

SMK

STUDDS
RIDE YOUR DREAMS

Envisioning a Safer Mobility

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Cautionary statement

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Rapid urbanisation, burgeoning population, growing workforce and increasing disposable incomes have led to a rapid growth of the two-wheelers segment. The pandemic has also played an important role in accelerating this shift.

But the increasing instances of road accidents associated with two-wheelers has contributed to worrisome statistics on the subject of road safety. When it comes to road safety, STUDDS has managed to establish itself as a trusted brand of helmets and riding gear in India and internationally with over 50 million customers.

We are committed to deliver excellence while keeping safety at the core of our safe yet stylish products. Be it through product innovation, or expanding the ecosystem, we aspire to capitalise on the opportunities that emerge due to transformational shift towards personal mobility.

Our ability to keep pace with the evolving demand of our customers has helped in improving business profitability. With our innovative edge, combined with our understanding of evolving style, we have created a distinct identity of being a safe, youthful and innovative brand. Leveraging our brand credibility and technological prowess, we are now geared up to expand our horizons.



Established in 1983, STUDDS today is the largest and one of the leading manufacturer of helmets in the world. STUDDS has a presence in more than 50 countries throughout the world, including Europe, Asia, Latin America, and the Middle East, and offers a comprehensive selection of two-wheeler helmets and accessories.

About

Our company has four backward integrated state-of-art manufacturing facilities that develop helmets and motorcycle accessories that cater to the needs of the consumers. These facilities have capacity of manufacturing over 14 million helmets every year.

Our R&D team continuously innovates and experiments with different designs. The team also tests the product rigorously to ensure the safety and comfort of the product. The helmets are manufactured with the latest technology and have all the necessary certifications.

5.9 Million

Helmets sold in FY22

25.66%

Market share in India

Largest*

Manufacturer of helmets in the world

*Source: Frost & Sullivan report dated August, 2018.

US



Mission Statement

We aim to become the top helmet company in the world and provide safety to every two-wheeler rider. A rider who is not just travelling but also carrying with himself dreams, dreams which are associated with individual, family, society as well as nation.

We at STUDDS believe that dreams differentiate the better from the best and hence it's our small effort in the journey of the individual to fulfil his dreams. As we touch millions of lives every year, we continue to ride on this trust with our passion to produce safe, innovative, comfortable yet quality products.



Our business verticals

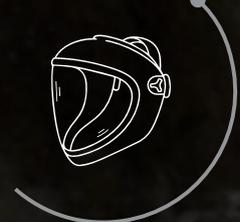
Helmets



Motorcycle accessories



Bicycle helmets



Face shields,
face masks



Our global presence



- ARGENTINA
- AUSTRALIA
- AUSTRIA
- AZERBAIJAN
- BANGLADESH
- BAHRAIN
- BELARUS
- BERMUDA
- BRAZIL
- CANADA
- CHILE
- COSTA RICA
- CAMBODIA
- DENMARK
- EL SALVADOR
- FRANCE
- GERMANY
- GUATEMALA
- ISRAEL
- ITALY
- IVORY COAST
- KUWAIT
- KENYA
- MALAYSIA
- MALAWI
- MALDIVES
- MAURITIUS
- MEXICO
- NEPAL
- NETHERLANDS
- NIGERIA
- PAKISTAN
- PANAMA
- PHILIPPINES
- POLAND
- PORTUGAL
- QATAR
- REPUBLIC OF KOREA
- SENEGAL
- SPAIN
- ST KITTS
- SRI LANKA
- TAIWAN
- TANZANIA
- THAILAND
- TURKEY
- U.A.E.
- UGANDA
- UK
- URUGUAY
- UNITED STATE
- USA
- UKRAINE
- VENEZUELA
- ZAMBIA

*Including countries to which export was made in past.

8

New countries targeted



Exports in
50+
Countries

79.55%

Of total sales from domestic sale

20.45%

Of total sales from exports

Message from Chairman and Managing Director



Dear Shareholders,

It gives me great pleasure to present to you the annual performance report of your Company for the financial year ended March 31, 2022.

The year under review has been about change, resilience, resetting priorities and the drive towards achieving our dreams. The deadly second wave of the pandemic, which upended lives and livelihoods and cratered the world economy, and the geopolitical conflict, which led to supply side problems, elevated input costs and

Our vision for safer mobility in the future combined with our agility aided us in delivering a robust performance recording a revenue of ₹ 4625.07 Million during financial year 2021-22.

runaway inflation, could not dent our spirit as we navigated the challenges to emerge resilient.

Robust performance

Our vision for safer mobility in the future combined with our agility aided us in delivering a robust performance recording a revenue of ₹ 4625.07 during financial year 2021-22. Our EBITDA and PAT stood at ₹ 597.05 million and ₹ 286.37 million respectively.

As the lingering effects of the pandemic waned and demand saw a pick up, we were able to quickly respond to the increased market demand in the second half of the fiscal and we managed to deliver on all fronts. Even though the environment has been challenging, we continued to invest in innovation to offer high-quality products.

Adapting to the constantly changing conditions, transforming our methods as well as processes and working together relentlessly have resulted in our success and continuous growth.

External tailwinds

With the number of road accidents on the rise, governments around the world are placing stringent rules on the use of helmets. Wearing of helmets certified by Indian Standards Institution (ISI) have been compulsory in India. In addition, electric two-wheelers in India have received a massive push in FY 2021-22, with a growth of 460% over FY 2020-21. With the advent of EVs, having top speed of more than 25km/hr wearing of helmet has been made compulsory for the riders.

As the market develops, choices will shift towards 'aggressive helmets' both in terms of design and graphics. Demand is also set to move from unorganised to organised markets as demand for quality products increases.

At STUDDS, we have always been consistent in understanding the wishes of our customers and delivering value. Given the number of opportunities in the market, we continue to leverage our innovative strengths and ability of experimenting with new designs. In line with this, we have made notable launches during the fiscal year

In all our business endeavours, it is our employees whose hard work and dedication helps us attain new heights. We therefore strive to provide a conducive work environment to our employees which help them reach their full potential. We provide various training and skill development programmes to enable to aid in the growth and holistic development of our people. Through excellent engagement initiatives, we strengthen their leadership capabilities and improve their overall performance.

On a strong growth trajectory

As we look forward, we have confidence in our growth prospects. With favourable policies, a continued demand for two-wheeler helmets and our strategic capacity expansions, we will continue on our strong growth trajectory in FY 2022-23.

I would like to conclude by thanking our shareholders for their unwavering faith in us. I would also thank our team members for their tireless contributions and with their support, we would unlock the next chapter of growth.

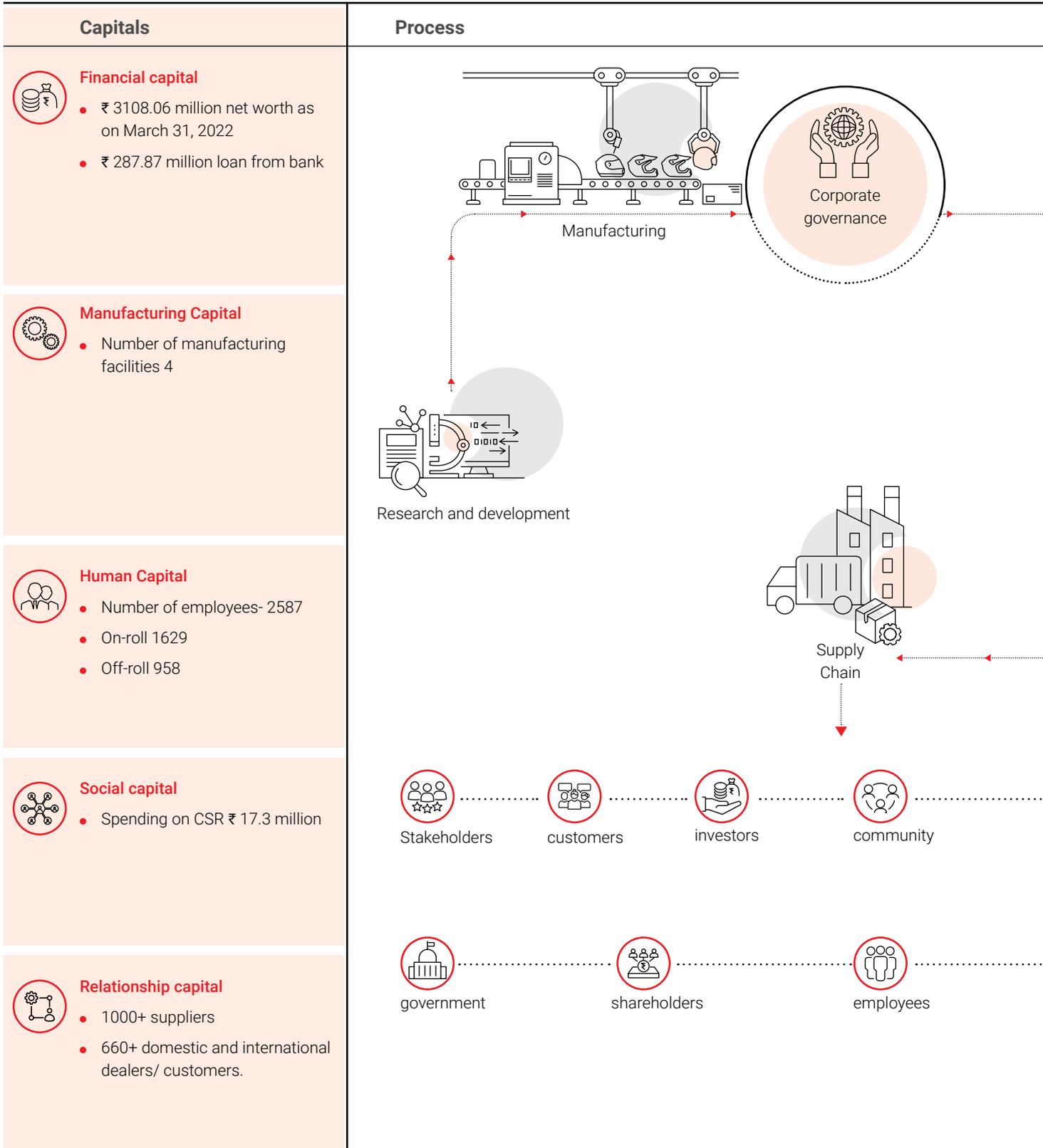
Regards,

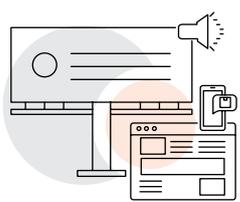
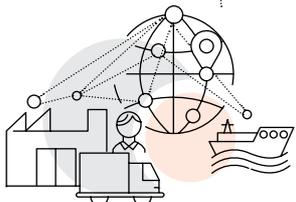
Madhu Bhushan Khurana

Chairman and Managing Director

DIN: 00172770

Business model

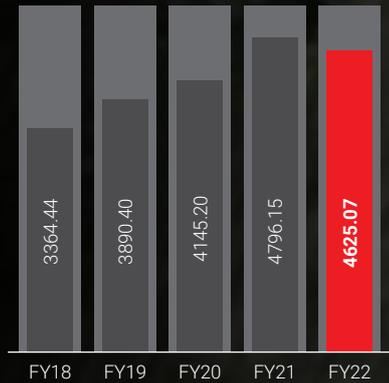


	Output	Outcome	SDGs linked
 <p>Branding and marketing</p>  <p>Distribution</p>	<p>Financial capital</p> <ul style="list-style-type: none"> ₹ 286.38 million PAT 6.15 % PAT margin ₹ 597.05 Million EBITDA ₹ 14.55 EPS 16.58% ROCE <hr/> <p>Manufacturing Capital</p> <ul style="list-style-type: none"> more than 60 Lakhs of helmets and luggage produced more than 59 Lakhs of helmets and luggage sold 25.66%* market share in two wheeler helmet market <p><small>*Source: Frost & Sullivan report dated August, 2018.</small></p> <hr/> <p>Human Capital</p> <ul style="list-style-type: none"> attrition rate of around 14% 4% Gender diversity ratio (on-roll staff & workman) 	<ul style="list-style-type: none"> Strong financials of the company Consistent and sustainable growth of business. <hr/> <ul style="list-style-type: none"> Production of high quality products while reducing environmental impact. <hr/> <ul style="list-style-type: none"> Engaged work force Development of skills and abilities of the employee Creation of a healthy and safe work environment. 	 <p>Decent work and economic growth</p> <hr/>  <p>Responsible consumption and production</p> <hr/>  <p>Gender equality</p>
 <p>suppliers</p>  <p>trade partners</p>	<p>Social capital</p> <ul style="list-style-type: none"> facilitate education to underprivileged children (including disable children). promoting environment stability by development & maintenance of public parks in Faridabad. <hr/> <p>Relationship capital</p> <ul style="list-style-type: none"> 90% customer satisfied 	<ul style="list-style-type: none"> Value creation for society and communities <hr/> <ul style="list-style-type: none"> Strengthening relationship with stakeholder 	 <p>Good health and well being</p> <hr/>  <p>partnership to achieve goal</p>

