                   | (50.35)                  |
| Defined benefit costs recognised in other comprehensive income            | (6.19)                   | (32.22)                  |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Discount rate  | 6.30%                    | 6.40%                    |
| Rate of increase in compensation                                 | 10.00%                   | 10.00%                   |
| Average outstanding service of employees upto retirement (years) | 21.75                    | 21.27                    |

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

| Particulars  | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| <b>Change in discount rate</b>   |                          |                          |
| Decrease in defined benefit obligation due to 1% increase in discount rate                   | (2.91)                   | (2.68)                   |
| Increase in defined benefit obligation due to 1% decrease in discount rate                   | 3.18                     | 2.93                     |
| <b>Rate of salary escalation</b>   |                          |                          |
| Increase in defined benefit obligation due to 1% increase in expected salary escalation rate | 3.04                     | 2.79                     |
| Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate | (2.84)                   | (2.62)                   |

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<br>31st March 2021 | As At<br>31st March 2020 |
|-----------------------|--------------------------|--------------------------|
| Within next 12 months | 11.22                    | 10.56                    |
| Between 2 to 5 years  | 30.68                    | 29.07                    |
| Above 5 years         | 25.48                    | 22.70                    |

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

| Particulars   | As At<br>31st March 2021 | As At<br>31st March 2020 |
|---|--------------------------|--------------------------|
| Enterprise best estimate of contribution during next year | 11.66                    | NIL                      |

- 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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**c. Leave Encashment (unfunded)**

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

The Company recognizes the leave encashment expenses in the statement of profit and loss based on actuarial valuation.

The expenses recognised in the statement of profit and loss and the leave encashment liability at the beginning and at the end of the year:

(Rs. in lakhs except as otherwise stated)

| Particulars                            | As At<br>31st March 2021 | As At<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Liability at the beginning of the year | 14.43                    | 29.73                    |
| Benefits paid during the year          | (4.04)                   | (3.97)                   |
| Provided/(reversal) during the year    | 6.07                     | (11.33)                  |
| Liability at the end of the year       | 16.47                    | 14.43                    |

- d.** The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 as amended from time to time) are disclosed below:-

**A. Names of related parties and description of relationship:**

|     | Names of parties   | Nature of relationship   |
|-----|--|--|
| i   | Associate  | Bharat Seats Limited   |
| ii  | Joint Ventures   | Toyo Sharda India Pvt. Ltd.<br>Toyota Boshoku Relan India Pvt. Ltd.  |
| iii | Key management persons   | Mr. Pranav Relan- Director (w.e.f. 23.10.2020) and Whole Time Director (w.e.f. 27.10.2020)<br>Mr. Ayush Relan –Director (w.e.f.23.10.2020) and Whole Time Director (w.e.f. 02.01.2021)<br>Mr. Rohit Relan (Director ) (w.e.f. 23.10.2020)<br>Mr.Sanjiv Kapur (Director) (w.e.f. 23.10.2020)<br>Mr. Rishabh Relan(Director ) (w.e.f. 23.10.2020)<br>Mr. Rajat Bhandari- Director (w.e.f.30.11.2020) and Whole Time Director (w.e.f. 02.01.2021)<br>Mr. Vinod Kumar (Chief Financial Officer) (w.e.f. 27.10.2020)<br>Ms. Nitasha Sinha (Company Secretary) (w.e.f. 01.11.2020)<br>Mr. Ashutosh VEDI (Company Secretary) (till 31.10.2020)<br>Mrs. Sharda Relan (Director) (till 24.10.2020)<br>Mr. Ajay Relan (Director) (till 24.10.2020)<br>Mr. Dharam Asrey Agarwal (Whole Time Director & CFO) (till 26.10.2020)<br>Mrs. Shyamla Khera (Director) (w.e.f. 23.10.2020)<br>Mrs. Vanita Chhabra (Director) (w.e.f. 30.11.2020)<br>Mrs. Deepa Gopalan Wadhwa (Director) (w.e.f. 30.11.2020)<br>Mr. Udayan Banerjee (Director) (till 24.10.2020)<br>Mr. Kishan N. Parikh (Director) (till 24.10.2020) |
| iv  | Enterprises over which key managerial personnel able to exercise significant influence | Sharda Enterprises<br>Sharda Motor Industries Ltd.   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