Financial highlights

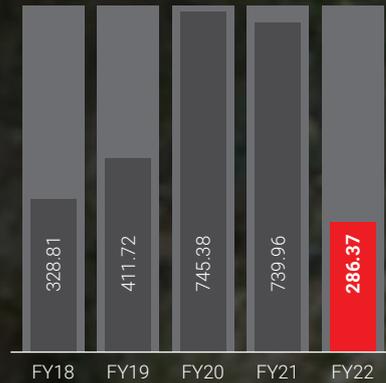
Revenue

(₹ in millions)



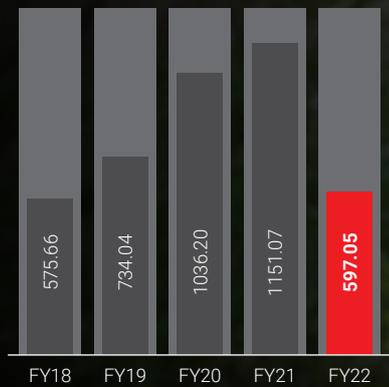
PAT

(₹ in millions)



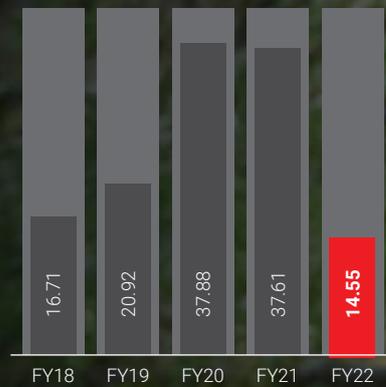
EBITDA

(₹ in millions)



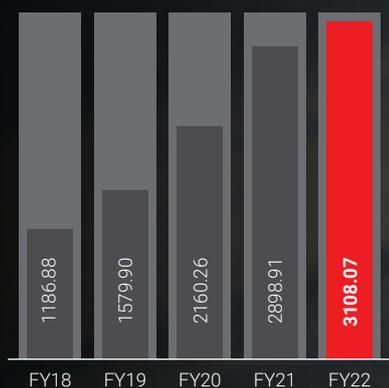
EPS

(₹ per share)



Net worth

(₹ in millions)







Inno

At STUDDS, safety and comfort are of the utmost importance for development of new products. Regular innovation in design and rigorous R&D in safety of the product is important to maintain our competitive edge.

novation

Products are developed keeping in mind the aesthetic demands of the customers, new trends in the market and the safety regulations. Our aim is to deliver safety of helmet with a good design that increases our market reach.

Our products go through multiple levels of testing to guarantee the safety, durability and functionality of the product. The sample of the products that pass the test are approved for production and the ones that fail the test are rejected and sent back for modification and redesigning.

12 highly
experienced
employees

In the R&D team

5

New designs

<1%

Rejection rate during in house quality inspection.

**Electronics design
& development
in-house**

Products go through

25 checks

before approval

Governments around the world are starting to take initiatives to place stringent rules on the use of helmets. With the number of road accidents increasing, the authorities are trying to mitigate this by promoting and mandating the use of helmets.

Opportunity

STUDDS is always consistent in understanding wishes of customers and delivering the value to the same. We continue to leverage our innovative strengths and ability of experimenting with new designs to capture all the growing opportunities in the market.



unities

Motor Vehicles Act of 1988, mandate wearing of helmet in India¹

The growing market of EV segment also presents new opportunities for the Company. EVs with their top speed more than 25km/hr require helmets as a compulsory component in India. Electric two wheelers in India have experienced a big rise in FY 2022, with a growth of 460% over FY 2021.²

¹<https://www.tataaig.com/knowledge-center/two-wheeler-insurance/helmet-laws-in-india>

²rushlane.com/electric-two-wheeler-sales-fy-2022-hero-ola-12431922.html

2,31,338 units

of electric two wheelers sold in FY 2022
in India

460%

Growth since FY 2021

New Laun





DRIFTER D1



PROFESSIONAL D1



RAY UNICOLOR

ches



Studds Shifter D5



TRACK D3

Employee engagement

An engaged workforce is important for our organization to carry out operations swiftly and deliver on our purpose. We want to provide an environment in which all employees feel comfortable, appreciated, and included, and where each employee may make a distinctive contribution.

We strive to motivate our employees and promote development of skills by providing various training programmes to help them in their corporate as well as personal growth. Through excellent engagement, we accelerate our people's growth, increase and strengthen our leadership capabilities, and improve employee performance.

2,587

Total employees

around **14%**

Total attrition

5,000+

hours Of training imparted in FY 22

1629

On-roll employees

958

Off-roll employees

212

Number of training programmes conducted

Corporate information

Directors

Mr. Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Mr. Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Mr. Shanker Dev Choudhry
Independent Director
DIN: 07094705

Ms. Pallavi Saluja
Woman Independent Director
DIN: 07006557

Mr. Pankaj Duhan
Independent Director
DIN: 08093989

Chief Financial Officer

Mr. Manish Mehta

Company Secretary

Mr. Hitesh Wadhwa

Bankers

HDFC Bank

Auditors

M/s Rajan Chhabra & Co.



Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

Strong consumer expenditure and moderate investment growth drove the global recovery output in Year 2021. However, by the end of 2021, major economies including China, the European Union (EU), and the United States (US) had slowed dramatically as the effects of fiscal and monetary stimulants faded and serious supply-chain disruptions arose.

The economic momentum has been lower in most developing and transitional economies. Global growth rose to 6.1 percent in 2021 as a consequence of a relaxation of pandemic-related lockdowns in some countries.¹

The emergence of a new virus variant is not the only risk that has crystallised in recent months. Inflation continued to grow in the second half of Year 2021, owing to a several factors of varying importance across regions. Over the last year, fossil fuel prices have risen, raising energy cost and increasing inflation. In addition, continued supply chain disruptions, clogged ports, increased import costs, and increasing demand for goods prompted central banks to contemplate changing the policy rates.

The conflict between Russia and Ukraine has resulted in economic consequences resulted in a major halt in global economic growth during last quarter of FY 21-22. In many nations, higher, wider, and more persistent price pressures prompted monetary policy tightening.

Europe

The EU economy is recovering faster than projected from the pandemic contraction. As vaccination efforts advanced and were gradually relaxed, the economy began to open up, and growth resumed.

The labour market is expected to complete its recovery next year as the economy grows. In 2022 and 2023, an estimated 3.4 million jobs are expected to be generated, bringing the EU unemployment rate down to 6.5 percent in 2023.

Rising energy prices, particularly for natural gas and electricity, specially after Russia and Ukraine conflict, are likely to slowdown the development. After falling sharply in 2020, energy prices have increased at a tumultuous pace and are now above pre-pandemic levels. High wholesale energy costs are making their way into consumer and producer retail prices, though at a varying degree and at varying rates across nations, with possible consequences for consumption and business investment.²

Latin America

The Latin America region is on track of recovering to previous levels of Growth Domestic Product (GDP) and employment rate. The health crisis will have a long-term impact on the region's economies as it still faces major uncertainties such as the emergence of new variants of the virus, global inflation and the conflict between Russian and Ukraine.

After a 6.9% rebound in 2021, regional Gross Domestic Product (GDP) is expected to grow by 2.3% in 2022 and a further 2.2% in 2023, with most countries reversing GDP losses from the pandemic crisis. Regional growth projections have been revised downward by 0.4% following the Russian invasion of Ukraine

As for employment, it increased to pre-pandemic levels by the end of 2021, after a 20% drop. But the share of employment in organised sector has fallen by almost 5%. In fact, many of the new jobs, especially for women, are in small businesses that are often in unorganised sector.

Asia

The Asian region is expected to grow slightly faster in 2022 due to accelerated vaccination rates. Despite the fact that Asia and the Pacific continues to be the world's fastest growing region, the gap between Asian advanced economies and developing economies is widening. Vaccination coverage, and policy support, and medium-term output levels in emerging markets are expected to remain below pre-pandemic levels. Because of uncertain pandemic dynamics, vaccination effectiveness against viral variations, supply chain disruptions, and potential global financial spill overs from US monetary normalisation in the face of local financial weaknesses, the risks are skewed to the downside.³

INDIAN ECONOMIC OVERVIEW

The financial year 2021-22 was marked by a K shaped recovery for the economy as the second wave in April-June impacted health severely but not the economy. Following a decline of 7.3 percent in 2020-21, the Indian economy has registered growth of 8.7 percent in real terms in 2021-22.⁴

Inflation, on the other hand, has been steadily rising since September 2021, reaching ~6.1% in February 2022 as a result of rising oil prices, increased input costs, and supply chain disruptions .

¹ IMF World Outlook April 2022

² https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/autumn-2021-economic-forecast-recovery-expansion-amid-headwinds_en

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) has maintained an accommodating approach in order to promote economic growth while keeping inflation under control. India is at a crossroads in its development. Despite climate-related issues, new Covid-19 variations, growing unemployment, and healthcare challenges, the economy is anticipated to maintain its strong growth trajectory. Government programmes such as Product Linked Incentives (PLI), the National Monetisation Plan (NMP), the RBI's monetary policies and PM Gati Shakti - National Master Plan, are expected to drive the country's economic growth.

INDUSTRIAL OVERVIEW

Two – wheeler industry overview

Post pandemic the two-wheeler Industry has started to grow. The industry was witnessed as the best individual mobility, even in those locations with high quality public transportations. The industry had a turnaround in sales after months of poor performance owing to multiple factors including limited demand from rural areas.

The motorcycle industry is expected to achieve high growth due to the global growing demand for individual mobility.

Motorcycle and scooter dispatches increased year-on-year (y-o-y) basis. An early harvest coupled with a pent-up demand for weddings and festivals has significantly increase the sales. Last year's low base also made the y-o-y sales performance look impressive.

The two-wheeler segment has also grown with the increase in the purchasing power of urban and semi urban markets. Further, the low cost ownership of two- wheelers has been a major growth driver of this sector.⁵

Helmet industry overview

The helmets segment is expected to achieve significant growth because of the regulations that enforces the use of helmets for two wheeler riders as the number of road accidents has increased over the last decade. Governments are taking initiatives and implementing stringent regulations to bring down the number road accidents. Furthermore, apart from enhanced safety, these helmets are available in a variety of designs. The popularity of motorbike events and racing championships is rising on global level, which is further expected to contribute toward the growth of the global market. In addition, the expansion of online distribution channel is driving the helmet market growth, the convenience of selecting, purchasing, and receiving doorstep delivery, which attracts consumers to online channels, is expected to continue in the future and is likely to foster the market growth.⁶

COMPANY OVERVIEW

Incorporated in 1983, Studs Accessories Limited is the world's largest helmet manufacturer. The Company has its presence in 50+ countries. The Company strives to provide safety to two-wheeler riders by always focusing on innovation. Its aim is to never stop innovating and to provide only the best. A wide range of helmets and motorbike accessories represent this approach.

The business aims to provide its customers with high-quality innovative products. The Company believes that they are a part of a journey to help people realise their aspirations. With its safe, innovative, and comfortable products, the Company continues to build on the trust, helping millions of people live safer, more comfortable, and more attractive lives.

FINANCIAL HIGHLIGHTS

Figures in Rs. Millions	FY 2022	FY 2021
Revenue	4625.07	4796.15
EBITDA	597.05	1151.07
PBT	400.17	982.98
PAT	286.37	739.96
Net Worth	3108.07	2898.91

KEY RATIOS

RATIOS	FY 2022	FY 2021
Interest Coverage Ratio (in times)	14.09	29.37
Current Ratio (in times)	1.34	1.38
Net Debt Equity Ratio	0.47	0.50
Return on Equity (in %)	9.58	29.22
Net Profit (in %)	6.15	15.26
Return on Capital Employed (in %)	16.58	35.53

³ <https://www.imf.org/en/Publications/WEO/#:~:text=Description%3A%20The%20global%20economy%20is,2021%2C%20especially%20for%20Emerging%20Asia.>

⁴ RBI April Bulletin 2022

HUMAN RESOURCES

Human resources (HR) is a critical component of manufacturing firms' performance in terms of retaining a dedicated pool of skilled employees. The advantage is in developing capabilities to address the threats to the sector posed by the combination of macroeconomic and microeconomic factors. Aggressive HR strategies helps in retaining employees and developing their value. Another important role for HR in manufacturing organisations is to improve recruiting procedures and onboarding training in order to close the skill gap. The company has 1629 on-roll employees and 958 off-roll employees as on March 31, 2022. During the time under review, the Company's employees and associates has received more than 5,000 hours of training.