B. Transactions with related parties

(Rs. in lakhs except as otherwise stated)

| Particulars   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| <b>i) Sale of products</b>  |                               |  |
| <b>Associate</b>  |                               |  |
| Bharat Seats Ltd.   | 10,912.00                     | 9,549.53   |
|   | <b>10,912.00</b>              | <b>9,549.53</b>  |
| <b>ii) Purchases of material, traded goods</b>  |                               |  |
| <b>Associate</b>  |                               |  |
| Bharat Seats Ltd.   | 287.17                        | 26.13  |
| <b>Joint ventures</b>   |                               |  |
| Toyo Sharda India Pvt. Ltd.   | -                             | 1.32   |
|   | <b>287.17</b>                 | <b>27.45</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) Dividend income:</b>  |                               |  |
| <b>Associate</b>  |                               |  |
| Bharat Seats Ltd.   | 45.00                         | 90.00  |
| <b>Joint ventures</b>   |                               |  |
| Toyo Sharda India Pvt. Ltd.   | 12.00                         | 20.25  |
|   | <b>199.04</b>                 | <b>110.25</b>  |
| <b>iv) Remuneration to key managerial persons</b>   |                               |  |
| <b>Key management persons</b>   |                               |  |
| Pranav Relan  |                               |  |
| -Short term employee benefits   | 22.50                         | -  |
| -Post employment benefits   | 1.80                          | -  |
| Ayush Relan   |                               |  |
| -Short term employee benefits   | 13.35                         | -  |
| -Post employment benefits   | 1.07                          | -  |
| Rajat Bhandari  |                               |  |
| -Short term employee benefits   | 13.87                         | -  |
| -Post employment benefits   | 1.18                          | -  |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Particulars   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
| Vinod Kumar   |                               |  |
| -Short term employee benefits   | 7.85                          | -  |
| -Post employment benefits   | 0.51                          | -  |
| Nitasha Sinha   |                               |  |
| -Short term employee benefits   | 3.02                          | -  |
| -Post employment benefits   | 0.18                          | -  |
| Ashutosh Vedi   |                               |  |
| -Short term employee benefits   | 1.89                          | -  |
| -Post employment benefits   | -                             | -  |
|   | 67.22                         | -  |
| <b>v) Other expenses :</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.  | -                             | 284.08   |
| <b>b) Rent:</b>   |                               |  |
| <b>Enterprises over which key managerial personnel are able to exercise significant influence</b> |                               |  |
| Sharda Enterprises  | -                             | 22.50  |
| <b>c) Miscellaneous expenses- sitting fees:</b>   |                               |  |
| <b>Key management persons</b>   |                               |  |
| Rohit Relan   | 3.40                          | -  |
| Rishabh Relan   | 2.20                          | -  |
| Sanjiv Kapur  | 3.00                          | -  |
| Ayush Relan   | 1.00                          | -  |
| Pranav Relan  | 0.20                          | -  |
| Rajat Bhandari  | 0.40                          | -  |
| Ajay Relan  | 0.20                          | -  |
| Shyamla Khera   | 4.60                          | -  |
| Vanita Chhabra  | 2.00                          | -  |
| Deepa Gopalan Wadhwa  | 1.20                          | -  |
| Udayan Banerjee   | 0.70                          | -  |
| Kishan N. Parikh  | 0.70                          | -  |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

| Particulars   | Year Ended<br>31st March 2021 | For the period from<br>January 01, 2019 to<br>March 31, 2020 |
|---|-------------------------------|--|
|   | <b>19.60</b>                  | <b>306.58</b>  |
| <b>vi) Purchase of property plant and equipment</b> |                               |  |
| <b>Associate</b>                                    |                               |  |
| Bharat Seats Ltd.                                   | 660.51                        | -  |
|   | <b>660.51</b>                 | <b>-</b>   |
| <b>vii) Sale of property plant and equipment</b>    |                               |  |
| <b>Associate</b>                                    |                               |  |
| Bharat Seats Ltd.                                   | -                             | 3.83   |
|   | <b>-</b>                      | <b>3.83</b>  |