OPERATIONAL HIGHLIGHTS

The company is one of the world's largest manufacturers of motorcycle helmets and accessories. The firm has around 40 years of expertise developing unique solutions to enhance two-wheeler rider's safety. It has a large selection of two-wheeler helmets and accessories, as well as cutting-edge manufacturing facilities capable of producing around 14 million helmets each year. The four manufacturing facilities are strategically located in Faridabad. The company also has a robust global presence in over 50 countries across Europe, Asia, Latin America, and the Middle East. The Company's constant attention on safety, style, design, and quality, has left an indelible impression on customers. During the year under review, the company manufactured more than 6 million helmets while clocking sales of 5.9 million helmets.

MANAGEMENT OUTLOOK

The Company aspires to be the world's top helmet manufacturer, assuring the style and safety of every two-wheeler rider wearing our helmet. The employees of the Company company works tirelessly and regularly to deliver high quality and innovative products. Every year, we touch millions of people, and we continue to build on that trust by combining our passion for

creating safe, creative, comfortable, and high-quality products. A rider who is not only travelling but also carries hopes, dreams that are connected to the person, family, community, and the nation. We believe dreams inspire people and brings best out of every individual.

RISK MANAGEMENT

Internal control mechanisms back up the company's risk management policy. The risk management framework is made up of rules and procedures developed at the executive level. At various levels of the company, the framework also outlines the risk management methodology. The core business operations, functions, and procedures all include risk management. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also includes risk control methods and action plans for the future.

CAUTIONARY STATEMENT

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified and unidentified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

⁵ <https://www.motorcyclesdata.com/2022/03/10/world-motorcycles-market/>

⁶ <https://www.businesswire.com/news/home/20220505005559/en/Motorcycle-Helmet-Market-Global-Opportunity-Analysis-and-Industry-Forecast-to-2030-by-Product-Type-End-User-and-Distribution-Channel---ResearchAndMarkets.com>

Board's Report

To
Members
Studds Accessories Limited

Your directors have pleasure in presenting the 40th Board's Report, together with the Audited Financial Statements, for the financial year ended March 31, 2022.

1. FINANCIAL PERFORMANCE

The standalone and consolidated financial statements for the financial year ended March 31, 2022, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The Company's financial performance during the financial year 2021-22 as compared to the previous financial year 2020-21 is summarized below:

(Rupees in millions)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	4625.07	4796.15	4625.07	4796.15
Other Income	54.77	45.95	54.77	45.95
Total Income	4679.84	4842.10	4679.84	4842.10
Profit before Finance Cost, Depreciation and Amortization Expenses	597.05	1151.07	597.04	1151.05
Finance Cost	30.56	34.64	30.56	34.64
Profit before Depreciation	566.49	1116.43	566.48	1116.41
Depreciation	166.32	133.45	166.32	133.45
Profit Before Tax	400.17	982.98	400.16	982.96
Tax Expenses				
Current Tax	80.53	227.01	80.52	227.01
Deferred Tax	26.32	37.53	26.32	37.53
Tax Related to earlier periods	6.95	(21.52)	6.95	(21.52)
Profit after tax	286.37	739.96	286.36	739.94
Face Value per Equity Share (in Rs.)	5/-	5/-	5/-	5/-
Earnings Per Share				
Basic EPS	14.55	37.61	14.55	37.61
Diluted EPS	14.55	37.61	14.55	37.61

2. COMPANY'S PERFORMANCE

During the financial year under review revenue was Rs. 4625.07 million in FY 2021-22, as compared to Rs. 4,796.15 million in FY 2020-21. The EBITDA was at Rs. 597.05 million in FY 2021-22 as compared to Rs. 1151.07 in FY 2020-21. Net Worth stood at Rs. 3108.07 million in FY 2021-22 as compared to Rs. 2898.90 million for FY 2020-21. Total comprehensive income for the period stood at Rs. 287.85 million in FY 2021-22 as compared to Rs. 739.14 in FY 2020-21.

3. DIVIDEND

The Board recommends a dividend of Rs. 3/- per equity share (60% of face value of Rs. 5/- per share) for the year ended March 31, 2022 amounting to Rs. 59.03 million. No amount was carried to general reserves.

4. RESERVES

During the financial year 2021-22, NIL amount has been transferred to General Reserve.

5. MATERIAL CHANGES AND COMMITMENTS

The Board of Directors at its meeting held on March 05, 2022, sought the approval of the members/ shareholders of the Company through postal ballot only by remote e-voting process, on the Special Resolution(s) related to (a) Shifting of Registered Office of the Company within the State of Haryana. and (b) Amendment of the object clause in the Memorandum of Association of the Company. The e-voting period ended on April 14, 2022, both the said Special Resolution(s) were passed with requisite majority on same

date. Accordingly, the registered office of the company was shifted to Plot No. 918, Sector 68, IMT, Faridabad-121004, Haryana with effect from April 14, 2022, and the amendment in the object clause in the Memorandum of Association of the Company was registered by Register of Companies with effect from April 19, 2022.

No other material changes and commitments have taken place during the financial year 2021-22 to which Balance Sheet and Board Report relate, which affects the financial position of the Company except elsewhere mentioned in this report.

6. CHANGE IN THE NATURE OF BUSINESS

During the financial year 2021-22, there is no change in the nature of business of the Company.

7. CREDIT RATINGS

Particular	Revised**	Previous*
Long term rating (Long term bank facilities)	CARE A+; Stable (Single A Plus; Outlook: Stable)	A/Positive (long term)
Short term rating (Short term bank facilities)	CARE A1+ (A One Plus)	A1 (short term)

*Rating awarded by CRISIL Limited on December 07, 2020.

**Rating awarded by CARE Ratings Limited on March 28, 2022.

8. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the during the financial year 2021- 22.

9. SHARE CAPITAL

During the financial year 2021-22, there is no change in the Share Capital of the Company.

10. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2022, the Company has one wholly owned subsidiary company SMK EUROPE UNIPESOAL LD which was incorporated on July 30, 2019.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary company in Form AOC-1 has been given in **Annexure-1**. The statement also provides details of performance and financial position of the subsidiary. Financial Statement together with related information and other reports of the subsidiary company have also been placed on the website of the Company at <https://www.studds.com/investor-relations>.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future. However, members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2022, the Board comprised two Executive Directors and three non-executive Independent Directors including one Woman Independent Director, during the period under review there is no change in composition of Board of Directors.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules made there under.

The names of all Independent Directors of the Company are included in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"), in terms of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2020.

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the company's articles of association, Mr. Sidhartha Bhushan Khurana (DIN: 00172788), retires by rotation at the forthcoming Annual General Meeting (AGM) and is offering himself for re-appointment.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on August 27, 2022, approved and recommended the following for approval by shareholders/ members of the Company in the ensuring Annual General Meeting of the Company:

- re-appointment of Mr. Sidhartha Bhushan Khurana (DIN: 00172788) as Managing Director of the Company and to fix his remuneration for a period of five (5) years.
- re-appointment of Mr. Pankaj Duhan (DIN 08093989) as an Independent Director of the Company for a period of five (5) years.

Mr. Madhu Bhushan Khurana, Chairman and Managing Director and Mr. Sidhartha Bhushan Khurana, Managing Director are related to each other in accordance with section 2 (77) of the Companies Act, 2013 read Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

The Directors of the Company as on March 31, 2022:

Sl. No	Name of the Director	Director Identification Number	Designation
1	Mr. Madhu Bhushan Khurana	00172770	Chairman and Managing Director (Executive Director)
2	Mr. Sidhartha Bhushan Khurana	00172788	Managing Director (Executive Director)
3	Mr. Shanker Dev Choudhry	07094705	Independent Director (Non-Executive)
4	Ms. Pallavi Saluja	07006557	Woman Independent Director (Non-Executive)
5	Mr. Pankaj Duhan	08093989	Independent Director (Non-Executive)

Key Managerial Personnel of the Company as on March 31, 2022:

Sl. No	Name of the Key Managerial Personnel	Designation
1	Mr. Madhu Bhushan Khurana	Chairman and Managing Director
2	Mr. Sidhartha Bhushan Khurana	Managing Director
3	Mr. Manish Mehta	Chief Financial Officer
4	Mr. Hitesh Wadhwa	Company Secretary

Note: During the period under review Mr. Hitesh Wadhwa, was appointed as Company Secretary w.e.f August 25, 2021 and there was is no other change in Directors and Key Managerial Personnel of the Company.

13. INDEPENDENT DIRECTORS MEETING

During the year under review, a separate meeting of the Independent Directors of the Company was held on December 18, 2021, without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board in terms of Schedule IV of the Companies Act, 2013. All the Independent Directors of the Company were present in the meeting.

The entire board, excluding the independent director being evaluated, did the performance evaluation of independent directors.

14. MEETING OF BOARD OF DIRECTORS

The Board met four (4) times during the financial year ended March 31, 2022, i.e. on August 9, 2021, August 25, 2021, December 18, 2021, and March 05, 2022.

The Details regarding attendance of directors in the above said board meetings are as follows:

Name	Director Identification Number	Designation	No of Meetings Attended
Mr. Madhu Bhushan Khurana	00172770	Chairman and Managing Director (Executive Director)	4
Mr. Sidhartha Bhushan Khurana	00172788	Managing Director (Executive Director)	4
Mr. Shanker Dev Choudhry	07094705	Independent Director (Non-Executive)	3
Ms. Pallavi Saluja	07006557	Woman Independent Director (Non-Executive)	4
Mr. Pankaj Duhan	08093989	Independent Director (Non-Executive)	1

15. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134 (3)(c) and 134 (5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

- in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable.
- your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for prevention and detecting of fraud and other irregularities.
- your directors have prepared the annual accounts have been prepared on a going concern basis.

5. internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively. and
6. your directors have devised proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

16. COMMITTEES OF THE BOARD

Currently, the Board has following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Corporate Social Responsibility Committee
- (d) Stakeholder's Relationship Committee

(a) AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has constituted an Audit Committee and that the composition of the Audit Committee as on March 31, 2022, is as under:

Name	Director Identification Number	Designation
Mr. Shanker Dev Choudhry	07094705	Chairperson (Independent Director, Non Executive)
Ms. Pallavi Saluja	07006557	Member (Woman Independent Director, Non-Executive)
Mr. Pankaj Duhan	08093989	Member (Independent Director, Non-Executive)
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)

The Company Secretary of the Company acts as Secretary to Audit Committee.

All members of the Committee are financially literate and have accounting or related financial management expertise. The Company Secretary of the Company acts as Secretary to this Committee.

The Audit Committee met Four (4) times during the financial year 2021-22 viz. on August 09, 2021, August 25, 2021, December 18, 2021, and March 05, 2022.

The Details regarding Attendance of members of the Committee are as follows:

Name	Director Identification Number	Designation	No of Audit Committee Meetings Attended
Mr. Shanker Dev Choudhry	07094705	Chairperson (Independent Director, Non-Executive)	3
Ms. Pallavi Saluja	07006557	Member (Woman Independent Director, Non- Executive)	4
Mr. Pankaj Duhan	08093989	Member (Independent Director, Non- Executive)	1
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	4

All the recommendations of the Audit Committee were accepted by the Board.

(b) NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Act, 2013 and that the composition of the Nomination and Remuneration Committee as on March 31, 2021 is as under:

Name	Director Identification Number	Designation
Ms. Pallavi Saluja	07006557	Chairperson (Woman Independent Director, Non-Executive)
Mr. Shanker Dev Choudhry	07094705	Member (Independent Director, Non-Executive)
Mr. Pankaj Duhan	08093989	Member (Independent Director, Non-Executive)
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)

The Company Secretary of the Company acts as Secretary to Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met two (2) times during the financial year 2021-22 viz. on August 25, 2021, and March 05, 2022. The Details regarding Attendance of members of the Committee are as follows:

Name	Director Identification Number	Designation	No of Nomination and Remuneration Committee Meetings Attended
Ms. Pallavi Saluja	07006557	Chairperson (Woman Independent Director, Non-Executive)	2
Mr. Shanker Dev Choudhry	07094705	Member (Independent Director, Non-Executive)	2
Mr. Pankaj Duhan	08093989	Member (Independent Director, Non-Executive)	0
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)	2

(c) STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a duly constituted Stakeholder Relationship Committee. The Stakeholder Relationship Committee shall, inter-alia, specifically look into the redressal of all security holders' and investors' complaints and shall have the powers to seek all information from, and inspect all records of, the Company relating to security holder and investor complaints.

The members of the Stakeholder's Relationship Committee are:

Name	Director Identification Number	Designation
Mr. Shanker Dev Choudhry	07094705	Chairperson (Independent Director, Non Executive)
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)
Mr. Sidhartha Bhushan Khurana	00172788	Member (Woman Independent Director, Non Executive)

During the period under review no meeting of the Stakeholder's Relationship Committee was held.

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a duly constituted Corporate Social Responsibility ("CSR") Committee in accordance with the provisions of Section 135 of the Companies Act, 2013. The roles and responsibilities of CSR Committee includes formulation and recommendation of corporate social responsibility policy to the Board, recommending the amount to be incurred for CSR activities, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company, and monitor the CSR policy from time to time.

The members of the Corporate Social Responsibility Committee are:

Name	Director Identification Number	Designation
Mr. Madhu Bhushan Khurana	00172770	Chairperson (Chairman and Managing Director)
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)
Ms. Pallavi Saluja	07006557	Member (Women Independent Director, Non Executive)

The Company Secretary of the Company acts as Secretary to CSR Committee.

The Corporate Social Responsibility Committee met three (3) times during the financial year 2021-22 viz. on August 25, 2021, December 18, 2021, and March 05, 2022. The Details regarding Attendance of members of the Committee are as follows:

Name	Director Identification Number	Designation	No of Audit Committee Meetings Attended
Mr. Madhu Bhushan Khurana	00172770	Chairperson (Chairman and Managing Director)	3
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	3
Ms. Pallavi Saluja	07006557	Member (Independent Director, Non Executive)	3

17. AUDITORS

a) STATUTORY AUDITORS

The Auditors Report is without any qualifications and notes to the accounts as referred in the Auditors Report are self-explanatory and therefore, do not call for any further comments or explanations.

At the 36th Annual General Meeting, the members of the Company approved the appointment of M/s. Rajan Chhabra & Co, Chartered Accountants (FRN.009520N) as the Statutory Auditors of the Company till the 41st Annual General Meeting i.e. Financial Year 2022-23.

Vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General has been done away with. Accordingly, no such item has been considered in notice of the 40th Annual General Meeting.

Further, no fraud was reported by the Statutory Auditors of the Company.

b) SECRETARIAL AUDITORS

M/s Manish K and Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for Financial Year 2021-22, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for Financial Year 2021-22 is attached as **Annexure -2** to this Report. The report of Secretarial Auditor is self-explanatory and therefore do not require further explanation or comments.

c) INTERNAL AUDITORS

Pursuant to section 138 of Companies Act, 2013, the Company had appointed Deloitte Haskins & Sells LLP as Internal Auditor for the Financial Year 2021-22.

18. DISCLOSURE ON INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Company has an adequate Internal Financial Control (IFC) system which ensures that the transactions are authorized, recorded and reported correctly. The Company's IFC system has been designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of Operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting standards (Ind AS)
- Timely preparation of financial statements.

Your Company has also an effective internal control and risk- mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal Control systems and suggests improvements to strengthen the same. The Company has a robust Management information System which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

19. RELATED PARTY TRANSACTIONS

During the Financial Year 2021-22, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business.

In this regard, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 form part of the report and attached as **Annexure-3**.

20. CORPORATE SOCIAL RESPONSIBILITY

Your Company has also formulated a CSR Policy, which is available on the website of the Company at <https://www.studds.com/investor-relations>. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules") is annexed as **Annexure 4** and forms an integral part of this Report.

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time and in accordance with the CSR Policy and the CSR Annual Action Plan, your Company has during the Financial Year 2021-22 has spent over two percent of the average net profits of your Company during the three preceding financial years.

Your Company undertook various CSR activities in collaboration only with those credible NGOs which satisfies the criteria stated under the Companies Act, 2013 and rules made thereunder. The details of CSR activities are provided in the Annual Report on CSR activities.

21. LISTING OF SHARES

The Company's Equity Shares are presently not listed at any stock exchange.

22. RISK MANAGEMENT POLICY

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

23. DISCLOSURES

(a) EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the annual return shall be displayed on the Company's website i.e. [https:// www.studds.com/investor-relations](https://www.studds.com/investor-relations).

(b) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In accordance with the provisions of Section 134(3)(g) of the Companies Act, 2013, details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 for the year are given in the notes to the financial statements.

(c) NOMINATION AND REMUNERATION POLICY

Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial personnel and their remuneration as well as policy on other employee's remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters thereof. The Nomination and Remuneration policies are available on the website of the company at [https:// www.studds.com/investor-relations](https://www.studds.com/investor-relations).

(d) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The same has also been displayed on the website of the Company at [https:// www.studds.com/investor-relations](https://www.studds.com/investor-relations).

(e) COST RECORDS

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 and Rules made thereunder, the Company is not required to make and maintain Cost Records, as specified by Central Government under the provisions of this Section. Accordingly, the Company has not made and maintained such accounts and records as specified by the Central Government.

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

The Company has in place a policy on Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has a robust mechanism in place to redress the complaints reported under POSH. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee (IC) comprises of internal members and external member who has extensive experience in the field. In 2021-22, no case of sexual harassment was reported. Further, during the financial year 2021-22, initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment, which included organizing workshops for the employees to enhance awareness and knowledge on the matter, creation of comprehensive and easy to understand communication material which are also made easily accessible.

(g) COMPLIANCE OF SECRETARIAL STANDARDS

You directors are also confirming that the Company is regularly complying with the applicable provisions of the Secretarial Standard -1 & Secretarial Standard -2 issued and amended by the Institute of Company Secretaries of India from time to time.

(h) DISTRIBUTION OF EQUITY SHARE CAPITAL AS ON MARCH 31, 2022.

Sl. No	SHAREHOLDING OF SHARES			SHAREHOLDER	TOTAL SHARES
1	1	to	500	2479	244734
2	501	to	1000	138	116401
3	1001	to	2000	84	138285
4	2001	to	3000	27	69944
5	3001	to	4000	31	111452
6	4001	to	5000	13	63300
7	5001	to	10000	70	557965
8	10001	to	*****	87	18374619
			Total	2929	19676700

Sl. No	Particulars	No. of Shares
1	DEMATED Shares	1,95,05,500
2	Physical Shares	1,71,200
	Total	1,96,76,700

(i) TRANSFER OF UNCLAIMED / UNPAID DIVIDEND/ SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). During the period under review the Company has transferred Rs. 25,920.00/- being the unpaid and unclaimed dividend amount for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, to the IEPF.

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company has transferred such equity shares on which the dividend remained unpaid or unclaimed for seven consecutive years to the demat account of IEPF Authority, after following the prescribed procedure.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. Members/ Shareholders are advised to visit the web-link <https://www.studds.com/investor-relations> to ascertain details of dividend/ shares liable for transfer to the IEPF Authority.

(j) DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS

The particulars of the employees who are in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014 are enclosed herewith as **Annexure-5** forming part of

this report.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information as required under Section 134 of the Companies Act, 2013 read with Rule 8 Companies (Accounts) Rules, 2014 as amended, has been given in **Annexure-6** and forms part of this Report.

25. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company

viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 27, 2022
Place: Faridabad

Annexure to Board's Report

ANNEXURE 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2022.

PART "A": SUBSIDIARY

1	Name of the Subsidiary	SMK EUROPE UNIPESSOAL LDA
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary.	EURO (Exchange rate of Rs. 82.40 as on March 31, 2022)
4	Share Capital	3,00,000 (EURO)
5	Reserve and Surplus	1524.32 (EURO)
6	Total Assets (including investments)	301,524.32 (EURO)
7	Total Liabilities (other than equity)	NIL
8	Investments	NIL
9	Turnover (excluding other income)	NIL
10	Profit/(Loss) before taxation	(171.60) (EURO)
11	Provision for taxation	NIL
12	Profit after taxation	(171.60) (EURO)
13	Proposed Dividend	NIL
14	% of Shareholding	100%

PART "B": ASSOCIATES AND JOINT VENTURES

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

S. No.	Name of Associates/Joint Ventures	
1	Latest Audited Balance Sheet Date	During the period under review the Company has no Associate and Joint Venture.
2	Shares of Joint Ventures/Associates held by the company on the year end: No.	
	Amount of Investment in Joint Venture/ Associates	
3	Extend of Holding %	
4	Description of how there is significant influence	
5	Reason why the joint venture/associate is not consolidated	
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	
	Loss for the year	
	Considered in Consolidation	
	Not Considered in Consolidation	

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

SHANKER DEV CHOUDHRY
INDEPENDENT DIRECTOR
DIN: 07094705

Date: August 27, 2022
Place: Faridabad

MANISH MAHTA
CHIEF FINANCIAL OFFICER

HITESH WADHERA
COMPANY SECRETARY
Membership No.: F10907

Annexure to Board's Report

ANNEXURE 2

Secretarial Audit Report

FORM NO. MR - 3

For the Financial Year ended on 31st March, 2022

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

To,
The Members,
Studds Accessories Ltd,
Plot No. 918, Sector 68, IMT,
Faridabad 121004, Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Studds Accessories Ltd** (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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings (no event took place during the relevant financial year);

- iv. The Company is engaged in the business of manufacturing, sales, distribution, trading and marketing in India and abroad various types of Helmet, gadgets and accessories, spare parts and component for Two Wheelers and automobiles made of Plastic, Fibre-glass, PVC and such other materials. As informed by the Management, Companies has complied with the standards and law applicable to Company.

For the compliances of Labour Laws & other General Laws, our examination and reporting is limited based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with. Further, the Company was generally regular in filing of e-forms with the Registrar of Companies.

We 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. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company

commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

"We report further that, during the audit period, the Company has initiated the postal ballot process for obtaining approval of the shareholders/ members for (a) alteration of main objects and (b) shifting of registered office of the Company within same state. The said resolutions were approved during the post audit period, other than these resolutions there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs."

For Manish K & Associates

Company Secretaries

Firm Registration number P2016DE087200

CS Vinita Rani

Partner

ACS: 38662 C.P.No: 14678

UDIN: A038662D000858571

Place: New Delhi

Date: August 27, 2022

This report is to be read with **Annexure A** which forms an integral part of this report.

ANNEXURE A

To,
The Members,
Studds Accessories Ltd,

My report is to be read along with this letter.

1. Maintenance of secretarial records 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 process 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 process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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 the Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Manish K & Associates

Company Secretaries
Firm Registration number P2016DE087200

CS Vinita Rani

Partner
ACS: 38662 C.P.No: 14678
UDIN: A038662D000858571

Place: New Delhi
Date: August 27, 2022

Annexure to Board's Report

ANNEXURE 3

Form 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 transaction under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

S. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS*

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship.	Bikerz US Inc., relative of Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana, is having control over Bikerz Inc.
(b)	Nature of contracts/arrangements/transactions	(a) Distribution Agreement, (b) Marketing Support Service Agreement.
(c)	Duration of the contracts/arrangements/transactions	Effective unless and until terminated by either party with three months prior written notice.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Bikerz US Inc., was appointed for providing distribution and marketing support activities to the Company in United States of America (USA).
(e)	Date(s) of approval by the Board, if any	December 18, 2021
(f)	Amount paid as advances, if any	Nil

*Note: Details of related party transactions as per applicable accounting standards are given in Note No. 38 to the Standalone Financial Statements forming part of this report.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 27, 2022
Place: Faridabad

Annexure to Board's Report

ANNEXURE 4

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDING ON MARCH 31, 2022

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The Company has formulated and from time to time revised its CSR Policy in line with the amendments in Section 135 of the Companies Act, 2013 and rules made thereunder with the vision to:

1. Promotion of promoting healthcare including preventive health care, sanitation.
2. Promotion of education including special education and employment enhancing vocation skills, especially amongst children, women, elderly and differently abled and livelihood enhancement projects.
3. Ensuring environmental sustainability, conservation of natural resources and maintaining quality of soil, air, and water etc., maintaining parks and other facilities for the wellbeing of society and environment at large.

The CSR Policy is stated and disclosed on the website of the Company.

2. COMPOSITION OF CSR COMMITTEE:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Madhu Bhushan Khurana	Chairperson (Chairman and Managing Director)	3	3
2	Mr. Sidhartha Bhushan Khurana	Member (Managing Director)	3	3
3	Ms. Pallavi Saluja	Member (Independent Director Non-Executive)	3	3

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

<https://www.studds.com/csr-activities>

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT).