**C. Closing balances at the year end**

|   |                 |               |
|---|-----------------|---------------|
| <b>i) Trade receivables</b>   |                 |               |
| <b>Associate</b>  |                 |               |
| Bharat Seats Ltd.   | 3,036.61        | 597.78        |
|   | <b>3,036.61</b> | <b>597.78</b> |
| <b>ii) Other receivables</b>  |                 |               |
| <b>Enterprises over which key managerial personnel are able to exercise significant influence</b> |                 |               |
| Sharda Motor Industries Ltd.  | 66.19           | 269.64        |
|   | <b>66.19</b>    | <b>269.64</b> |
| <b>iii) Trade payable</b>   |                 |               |
| <b>Associate</b>  |                 |               |
| Bharat Seats Ltd.   | -               | 8.78          |
| <b>Joint ventures</b>   |                 |               |
| Toyo Sharda India Pvt. Ltd.   | 0.19            | -             |
| <b>Key management persons</b>   |                 |               |
| Ajay Relan  | -               | 7.06          |
|   | <b>0.19</b>     | <b>15.84</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, 2021 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**e. Segment information**

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing of auto component parts, which is considered to be the only business reportable segment. further, the Company operates only in one geographical segment - India
2. Major customer: Revenue from one customer of the Company's manufacturing business are Rs. 10,912.00 lakhs (31st March 2020 Rs. 9,549.53 lakhs) which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue during the period.

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

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

|                                      | As at March 31, 2021 |       |                  |
|--------------------------------------|----------------------|-------|------------------|
|                                      | FVTPL                | FVOCI | Amortised cost   |
| <b>Financial assets</b>              |                      |       |                  |
| <b>Non-current</b>                   |                      |       |                  |
| Investments in equity instrument*    | -                    | -     | -                |
| Other financial assets               |                      |       |                  |
| - Loans                              | -                    | -     | 52.49            |
| <b>Current</b>                       |                      |       |                  |
| Trade receivables                    | -                    | -     | 3,110.56         |
| Cash and cash equivalents            | -                    | -     | 389.73           |
| Bank balances other than above       | -                    | -     | 8,159.00         |
| Other financial assets               |                      |       |                  |
| - Loans                              | -                    | -     | 10.22            |
| - Interest accrued on fixed deposits | -                    | -     | 139.52           |
| <b>Total</b>                         | -                    | -     | <b>11,861.51</b> |
| <b>Financial liabilities</b>         |                      |       |                  |
| <b>Non current</b>                   |                      |       |                  |
| Other financial liabilities          |                      |       |                  |
| - Lease liability                    | -                    | -     | 417.23           |
| <b>Current</b>                       |                      |       |                  |
| Trade payables                       | -                    | -     | 3,570.73         |
| Other financial liabilities          |                      |       |                  |
| - Lease liability                    | -                    | -     | 26.41            |
| - Others                             | -                    | -     | 161.33           |
| <b>Total</b>                         | -                    | -     | <b>4,175.70</b>  |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

|                                      | As at March 31, 2020 |          |                  |
|--------------------------------------|----------------------|----------|------------------|
|                                      | FVTPL                | FVOCI    | Amortised cost   |
| <b>Financial assets</b>              |                      |          |                  |
| <b>Non-current</b>                   |                      |          |                  |
| Investments in equity instrument*    | -                    | -        | -                |
| Other financial assets               |                      |          |                  |
| -Loans                               | -                    | -        | 40.47            |
| <b>Current</b>                       |                      |          |                  |
| Trade receivables                    | -                    | -        | 606.30           |
| Cash and cash equivalents            | -                    | -        | 524.07           |
| Bank balances other than above       | -                    | -        | 9,086.00         |
| Other financial assets               |                      |          |                  |
| - Loans                              | -                    | -        | 9.80             |
| - Interest accrued on fixed deposits | -                    | -        | 231.15           |
| <b>Total</b>                         | <b>-</b>             | <b>-</b> | <b>10,497.79</b> |
| <b>Financial liabilities</b>         |                      |          |                  |
| <b>Current</b>                       |                      |          |                  |
| Trade payables                       | -                    | -        | 1,574.12         |
| Other financial liabilities          |                      |          |                  |
| - Lease liability                    | -                    | -        | 37.54            |
| - Others                             | -                    | -        | 74.89            |
| <b>Total</b>                         | <b>-</b>             | <b>-</b> | <b>1,686.55</b>  |