Impact assessment is not applicable for financial year 2021-22.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:

S. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set-off for the financial year, if any (In Rs.)
		NIL	

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): Rs. 862.75 Million

7.

(a)	Two percent of average net profit of the Company as per section 135(5).	:	Rs. 17.26 Million
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	:	NIL
(c)	Amount required to be set off for the financial year, if any.	:	NIL
(d)	Total CSR obligation for the financial year (7a+7b- 7c)	:	Rs. 17.26 Million

8. (a) CSR Amount Spent Or Unspent For The Financial Year:

Total Amount Spent for the Financial Year (Rs., in Million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)*		
	Amount (Rs. In Million)	Date of transfer	Name of the Fund	Amount (Rs. In Million)	Date of transfer
17.30	NIL	Not Applicable	Not Applicable		

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of Implementation-Through Implementing Agency	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
				State	District						Name	CSR Regn. No.
-----Not Applicable-----												

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project		Amount Spent for the Project (in Rs, Million)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
				State	District			Name	CSR Regn. No.
1.	Project Arogya	(i)	No	Delhi	South Delhi	1,00,000	No	Harmonious Children Rehabilitation Association	CSR00011410
2	Project Paryavaran (Maintenance of public parks at Sector 15A, Sector 58, Sector 15 and Sector 14, Faridabad)	(iv)	Yes	Haryana	Faridabad	21,07,695	No	Tender Hearts Education Society	CSR00013259
		(iv)	Yes	Haryana	Faridabad	19,29,159	No	Harmonious Children Rehabilitation Association	CSR00011410
4	Project Shiksha	(ii)	Yes	Haryana	Faridabad	21,81,689	No	Tender Hearts Education Society	CSR00013259
		(ii)	Yes	Haryana	Faridabad	21,02,700	No	Harmonious Children Rehabilitation Association	CSR00011410
		(ii)	Yes	Haryana	Faridabad	4,00,000	No	Education cum Vocational Association for the Disable	CSR00011077
		(ii)	Yes	Haryana	Faridabad	75,00,000	No	Dr. O. P. Bhalla Foundation	CSR00004671
5	Project Swachhta	(i)	Yes	Haryana	Faridabad	1,15,437	No	Tender Hearts Education Society	CSR00013259
6	Contribution to the Prime Minister's National Relief Fund	(viii)	N.A	N.A	N.A	8,63,320	Yes	N.A	N.A
	Total					1,73,00,000			

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 17.30 Million
- (g) Excess amount for set off, if any:

S. No.	Particular	Amount (Rs. in Million)
(i)	Two percent of average net profit of the Company as per section 135(5).	17.30
(ii)	Total amount spent for the Financial Year	17.30
(iii)	Excess amount spent for the Financial Year[(ii)-(i)].	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	NIL
(v)	Amount available for set off in succeeding financial year [(iii) - (iv)].	NIL

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under section 135(6) (in Million)	Amount spent in the reporting financial year (in Million)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the Fund	Amount (in Million)	Date of Transfer	
-----Not Applicable-----							

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

Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project – completed/ ongoing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
-----Not Applicable-----								

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS):

(a)	Date of creation or acquisition of the capital asset(s).	:	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	:	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	:	

11. SPECIFY THE REASON(S) IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

Not applicable as during the financial year under review the Company has spent the entire amount of CSR fund.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR AND
CHAIRMAN OF CSR COMMITTEE
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 27, 2022
Place: Faridabad

Annexure to Board's Report

ANNEXURE 5

Information Pursuant to Section 197 of The Companies Act, 2013 and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 as on March 31, 2022

(A) TOP 10 EMPLOYEES IN TERMS OF SALARY DRAWN/PAID DURING THE FINANCIAL YEAR 2021-22

S. No.	Name of the Employees	Designation	Remuneration Drawn/ Paid (In Million)	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Supratik Chattopadhyay	Vice President (Otherwise: on roll employee)	4.59	Bachelor of Engineering in Electronics	June 06, 2014	28	54	Varroc Polymers Private Limited	NIL	N.A
2	Mr. Manish Mehta	Chief Financial Officer (Otherwise: on roll employee)	4.33	Chartered Accountant	August 10, 2018	14	51	AC Mehta & Co.	NIL	N.A
3	Mr. Ram Vikram Kumar	Assistant Vice President (Otherwise: on roll employee)	3.52	Bachelor of Engineering in Electronics Master in Mechanical Engineering	July 04, 2016	12	35	Mahindra Defence Land Systems India Limited	NIL	N.A
4	Mr. Varun Chopra	Vice President-IT (Otherwise: on roll employee)	3.46*	M.S. and B.TECH.	August 09, 2021	17	40	Anand Group	NIL	N.A
5	Mr. Siddharth Srivastava	Deputy General Manager (Otherwise: on roll employee)	3.26	Post Graduate Diploma in Mould Design Technology	August 16, 2016	20	41	Subros Limited	NIL	N.A
6	Mr. Bharat Goyal	Deputy General Manager-Finance (Otherwise: on roll employee)	3.09	Chartered Accountant	March 17, 2021	13	37	Daikin Air Conditioning Pvt. Ltd	NIL	N.A
7	Mr. Anurag Sharma	Creative Head-Design (Otherwise: on roll employee)	2.92	B. COM. and DIPLOMA (MULTIMEDIA)	14 November 2019	21	44	NETWORK 18	NIL	N.A
8	Mrs. Chand Khurana	Vice President (Otherwise: on roll employee)	2.75	Post-Graduation	March 01, 2018	37	72	-	8.38%	Spouse of Mr. Madhu Bhushan Khurana and Mother of Mr. Sidhartha Bhushan Khurana

S. No.	Name of the Employees	Designation	Remuneration Drawn/ Paid (In Million)	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
9	Mr. Ganpati Saratkar	Plant Head (Otherwise: on roll employee)	2.44	Bachelor of Science Post-Graduate Diploma in Plastics Processing and Testing	June 09, 2017	27	51	Alisha Torrent Closures India Private Limited	NIL	N.A
10	Mr. Sanmeet Hundal	Deputy General Manager- Electronics (Otherwise: on roll employee)	2.36*	BE (ELECTRONICS)	August 10, 2021	16	45	Century Led Limited	NIL	N. A

* Note: Joined during the financial year, therefore the Remuneration Drawn/ Paid is for part of financial year.

(B) EMPLOYEES DRAWING SALARY OF RS. 1,02,00,000/- OR ABOVE PER ANNUM

S. No.	Name of the Employees	Designation and Nature of employment (Contractual or Otherwise)	Remuneration Drawn/ Paid (In INR, Million)*	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Madhu Bhushan Khurana	Chairman and Managing Director (Otherwise: Executive Director)	18.83	Bachelor Degree in Aeronautical Engineering	February 03, 1983	39 Years	73 Years	-	55.36%	Father of Mr. Sidhartha Bhushan Khurana
2	Mr. Sidhartha Bhushan Khurana	Managing Director (Otherwise: Executive Director)	18.61	Bachelor Degree in Aeronautical Engineering	August 28, 1998	24 Years	45 Years	-	14.30%	Son of Mr. Madhu Bhushan Khurana

* Remuneration includes salary, commission, provident fund and perquisites.

(C) NO OTHER EMPLOYEES HAVE RECEIVED A REMUNERATION RS. 8,50,000/- PER MONTH IN PART OF THE YEAR.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 27, 2022
Place: Faridabad

Annexure to Board's Report

ANNEXURE 6

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

A. CONSERVATION OF ENERGY

1. Energy efficient centralize HVAC system for corporate office.

B. TECHNOLOGY ABSORPTION

1. Introduced laser based Automatic PP tape cutting machine with servo controlled system, for product quality enhancement and reduction in manpower.
2. Robotic PC sheet cutting system for Bicycle Helmet for enhancement of product quality.
3. Introduced Robotic Plasma technology in Decal application for purpose of technology enhancement.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: (Rs. IN MILLION)

Foreign Exchange earned: Rs. 1,066.23 million

Foreign Exchange outgo: Rs. 319.01 million

FOR AND ON BEHALF OF THE BOARD

STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA

CHAIRMAN AND MANAGING DIRECTOR

DIN: 00172770

SIDHARTHA BHUSHAN KHURANA

MANAGING DIRECTOR

DIN: 00172788

Date: August 27, 2022

Place: Faridabad



Standalone

**Financial
Statements**



Independent Auditor's Report

To
The Members of **Studds Accessories Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Standalone Financial Statements of Studds Accessories Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in Equity for the year ended that date, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit/loss (including comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit of the Standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

4. The Company's Board of Directors is responsible for the preparation and presentation of the other information. The Other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation 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 accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. 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.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

7. 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.

8. 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 with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

9. 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.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of accounts;
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act ;

- e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (i) The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Additional Notes to the Standalone Financial Statements 39(ii) Contingent Liability;
- (ii) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h. (i) The Management has represented that to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any person(s) or entity(ies) including foreign entities (intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented that to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (" Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused to believe that the representations as provided under sub clause (a) and (b) contain any material misstatement.
- i. The dividend declared and paid during the year by the company is in compliance with provisions of section 123 of the companies Act, 2013.
- j. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

For **Rajan Chhabra & co**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra
Partner

Place: Faridabad

Date: 27th August, 2022

M.No: 088276

UDIN: 22088276AQPTGS9358

Annexure A

to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management over a period of every three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme no physical verification of Property Plant & Equipment was carried out during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The company has not revalued its Property, Plant & Equipment (Including Right of Use Assets) during the year. Accordingly, the reporting under this clause is not applicable.
- (e) According to information and explanation furnished to us, no proceedings have been initiated or are pending against the Company as at 31st March 2022 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory was conducted by the management at reasonable interval during the year. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification as compared to the books of

accounts were not 10% or more in aggregate of each category of inventory. The discrepancies noticed on physical verification by the Management have been properly adjusted in books of accounts.

- (b) According to information and explanation provide to us, the company has been sanctioned working capital limits in excess of Rs. 5 Crores. According to the information and explanation provided to us, no quarterly statement's pertaining to working capital limits have been filed with the bank.
- (iii) According to the information and explanation given to us, the Company has not granted loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, guarantees and security with respect to the provisions of section 185 and 186 of Companies act 2013.
- (v) The Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the business activities rendered by the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues which have not been deposited on accounts of a dispute are as follows:

Name of statute	Name of the disputed dues	Amount (₹ In Millions)	Period to which the amount relates	Forum where disputes are pending
The Finance Act, 1994	Service Tax	3.17	March 2017 to June 2017.	Joint Commissioner, GST Faridabad
GST Act, 2017	GST	2.05	FY 2017-18	GST Authority, Faridabad

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanation given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) As per the information and explanations given to us, the audit procedures followed by us and on an overall examination of the financial statements of the Company no funds raised on short term basis have been used for long term purpose by the Company.
- (e) According to the information and explanation given to us and examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of the subsidiaries.
- (f) According to the information and explanations given to us and our verification of the same, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (Including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (Fully or partly or optionally) during the year and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) (a) During the course of examination of the books and records of the Company, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly this point is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standard
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal Auditor for the period under audit has been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly this point is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b), (c) and d of the Order are not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly this point is not applicable.
- (xix) On the basis of financial ratios, ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination

of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharge by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to Companies Act or special account in compliance with the provision of sub section (6) of section 135 of the Act. Accordingly reporting under this clause of the Order is not applicable.

(xxi) The reporting under clause (xxi) of the Order is not applicable to the standalone financial statements. Accordingly no comment in respect of this clause has been included in this report.

For **Rajan Chhabra & co**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra
Partner

Place: Faridabad
Date: 27th August, 2022

M.No: 088276
UDIN: 22088276AQPTGS9358

Annexure-B

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

1. We have audited the internal financial controls over financial reporting of Studds Accessories Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management 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.

AUDITORS' RESPONSIBILITY

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

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. 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.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial control over financial reporting 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajan Chhabra & co**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra

Partner

M.No: 088276

UDIN: 22088276AQPTGS9358

Place: Faridabad

Date: 27th August, 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ In millions)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3	3,048.01	2,609.16
Capital Work in Process (Tangible)	4	102.39	55.41
Right of use Assets	5	22.35	41.33
Intangible Assets	6	27.27	12.23
Intangible Assets under development	7	25.41	42.05
Financial Assets	8		
(i) Non-Current Investments		24.01	24.01
(ii) Other Financial Assets		25.21	40.62
Total Non-Current Assets		3,274.65	2,824.81
Current Assets			
Inventories	9	424.26	289.86
Financial Assets			
- Trade Receivables	10	281.46	264.71
- Cash & Cash Equivalents	11	166.58	416.97
- Other Bank Balances	12	202.61	320.36
- Other Financial Assets	13	18.45	31.66
Other Current Assets	14	186.04	195.79
Total Current Assets		1,279.40	1,519.35
Total Assets		4,554.05	4,344.16
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	98.88	98.88
Other Equity	16	3,009.69	2,800.53
Total Equity		3,108.07	2,898.91
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	17	297.62	155.84
- Lease Liabilities		3.93	24.91
- Other Non-Current Financial Liabilities	18	26.97	24.34
Non-Current Provisions	19	31.33	28.12
Deferred Tax Liability (Net)	20	133.90	107.58
Total Non-Current Liabilities		493.75	340.79
Current Liabilities			
Financial Liabilities			
- Current Borrowings	21	139.15	121.43
- Lease Liabilities		20.98	18.61
- Trade Payables	22		
- Total outstanding dues of MSME		35.94	4.50
- Total outstanding dues of creditors other than MSME		464.21	623.30
- Other Current Financial Liabilities	23	162.88	162.66
Other Current Liabilities	24	90.54	94.21
Current Provisions	25	17.51	18.01
Current Tax Liabilities (Net)	26	21.02	61.74
Total Current Liabilities		952.23	1,104.46
Total Liabilities		1,445.98	1,445.25
Total Equity and Liabilities		4,554.05	4,344.16

See accompanying notes to financial statements

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Statement of Profit & Loss

for the year ended 31st March, 2022

(₹ In millions)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations			
Revenue	27	4,625.07	4,796.15
Other Income	28	54.77	45.95
Total Income		4,679.84	4,842.10
EXPENSES			
Cost of Material Consumed		2,602.86	2,266.62
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	29	(92.50)	(44.57)
Employee Benefit Expense	30	582.44	559.68
Finance Cost	31	30.56	34.64
Depreciation and Amortisation Expense	32	166.32	133.45
Other Expenses	33	989.99	909.30
Total Expenses		4,279.66	3,859.12
Profit before Tax		400.17	982.98
Tax Expense:			
Current Tax		80.53	227.01
Deferred Tax		26.32	37.53
Tax relating to earlier periods		6.95	(21.52)
Total Tax Expense		113.80	243.02
Profit for the Period		286.37	739.96
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		1.98	(1.09)
Income tax effect		(0.50)	0.27
Total other comprehensive income		1.48	(0.82)
Total Comprehensive Income for the year		287.85	739.14
Earnings per share (face value Rs. 5/-)	34		
- Basic EPS (in Rs.)		14.55	37.61
- Diluted EPS (in Rs.)		14.55	37.61
See accompanying notes to financial statement			

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Statement of Changes in Equity

(I) EQUITY SHARE CAPITAL

(₹ In millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Equity share of Rs. 5/- each		
Balance at the beginning of the year	98.38	98.38
Movement during the year	-	-
Balance at the end of the year	98.38	98.38

(II) OTHER EQUITY

(₹ In millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2020	-	82.74	1,979.14	2,061.88
Profit for the year	-	-	739.96	739.96
Other Comprehensive Income (net of tax)	-	-	(0.82)	(0.82)
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	0.49	0.49
Less: Utilised during the year	-	-	-	-
As at March 31, 2021	-	82.74	2,717.79	2,800.53
As at April 01, 2021	-	82.74	2,717.79	2,800.53
Profit for the year	-	-	286.37	286.37
Other Comprehensive Income (net of tax)	-	-	1.48	1.48
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	78.69	78.69
Less: Utilised during the year	-	-	-	-
As at March 31, 2022	-	82.74	2,926.96	3,009.69

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Statement of Cash Flows

(₹ In millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A Cash Flow from Operating Activities		
Profit before Tax	400.17	982.98
Adjustments for:		
Depreciation and Amortisation Expense	166.32	133.45
(Gain)/Loss in change in fair value of financial instruments	-	-
Finance Cost	30.56	34.64
Rent Income	(0.38)	(0.29)
Interest Income	(20.35)	(28.12)
Provision for doubtful debts	1.54	1.54
Profit on Sale of Investments	-	-
Profit on sale of Property, Plant and Equipment	-	-
Loss on sale of Property, Plant and Equipment	0.30	-
Other Income	(26.93)	(10.85)
Operating Profit before Working Capital changes	551.23	1,113.35
Working Capital Adjustments:		
Movement in trade & other payables	(191.94)	125.75
Movement in trade & other receivables	20.08	(197.19)
Movement in inventories	(134.39)	(100.64)
Cash Generated from Operations	244.98	941.26
Direct Taxes Paid and Taxes earlier years	(128.69)	(207.39)
Net Cash Flow from Operating Activities (A)	116.29	733.87
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(565.58)	(365.08)
Sale proceeds from sale of PPE	1.36	0.96
Investment in Fixed Deposits/Maturity	117.75	(19.90)
Rent Received	0.38	0.29
Investment in Non Current Investments	-	(0.00)
Interest Received	20.35	28.12
Other Income Received	26.93	10.85
Net Cash Flow from Investing Activities (B)	(398.79)	(344.75)
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	159.50	(121.99)
Dividend including Dividend Distribution Tax	(78.21)	0.20
Repayment of Lease Liabilities	(18.61)	(16.78)
Interest Paid	(30.56)	(34.64)
Net Cash Flow from Financing Activities (C)	32.12	(173.20)
Net increase in Cash and Cash Equivalents (A+B+C)	(250.38)	215.91
Cash and Cash Equivalent at the beginning of the year	416.97	201.06
Cash and Cash Equivalent at the end of the year	166.58	416.97

Statement of Cash Flows

CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

(₹ In millions)

Particulars	Borrowing	Lease
As at 31st March, 2021	277.26	0.00
Cash Flows	159.50	(16.78)
Non-cash changes	-	41.70
As at 31st March, 2022	436.77	24.91

The above statement should be read together with significant accounting policies and notes to the Standalone financial statements.

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flow"
- During the period the Company has not spent any amount on CSR Expenses in accordance with the provision of the Companies Act, 2013.
- Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 11
- Figures in bracket represents cash outflow

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Notes to Financial Information

1. CORPORATE INFORMATION

STUDDS ACCESSORIES LIMITED ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at 918, Sector 68, IMT Faridabad, 121004, Haryana.

Studds Accessories Limited is one of the leading manufacturers and exporters of Helmets & two wheeler accessories in India. The product range of the Company includes Helmets and Two Wheeler Accessories.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation and Measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th August 2022.

Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/liabilities, share based payments and

net liability for defined benefit plans that are measured at fair value.

(b) Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Key assumptions used in discounted cash flow projections
- (e) Impairment of Goodwill and Intangible assets
- (f) Indefinite useful life of certain intangible assets
- (g) Measurement of Lease liabilities and Right of Use Asset
- (h) Fair valuation of assets acquired and liabilities assumed as part of business combination

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely

Notes to Financial Information

monitor any material changes to future economic conditions.

(c) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The company has incorporated all such amendments.

(d) Current versus non-current classification

The Company presents assets and liabilities in the Statement of assets and liabilities based on current/non-current classification.

- An **asset** is treated as **current** when it is:-
 - expected to be realized or intended to be sold or consumed in the normal operating cycle, or
 - held primarily for the purpose of trading, or
 - expected to be realised within twelve months after the reporting period, or
 - cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies **all other Assets** as **non-current**.
- A **liability** is treated as **current** when it is:-
 - expected to be settled in the normal operating cycle, or
 - held primarily for the purpose of trading, or
 - due to be settled within twelve months after the reporting period, or
 - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
 - The Company classifies **all other liabilities** as **non-current**.
 - **Deferred tax** assets and liabilities are classified as **non-current assets and liabilities**.
 - The **operating cycle** is the time between the acquisition of assets for processing and their

realisation in cash and cash equivalents. The Company has identified **twelve months** as its operating cycle.

(e) Revenue Recognition

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorized by the Company. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognised using the effective interest rate (EIR) method.

(f) Expenditure

Expenses are accounted on accrual basis.

(g) Foreign Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

Notes to Financial Information

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss are also recognised in Other Comprehensive Income or the Statement of Profit and Loss respectively).

(h) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to Statement of Profit and Loss during the reporting period in which they have incurred.

Capital work in progress is stated at Cost less Impairment. Plant and equipment is stated at Cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. Freehold land is not depreciated.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated using straight-line method on a pro-rata basis from the date on which each asset is ready for its intended use to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation is provided on estimated useful lives, as specified in Part "C" of the Schedule II of the Companies Act, 2013.

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

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

(i) Intangible Assets

Intangible assets with definite useful life acquired separately are measured on initial recognition at Cost. Following initial recognition, intangible assets are carried at Cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows. Residual Value is considered as Nil in the below cases:

Nature of Assets	Estimated Useful Life
Computer software	6 years
Trademarks	Over the useful life of underlying assets
Technical Know-How	Over the useful life of underlying assets

The amortization period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

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(j) Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the period/year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

(k) Inventories

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence. Cost is determined on the following basis:-

Raw Materials are recorded at cost on a weighted average cost formula;

Stores & spares are recorded at cost on a weighted average cost formula.

Finished goods and work-in-process are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

Scrap is valued at net realizable value.

Machinery spares (other than those qualified to be capitalized as PPE and depreciated accordingly) are charged to profit and loss on consumption

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Provisions and Contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources

embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities

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

Contingent asset being a possible asset that arises 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, is not recognized but disclosed in the financial statements.

(m) Employee Benefits

Short-Term Obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Other Long-Term Employee Benefit Obligations

Liabilities for leave encashment and 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.

Notes to Financial Information

Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-Employment Obligations

Defined Benefit Plans

The Company has defined benefit plans namely gratuity for employees. 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 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.

Re-measurement 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.

Defined Contribution Plans

The Company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner. The Company's contribution is charged to revenue every year. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

(n) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(o) Income Tax

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

Current Tax

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred Tax

Deferred tax is recognized 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 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.

Notes to Financial Information

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit & 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.

(p) Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding 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 leases of low value assets. These short-term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently

remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

(q) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been

Notes to Financial Information

recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(r) Development expenses

As per Ind AS 38, Intangible assets are recognized only when the future economic benefits which are attributable to the asset can be recognized. Development expenses of which the future economic benefits could be ascertained have been capitalized and the rest has been shown in Profit and Loss Account.

(s) Fair Value Measurement

The Company measures certain financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial information on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(t) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that 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 costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial Assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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Equity investments in subsidiaries are recognized at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method 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 amortized cost.

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

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

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

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

- Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

- Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Investments in Subsidiaries, Associates and Joint Venture:

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Equity investment in Other Entities at fair value through Profit or loss (FVTPL)

Investment in equity instrument of other than subsidiaries, joint ventures and associates are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortized 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 amortized 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 recognizing 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 recognized in profit or loss.

Trade & Other Receivables

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that

Notes to Financial Information

discounts estimated future cash income through the expected life of financial instrument.

Impairment of Financial Assets

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

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

Expected credit losses 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 event 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 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at

the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

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.

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 costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the 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 Statement of Profit Loss.

Derecognition of Financial Liabilities

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

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Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(u) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted

average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(v) Previous year figures have been rearranged or regrouped where ever necessary.