\* Investment value excludes investment in associate of ₹ 90 lakhs and investment in joint ventures of ₹ 75.50 lakhs, which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

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

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

|  | Carrying Value | As at March 31, 2021 |          |          |
|--|----------------|----------------------|----------|----------|
|  |                | 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 | -        |
| Other financial assets   | 202.23         | -                    | -        | 202.23   |
| <b>Financial liabilities</b>   |                |                      |          |          |
| <b>Liabilities carried at amortised cost for which fair values are disclosed</b> |                |                      |          |          |
| Trade payables   | 3,570.73       | -                    | -        | 3,570.73 |
| Lease liability  | 443.64         | -                    | -        | 443.64   |
| Others   | 161.33         | -                    | -        | 161.33   |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021

|  | Carrying Value | As at March 31, 2020 |          |          |
|--|----------------|----------------------|----------|----------|
|  |                | 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  | 606.30         | -                    | -        | 606.30   |
| Cash and cash equivalents  | 524.07         | -                    | 524.07   | -        |
| Bank balances other than above   | 9,086.00       | -                    | 9,086.00 | -        |
| Other financial assets   | 281.42         | -                    | -        | 281.42   |
| <b>Financial liabilities</b>   |                |                      |          |          |
| <b>Liabilities carried at amortised cost for which fair values are disclosed</b> |                |                      |          |          |
| Trade payables   | 1,574.12       | -                    | -        | 1,574.12 |
| Lease liability  | 37.54          | -                    | -        | 37.54    |
| Others   | 74.89          | -                    | -        | 74.89    |

**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:

- 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.

**g. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

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

|  | March 31, 2021  | March 31, 2020  |
|--|-----------------|-----------------|
| Total liabilities                        | 4,472.69        | 1,973.51        |
| Less: cash and cash equivalents          | 389.73          | 524.07          |
| <b>Adjusted net debt</b>                 | <b>4,082.96</b> | <b>1,449.44</b> |
| Total equity                             | 17,817.45       | 16,957.44       |
| Equity & net debt                        | 22,679.87       | 18,406.88       |
| <b>Adjusted net debt to equity ratio</b> | <b>0.18</b>     | <b>0.08</b>     |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**h. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

**Risk management framework:**

The Company's principal financial liabilities other than derivatives comprise trade and other payables, employees related payables, interest accrued, security deposit and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision.

**A. Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

**B. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

**i) Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

| <b>Particulars</b>                 | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|------------------------------------|-----------------------|-----------------------|
| Neither past due nor impaired      | 3,037.62              | -                     |
| 0-180 days                         | 73.07                 | 603.29                |
| more than 180 days                 | 7.15                  | 7.60                  |
| <b>Total</b>                       | <b>3,117.84</b>       | <b>610.89</b>         |
| Trade receivables- credit impaired | 7.15                  | 4.59                  |
| <b>Closing Balance</b>             | <b>3,110.69</b>       | <b>606.30</b>         |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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.

The following table summarises the change in the impairment allowances measured using expected credit loss model (ECL):

|                                     | <b>ECL for trade receivables</b> |
|-------------------------------------|----------------------------------|
| <b>As at 01/01/2019</b>             | -                                |
| Provided/(reversal) during the year | 4.59                             |
| <b>As at 31/03/2020</b>             | <b>4.59</b>                      |
| Provided/(reversal) during the year | 2.56                             |
| <b>As at 31/03/2021</b>             | <b>7.15</b>                      |

**C. Liquidity risk**

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

The Company's primary sources of liquidity include cash deposits, short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2021, Company doesn't have any outstanding borrowing.