Notes to Financial Information

NOTE NO: 3 PROPERTY PLANT & EQUIPMENT

(Rs. in millions)

Description	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Office Appliances	Computers	Vehicles	Total
Cost								
As at 1st April, 2020	635.11	287.78	787.70	27.05	8.83	6.95	32.54	1785.96
Additions	14.29	600.02	508.26	25.80	10.93	6.98	0.57	1,166.85
Disposals/write off	-	-	1.00	-	-	-	-	1.00
As at 31st March, 2021	649.40	887.80	1,294.96	52.85	19.76	13.93	33.11	2,951.81
Additions	377.37	31.70	145.39	10.65	9.08	7.27	-	581.46
Disposals/w rite off	-	-	-	-	-	-	8.66	8.66
As at 31st March, 2022	1,026.77	919.50	1,440.35	63.50	28.84	21.20	24.45	3,524.61
Accumulated Depreciation								
As at 1st April, 2020	-	28.12	180.17	6.56	4.05	2.73	9.62	231.25
Charge for the year	-	23.38	77.06	3.34	2.09	1.35	4.22	111.44
Disposals/write off	-	-	0.03	-	-	-	-	0.03
As at 31st March, 2021	-	51.50	257.20	9.90	6.14	4.08	13.84	342.65
Charge for the year	-	30.02	94.70	5.66	4.25	2.40	3.92	140.95
Disposals/write off	-	-	-	-	-	-	7.00	7.00
As at 31st March, 2022	-	81.52	351.90	15.56	10.39	6.48	10.76	476.60
Net Book Value								
As at 31st March, 2022	1,026.78	837.99	1,088.45	47.94	18.46	14.72	13.69	3,048.01
As at 31st March, 2021	649.40	836.30	1,037.76	42.95	13.62	9.85	19.27	2,609.16

Certain borrowings of the Company have been secured against Property, Plant and Equipment (Refer Note No. 17 & 21)

NOTE NO: 4 CAPITAL WORK IN PROGRESS- TANGIBLE

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning	55.41	838.13
Additions	251.07	34.44
Less: Capitalised during the year	204.09	817.16
Reversal of Impairment	-	-
Balance at the end	102.39	55.41

There are no capital work in progress where completion is overdue against original planned timelines as on 31st March, 2022

NOTE NO: 5 RIGHT OF USE ASSETS

Particulars	Amount
Cost	Building
As at 1st April, 2021	60.30
Additions	-
Disposals/write off	-
As at 31st March, 2022	60.30
Accumulated Depreciation	
As at 1st April, 2021	18.97
Additions	18.98
Disposals/write off	-
As at 31st March, 2022	37.95
Net Book Value	
As at 31st March, 2022	22.35
As at 31st March, 2021	41.33

Notes to Financial Information

NOTE NO: 6 INTANGIBLE ASSETS

(Rs. in millions)

Particulars	Computer Software	Trademark	Technical Know-How	Total
Cost				
As at 1st April, 2020	11.82	0.38	2.57	14.77
Additions	0.88	-	5.09	5.97
Disposals/write off				
As at 31st March, 2021	12.70	0.38	7.66	20.74
Additions	15.81	-	5.64	21.45
Disposals/write off	-	-	-	-
As at 31st March, 2022	28.51	0.38	13.30	42.19
Accumulated Depreciation				
As at 1st April, 2020	5.36	0.02	0.09	5.47
Additions	1.64	0.11	1.29	3.04
Disposals/write off	-	-	-	-
As at 31st March, 2021	7.00	0.13	1.38	8.51
Additions	2.98	0.11	3.32	6.41
Disposals/write off	-	-	-	-
As at 31st March, 2022	9.98	0.24	4.69	14.92
Net Book Value				
As at 31st March, 2022	18.53	0.15	8.60	27.27
As at 31st March, 2021	5.70	0.26	6.28	12.23

NOTE NO: 7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning	42.05	24.56
Additions	4.81	24.65
Capitalised during the year	21.45	4.59
Reversal of Impairment	-	-
Transfer to expense	-	2.58
Balance at the end	25.41	42.05

NOTE NO: 8 FINANCIAL ASSETS

Note No: 8 (i) Non Current Investments

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Investment in Equity Shares				
A. In Others - At FVTPL				
- Bank of Maharashtra 10/-	1,900.00	1,900.00	0.02	0.02
- Investment in Equity Shares of 1 EURO SMK EUROPE UNIPESSOAL, LDA	3,00,000.00	3,00,000.00	23.99	23.99
Total (B)	3,00,000.00	3,00,000.00	23.99	23.99
Total Investments	3,01,900.00	3,01,900.00	24.01	24.01
Aggregate Value of Unquoted Investments			23.99	23.99
Aggregate Value of Quoted Investments			0.02	0.02
Aggregate Market Value of Quoted Investments			0.02	0.02
Aggregate Amt of Impairment in Value of Investments			-	-

Notes to Financial Information

NOTE NO: 8 FINANCIAL ASSETS (CONTD..)

Note No: 8 (ii) Other Financial Assets

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Security Deposit with Vendors	25.21	40.62
Total	25.21	40.62

NOTE NO: 9 INVENTORIES

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Raw Materials	238.55	179.22
Raw Material in Transit	2.64	20.08
Finished Goods	132.34	75.33
Work in Progress	50.73	15.24
Total	424.26	289.86

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 17 & 21).

For Valuation, refer Note 2 k of Accounting Policies

NOTE NO: 10 TRADE RECEIVABLES

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Carried at Amortised Cost		
From Others*		
- Secured, considered good	3.58	3.89
- Unsecured, considered good	277.88	260.82
- With significant increase in credit risk	1.54	1.54
Total Receivable	283.00	266.25
Less: Credit impaired	(1.54)	(1.54)
Total	281.46	264.71

* Amount is due from Related party (Bikerz US Inc) is Rs. 10.76

Certain borrowings of the Company have been secured against Trade Receivables (Refer Note No. 17 & 21).

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or

receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Ageing of Trade Receivables

(Rs. in millions)

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	281.19	0.07	0.10	0.00	0.00	281.36
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	1.64	1.64
TOTAL	281.19	0.07	0.10	0.00	1.64	283.00

Notes to Financial Information

NOTE NO: 11 CASH AND CASH EQUIVALENTS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Cash in hand	0.01	0.05
Balances with Bank		
- in Deposit having maturity for less than 3 months	157.40	380.51
- in Current accounts	9.17	36.41
Total	166.58	416.97

NOTE NO: 12 OTHER BANK BALANCES

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	200.68	318.93
- in Unpaid Dividend account	1.93	1.43
Total	202.61	320.36

NOTE NO: 13 OTHER FINANCIAL ASSETS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Carried at Amortised Cost		
Unsecured, considered good		
Balances with Bank		
- in Deposit having maturity for more than 12 months	17.47	30.16
Advances to employees	0.98	1.49
Total	18.45	31.66

NOTE NO: 14 OTHER CURRENT ASSETS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Unsecured, considered good		
Advance to Vendors		
- Vendors	132.57	148.09
- Others	-	14.00
Export Benefit Receivable	8.11	3.00
Prepaid Expenses	8.18	8.41
Balance of Cenvat/GST	12.27	4.33
Other Assets	24.91	17.97
Total	186.04	195.79

NOTE NO: 15 EQUITY SHARE CAPITAL

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at	As at	As at	As at
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Authorised Capital				
Equity shares of Rs. 5/- each*	5,00,00,000	5,00,00,000	250.00	250.00
Issued Capital				
Equity share of Rs. 5/- each*	1,96,76,700	1,96,76,700	98.38	98.38
Subscribed and Fully Paid up				
Equity share of Rs. 5/- each*	1,96,76,700	1,96,76,700	98.38	98.38

In the EGM held on 7th July, 2018, Bonus shares were issued in the ratio of 8 equity shares for every 1 equity share held.

Notes to Financial Information

NOTE NO: 15 EQUITY SHARE CAPITAL (CONTD..)

A Reconciliation of Number of Equity Shares Outstanding

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	1,96,76,700	1,96,76,700	98.38	98.38
Add: Effect due to Share Split	-	-	-	-
Add: Effect due to Bonus Issue	-	-	-	-
Less: Cancelled during the year	-	-	-	-
As at 31st March, 2022	1,96,76,700	1,96,76,700	98.38	98.38

B Rights, Preferences and Restrictions attached to Equity Shares.

The Company has one class of Equity Shares with a par value of Rs. 5/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their holding. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

B Details and Shareholders holding more than 5% Equity Shares

Particulars	No of Shares		%	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	1,08,92,880	55.36%	55.36%
Sidhartha Bhushan Khurana	28,14,480	28,14,480	14.30%	14.30%
Chand Khurana	16,48,800	16,48,800	8.38%	8.38%

C Details of promoters' shareholding

Particulars	No of Shares		%	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	1,08,92,880	55.36%	55.36%
Sidhartha Bhushan Khurana	28,14,480	28,14,480	14.30%	14.30%

In the EGM held on 7th July, 2018, Bonus shares were issued in the ratio of 8 equity shares for every 1 equity share held.

NOTE NO: 16 OTHER EQUITY

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at 1st April, 2020	-	82.74	1,979.14	2,061.88
Addition:				
Profit for the year	-	-	739.96	739.96
Other Comprehensive Income (net of tax)	-	-	(0.82)	(0.82)
Less:				
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	0.49	0.49
Utilised during the year	-	-	-	-
As at 31st March, 2021	-	82.74	2,717.79	2,800.53

Notes to Financial Information

NOTE NO: 16 OTHER EQUITY (CONTD..)

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at 1st April, 2021	-	82.74	2,717.79	2,800.53
Addition:				
Profit for the year	-	-	286.37	286.37
Other Comprehensive Income (net of tax)	-	-	1.48	1.48
Less:				
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	78.69	78.69
Utilised during the year	-	-	-	-
As at 31st March, 2022	-	82.74	2,926.96	3,009.69

NOTE NO: 17 NON-CURRENT BORROWINGS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	5.82	7.26
Other Term Loan	430.95	270.00
Total	436.77	277.26
Less: Current Maturities on Non Current Borrowings		
- Vehicle Loan	1.59	1.43
- Other Term Loan	137.56	120.00
Total	139.15	121.43
Total Non-Current Borrowings	297.62	155.84

A. Term Loan From HDFC (Santioned Rs. 480 Mn. Balance as on 31st March, 2022 - Rs. 150 Mn)

Security Terms:

Secured against Factory Land & Building, Plant & Machinery, Stock & Book Debts and personal guarantee of two Directors - Madhu Bhushan Khurana and Sidhartha Bhushan Khurana.

Interest Rates:

(6 Month MCLR + 25 bps)

Repayment Terms:

5 Years including 1 year moratorium (equal quarterly installment after end of 1 year).

B. Term Loan From HDFC (Santioned Rs. 595 Mn. Balance as on 31st March, 2022 - Rs. 280 Mn)

Security Terms:

Secured against Factory Land & Building, Plant & Machinery, Stock & Book Debts of the Company.

Interest Rates:

(REPO RATE + 250 bps)

Repayment Terms:

5 Years including 1 year moratorium (equal quarterly installment after end of 1 year).

Notes to Financial Information

NOTE NO: 17 NON-CURRENT BORROWINGS (CONTD..)

C. Vehicle Loans

Security Terms:

Secured against hypothecation of specified vehicles of the company.

Interest Rates:

Applicable rate of interest is 8.50% to 10.50%

Repayment Terms:

Vehicle loan repayable within 36/ 60 equal monthly installments.

NOTE NO: 18 OTHER NON-CURRENT FINANCIAL LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carried at Amortised Cost		
Security Deposit from Dealers	26.97	24.34
Total	26.97	24.34

NOTE NO: 19 NON-CURRENT PROVISIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
- Gratuity	23.20	21.27
- Leave Encashment	8.13	6.85
Total	31.33	28.12

NOTE NO: 20 DEFERRED TAX LIABILITIES (NET)

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	152.48	130.15
Total Deferred Tax Liabilities	152.48	130.15
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	18.58	22.57
Total Deferred Tax Assets	18.58	22.57
Net Deferred Tax Liabilities/(Asset)	133.90	107.58

Reconciliation of Deferred Tax Liabilities (Net)

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	130.15	79.31
Movement during the year	22.33	50.84
Closing Balance	152.48	130.15

Notes to Financial Information

NOTE NO: 20 DEFERRED TAX LIABILITIES (NET) (CONTD..)

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		-
Opening Balance	22.57	9.26
Movement during the year	(3.99)	13.31
Closing Balance	18.58	22.57
Net Deferred Tax Liabilities/(Asset)	133.90	107.58

NOTE NO: 21 CURRENT BORROWINGS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Current Maturities on Borrowings from Banks (Refer Note No. 17)	139.15	121.43
Total	139.15	121.43

Overdraft limit of Rs 10 million has been sanctioned by HDFC Bank and balance against this overdraft limit as at year end is positive.

Overdraft limit of Rs 200 million has been sanctioned by HDFC Bank against FDR and balance against this overdraft limit as at year end is positive.