**Exposure to liquidity risk:**

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

**March 31, 2021**

|   | <b>Less than<br/>1 year</b> | <b>1-5 years</b> | <b>More than<br/>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>                |

**March 31, 2020**

|   | <b>Less than<br/>1 year</b> | <b>1-5 years</b> | <b>More than<br/>5 years</b> |
|---|-----------------------------|------------------|------------------------------|
| <b>Non derivative financial liabilities</b> |                             |                  |                              |
| Trade payables                              | 1,574.12                    | -                | -                            |
| Lease liability                             | 37.54                       | -                | -                            |
| Other financial liabilities                 | 74.89                       | -                | -                            |
|   | <b>1,686.55</b>             | -                | -                            |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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

Pursuant to the Scheme of Arrangement (“the Scheme”) under Section 230 to 232 of the Companies Act, 2013 between Sharda Motor Industries Limited (SMIL) (“the demerged company”) and NDR Auto Components Limited (NACL) (“the resulting company”) as approved by the National Company Law Tribunal (NCLT), Delhi on February 20, 2020:

- a) NACL has recorded the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective book values thereof.
- b) NACL has credited its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL in the following proportion:  
for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date i.e. March 27, 2020, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL
- c) In respect of cancellation of shares held by SMIL, NACL has debited to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL.
- d) The difference between a) and b) above has been recorded as capital reserve.

The company is in the process to complete certain reconciliation and procedural requirements

Summary of assets and liabilities transferred from SMIL to NACL pursuant to demerger are as under:

| <b>S. No.</b> | <b>Particulars</b>                       | <b>As at<br/>December 31, 2018</b> |
|---------------|--|------------------------------------|
| I             | <b>Assets</b>                            |                                    |
|               | <b>Non current assets</b>                |                                    |
|               | a) Property, plant and equipment         | 3,988.26                           |
|               | b) Capital work in progress              | 6.50                               |
|               | c) Intangible assets                     | 8.02                               |
|               | d) Financial assets                      |                                    |
|               | i) Investments                           | 165.50                             |
|               | ii) Other financial assets               | 49.85                              |
|               | <b>Total non-current Assets</b>          | <b>4,218.13</b>                    |
|               | <b>Current assets</b>                    |                                    |
|               | a) Inventories                           | 945.49                             |
|               | b) Financial assets                      |                                    |
|               | i) Investments                           | 1,427.33                           |
|               | ii) Trade receivables                    | 1,739.12                           |
|               | iii) Cash and cash equivalents           | 1,246.11                           |
|               | iv) Bank balances other than (iii) above | 6,071.56                           |
|               | v) Other financial assets                | 8.84                               |
|               | c) Other current assets                  | 10.32                              |
|               | d) Asset classified as held for sale     | 0.08                               |
|               | <b>Total current assets</b>              | <b>11,448.85</b>                   |
|               | <b>Total assets</b>                      | <b>15,666.98</b>                   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

| <b>S. No.</b> | <b>Particulars</b>   | <b>As at<br/>December 31, 2018</b> |
|---------------|--|------------------------------------|
| II            | <b>Liabilities</b>   |                                    |
|               | <b>Non-current liabilities</b>   |                                    |
|               | a) Provisions  | 14.73                              |
|               | b) Other non-current liabilities   | 183.55                             |
|               | <b>Total non-current liabilities</b>                                       | <b>198.28</b>                      |
|               | <b>Current liabilities</b>   |                                    |
|               | a) Financial liabilities   |                                    |
|               | i) Trade payables  |                                    |
|               | · Total outstanding dues to micro and small enterprises                    | -                                  |
|               | · Total outstanding dues to parties other than micro and small enterprises | 2,074.39                           |
|               | ii) Other financial liabilities  | 1.38                               |
|               | b) Other current liabilities   | 244.61                             |
|               | c) Provisions  | 29.13                              |
|               | <b>Total current liabilities</b>   | <b>2,349.51</b>                    |
|               | <b>Total liabilities</b>   | <b>2,547.79</b>                    |

**Details of contingent liabilities pertaining to automobile seating undertaking**

| <b>Details of contingent liabilities of seating business</b> |              |
|--|--------------|
| <b>As on December 31, 2018</b>                               |              |
| Excise matter  | 2.96         |
| Labour court matter  | 23.28        |
| <b>Total</b>   | <b>26.24</b> |
| <b>Other civil case</b>                                      |              |
| Civil - case (Pathredi)                                      | 3.59         |
| <b>Total</b>   | <b>3.59</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. 11.12 lakhs (31st March 2020: 34.18 lakhs).

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 8.25%.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

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<br>31st March 2021 | As at<br>31st March 2020 |
|--|--------------------------|--------------------------|
| Opening balance /reclassified on account of adoption of Ind AS 116 | 37.54                    | -                        |
| Addition during the year   | 450.91                   | 80.79                    |
| Add: Accretion of interest   | 4.25                     | 4.82                     |
| Less: Principal repayment of lease liability                       | 44.81                    | 43.25                    |
| Less: Payment of interest on lease liability                       | 4.25                     | 4.82                     |
| <b>Closing balance</b>   | <b>443.64</b>            | <b>37.54</b>             |
| Non current lease liability (Refer note 22)                        | 417.23                   | -                        |
| Current lease liability (Refer note 22)                            | 26.41                    | 37.54                    |

- k. Following are the restatement made in the current year financial statements in relation to previous year's figures:

(Rs. in lakhs, except as otherwise stated)

|   | As at<br>31st March, 2020 | Reclassification | As at<br>31st March, 2020<br>restated |
|---|---------------------------|------------------|---------------------------------------|
| <b>ASSETS</b>   |                           |                  |                                       |
| Other non-current assets                              | 0.32                      | 11.11            | 11.43                                 |
| Other financial assets ( current)                     | 510.59                    | (269.64)         | 240.95                                |
| Other current assets                                  | 115.33                    | 269.64           | 384.97                                |
| <b>EQUITY AND LIABILITIES</b>                         |                           |                  |                                       |
| Trade payables-other than micro and small enterprises | 1,495.82                  | 11.11            | 1506.93                               |
| <b>EXPENSES</b>                                       |                           |                  |                                       |
| Other expenses - factory expenses                     | 897.72                    | 83.25            | 980.97                                |
| Other expenses - manufacturing expenses               | 12.23                     | (12.23)          | -                                     |
| Other expenses - communication cost                   | 5.03                      | (5.03)           | -                                     |
| Other expenses - packing material                     | 2.38                      | (2.38)           | -                                     |
| Other expenses - miscellaneous expenses               | 122.76                    | (122.76)         | -                                     |

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

- i. **Dividend paid and proposed:**

(Rs. in lakhs, except as otherwise stated)

| Particulars  | Year Ended<br>31st March, 2021 | Year Ended<br>31st March, 2020 |
|--|--------------------------------|--------------------------------|
| <b>Proposed dividend on equity shares</b>                          |                                |                                |
| Proposed dividend for the year ended 31st March, 2021              | 59.46                          | -                              |
| Re. 1 per equity share (31st March, 2020 Rs. Nil per equity share) |                                |                                |
| <b>Total</b>   | <b>59.46</b>                   | <b>-</b>                       |

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2021**

- m.** 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.
- n.** Events occurring after balance sheet date  
There are no major events which has occurred after the balance sheet date.
- o. Impact of Covid-19 Pandemic:**  
Consequent to the uncertainties caused due to continuation of Covid-19 pandemic, the Company has considered the possible effects that may result from this pandemic in the preparation of these financial statements and has done a detailed 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 situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of Covid-19 and due to which the Company will continue to closely monitor any material changes to future economic conditions, if any.
- p.** Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.
- q.** Note no. 1 to 36 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

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

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

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

**Rajat Bhandari**  
Executive Director  
DIN: 02154950

**Neeraj Bansal**  
Partner  
Membership no. 095960

**Nitasha Sinha**  
Company Secretary

**Vinod Kumar**  
Chief Financial Officer

Place: Delhi  
Date: May 26, 2021