NOTE NO: 22 TRADE PAYABLES

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	35.94	4.50
Dues of Other than MSMEs	464.21	623.30
Total	500.15	627.80

* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 35)

Ageing of Trade Payables

(Rs. in millions)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	35.94	-	-	-	35.94
(ii) Others	457.62	1.37	1.72	3.50	464.20
(iii) Disputed MSME					-
(iv) Others MSME					-
TOTAL	493.56	1.37	1.72	3.50	500.15

Notes to Financial Information

NOTE NO: 23 OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Payables on purchase of Property, Plant & Equipment	11.23	78.89
Employee Related Liabilities	66.29	59.94
Expenses Payable	79.65	19.27
Others Payable	3.83	3.19
Unpaid Dividend	1.88	1.38
Total	162.88	162.66

NOTE NO: 24 OTHER CURRENT LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances received from Customers	56.22	51.24
CSR Payable	-	14.00
Statutory Dues	34.32	28.97
Total	90.54	94.21

NOTE NO: 25 CURRENT PROVISIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
- Gratuity	14.99	14.35
- Leave Encashment	2.52	3.66
Total	17.51	18.01

NOTE NO: 26 CURRENT TAX LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income Tax Payable	21.02	61.74
Total	21.02	61.74

NOTE NO: 27 REVENUE FROM OPERATIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Sale of Goods		
- Inland Sales	3,783.34	4,422.57
- Exports Sales	972.82	538.74
Total Sales	4,756.16	4,961.31
Less : Discount & Incentives	131.09	165.16
Net Sales	4,625.07	4,796.15

Notes to Financial Information

NOTE NO: 28 OTHER INCOME

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other income - operative		
Interest Income	20.35	28.12
Service Income-Domestic	0.38	0.29
Service Income-Export	0.95	-
Miscellaneous Income	2.64	1.50
Export Incentive	24.29	9.35
Other Income - Non Operative		
Profit on Sale of Fixed Assets	-	-
Profit on account of Currency Fluctuation	6.16	6.69
Total	54.77	45.95

NOTE NO: 29 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventory at the beginning of the year		
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	90.57	45.99
Less: Inventory at the end of the year		
Finished Goods	132.34	75.33
Work in Progress	50.73	15.24
Total	183.07	90.56
Net (Increase)/Decrease	(92.50)	(44.57)

NOTE NO: 30 EMPLOYEE BENEFIT EXPENSES

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Wages and Bonus	524.31	504.75
Contribution to Provident Fund & Other Fund	35.19	32.30
Employees Welfare Expenses	22.94	22.62
Total	582.44	559.68

NOTE NO: 31 FINANCE COST

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on:		
- Term Loan	21.10	19.79
- Cash Credit / Overdraft	0.00	0.01
- Vehicle Loan	0.64	0.79
- Delayed Payment to MSME	1.57	0.03
- HSIIDC	3.17	8.51
- Dealer Security Deposit	1.20	1.13
- Lease Liability	2.60	3.58
- Others	0.28	0.80
Total	30.56	34.64

Notes to Financial Information

NOTE NO: 32 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of Property, Plant & Equipment	140.94	111.44
Amortisation of Right of use assets	18.97	18.97
Amortisation of intangible assets	6.41	3.04
Total	166.32	133.45

NOTE NO: 33 OTHER EXPENSES

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Labour Charges	160.29	175.60
Power & Fuel	190.28	172.99
Stores Consumed	67.07	58.72
Cartage Outward	259.05	254.84
Insurance Expenses	10.44	11.42
Repair and Maintenance		
- Plant & Machinery	28.24	32.32
- Building	3.70	5.74
- Others	12.43	27.49
Payment to Auditors	0.50	0.50
Legal & Professional Expenses	30.84	29.10
Corporate Social Responsibility (CSR) expenses	17.30	14.00
Travelling & Conveyance Expenses	8.79	4.29
Commission on Sales	31.13	18.44
Advertisement & Sales Promotion	88.41	42.69
Provision for Bad Debts	-	1.54
Bank Charges	1.39	1.54
Miscellaneous Expenses	80.13	58.09
Total	989.99	909.30

NOTE NO: 34 EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing profit attributable to equity holders of the Company by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares, unless the effect of potential dilutive equity share is antidilutive.

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit after tax for calculation of EPS (Rs. In million) (A)	286.37	739.96
Number of equity shares post split	1,96,76,700	1,96,76,700
Add: Effect of Bonus issue	-	-
Number of equity shares for calculating basic & diluted EPS (B)	1,96,76,700	1,96,76,700
Face Value per share (Amount in Rs.)	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	14.55	37.61
Diluted Earning per share (Amount in Rs.) (A/B)	14.55	37.61

Notes to Financial Information

NOTE NO: 35 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		-
- Principal amount due to MSME	35.94	4.50
- Interest due on above	1.57	0.03
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.		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.57	0.03
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.		-

NOTE NO: 36 SEGMENT INFORMATION

The Company is primarily engaged in the business of "manufacturing and sale of helmets and two wheeler accessories" which in context of Ind AS 108 "Segment Reporting" as referred to in Companies (Indian Accounting Standards) Rules, 2015 is considered as the only Business Segment.

NOTE NO: 37 DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In light of Section 135 of the Companies Act, 2013 the Company has carried out the following expenses on Corporate Social Responsibility (CSR) activities aggregating to Rs. 17.30 millions as on 31st March, 2022:-

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Gross amount required to be spent by the Company during the year	17.30	14.00

(Rs. in millions)

Particulars	Paid	Unspent at Year end	Total
(ii) Amount to be spent during the year ending on 31st March, 2022:			
1. Construction/acquisition of any asset	-	-	-
2. On purposes other than 1 above	17.30	-	17.30
(ii) Amount spent during the year ending on 31st March, 2021:			
1. Construction/acquisition of any asset	-	-	-
2. On purposes other than 1 above			
- Studds Foundation		14.00	14.00

As per Notification dated 22nd January, 2021 the above mentioned unspent amount has been contributed to fund specified under Schedule VII as per second proviso to Section 135(5) before 30th September, 2021

Nature of Activities taken under CSR :

Activities related to Preventive Healthcare, Education, Environmental Sustainability

Notes to Financial Information

NOTE NO: 38 RELATED PARTY DISCLOSURES

The list of related parties as identified by the management is as under:

Wholly Owned Foreign Subsidiary Company:

- SMK EUROPE-UNIPESOAL, LDA

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

- Studds Foundation
- Bikerz INC (formerly known as Studds Canada)
- Bikerz US INC

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana Chairman
- Mrs. Chand Khurana Wife of Chairman
- Mr. Sidhartha Bhushan Khurana Managing Director
- Mrs. Garima Khurana Wife of Managing Director
- Mrs. Shilpa Arora Daughter of Chairman
- Mr. Manish Mehta Chief Financial Officer
- Mr. Hitesh Wadhera Company Secretary

Following transactions were carried out with related parties in the ordinary course of business during the year Ended 31st March, 2022:-

(Rs. in millions)

S. No.	Name of the Party	Nature of Transaction	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Enterprise with Significant Influence			
	Studds Foundation	Advance received back	14.00	-
		Advance given		14.00
		Balance Receivable/(Payable)		14.00
	Bikerz US INC	Sale of Goods	10.76	00
		Balance Receivable/(Payable)	10.76	00
	Bikerz INC (formerly known as Studds Canada)	Sale of Goods		1.11
2	Key Management Personnel & their Relatives			
	Mr. Madhu Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	18.83	24.37
		- Dividend	43.57	-
		- Security Refund	0.08	-
		- Balance Receivable/(Payable)	(4.75)	(0.45)
	Mrs. Chand Khurana	Salary:		
		- Short-term employee benefits	2.78	2.72
		- Dividend	6.60	-
		- Security Refund	0.08	-
		- Balance Receivable/(Payable)	(0.14)	(0.14)
	Mr. Sidhartha Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	18.61	24.27
		- Dividend	11.26	-
		- Balance Receivable/(Payable)	(4.75)	(0.45)
	Mrs. Garima Khurana	Salary:		
		- Short-term employee benefits	1.46	1.43
		- Dividend	0.14	-
		- Balance Receivable/(Payable)	(0.11)	0.00
	Mrs. Shilpa Arora	Dividend	0.36	-
	Mr. Manish Mehta	Salary	4.31	4.33
	Mr. Saurav Kumar	Salary	0.00	2.01
	Mr. Hitesh Wadhera	Salary	1.96	-

Notes to Financial Information

NOTE NO: 38 RELATED PARTY DISCLOSURES (CONTD..)

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 through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31 March, 2022 & 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.

NOTE NO: 39 COMMITMENTS AND CONTINGENCIES

(i) Commitments (Net of Advances)

Estimated amount of contracts remaining to be executed on capital account and not provided for are as follows:-

Particulars	(Rs. in millions)	
	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	33.20	33.36

(ii) Contingent Liabilities

Particulars	(Rs. in millions)	
	As at 31st March, 2022	As at 31st March, 2021
Service Tax demand	3.17	3.17
Goods and Services Tax demand	2.05	2.05
Bank Guarantees	15.80	15.48
Letter of Credits	0.00	35.42

- The company does not expect any reimbursements in respect of the above contingent liabilities.
- The company had a legal dispute against Haryana State Pollution Control Board and Anr which has raised demand of Rs. 95,15,625.00. Company had filed appeal against the raised demand to Appellate Authority under the Water Act at Chandigarh. Haryana State Pollution Control Board has withdrawn the same through its order dated 27th April 2022 without any demand.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

NOTE NO: 40 EMPLOYEE BENEFITS

(A) Defined Contribution Plans as per Ind AS 19 Employee Benefits:

Contribution to Defined Contribution Plan recognised as expense is as under:

Particulars	(Rs. in millions)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's Contribution to Provident Fund & Pension*	26.08	23.92
Employer's Contribution to ESI*	8.08	7.86

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 30).

(B) Defined Benefit Plans and Other Long Term Benefits as per Ind AS 19 Employee Benefits:

The Company has defined benefit plan namely Gratuity plan which is governed by payment of Gratuity Act, 1972 and other long term benefits namely Leave Encashment and Compensated Absences. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. 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.

Notes to Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present value of obligation as at the beginning	35.63	29.07
Interest Cost	2.34	1.95
Past Service Cost	-	-
Current Service Cost	4.25	3.98
Benefits Paid	(2.05)	(0.47)
Re-measurement (or Actuarial) (Gain)/Loss	(1.98)	1.09
Present Value of Obligation as at the end	38.19	35.63
Current Liability	14.99	14.35
Non-Current Liability	23.20	21.27

(ii) Fair Value of Plan Assets:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Fair Value of Plan Assets as at the beginning	-	-
Interest Income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets as at the end	-	-

(iii) Assets and Liabilities recognized in the Balance Sheet:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present Value of Obligation at the end	38.19	35.63
Fair Value of Plan Assets at the end	-	-
Amount recognised in Balance Sheet	38.19	35.63

(iv) Net Employee Benefit Expense (recognized in Employee Cost):

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Service Cost	4.25	3.98
Past Service Cost	-	-
Net Interest Cost on Net Defined Benefit Liability	2.34	1.95
Net Benefit Expense recognized in Statement of Profit and Loss	6.59	5.93

(v) Amount recognised in Other Comprehensive Income:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (Gains)/Losses	(1.26)	(0.39)
Difference in Present Value of Obligations	(0.73)	1.48
Components of defined benefit costs recognised in other comprehensive income	(1.98)	1.09

Notes to Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(vi) Funding Pattern

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	Nil	Nil

(vii) The principal assumptions used in determining defined benefit obligations are shown below:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount Rate	7.24%	6.76% p.a
Attrition Rate	14.28%	15.00 % p.a.
Salary Growth Rate	11.39%	10.00 % p.a.
Mortality Rate	IALU 2012-14	IALU 2012-14

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount Rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (3 % p.a. increase) Impact on defined benefit obligation	(1.41)	(1.33)
Change in assumption (3 % p.a. decrease) Impact on defined benefit obligation	1.56	1.48

(b) Salary growth rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (1 % p.a. increase) Impact on defined benefit obligation	3.13	2.96
Change in assumption (1 % p.a. decrease) Impact on defined benefit obligation	2.66	(2.50)

(c) Attrition Rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (2 % p.a. increase) Impact on defined benefit obligation	(0.67)	(0.66)
Change in assumption (2 % p.a. decrease) Impact on defined benefit obligation	0.86	0.77

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

Notes to Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Within the next 12 months	15.13	14.47
Within the next 12 months	13.53	11.49
Within the next 12 months	9.88	9.78
Within the next 12 months	16.08	14.14

(x) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:-

- Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria . It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

II. Disclosures in Respect of Leave Encashment and Compensated Absences (Unfunded):

(a) Movement in the present value of the defined benefit obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present Value of Obligation as at the beginning	9.15	7.81
Current Service Cost	6.01	5.32
Interest Cost	0.44	0.38
Re-measurement (or Actuarial) (Gain)/Loss	(0.14)	0.02
Benefits Paid	(5.23)	(4.38)
Present Value of Obligation as at the end	10.24	9.15
Current Liability	2.11	2.31
Non-Current Liability	8.13	6.85

(b) Net Employee Benefit Expense (recognized in Employee Cost):

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Service Cost	6.01	5.32
Past Service Cost	-	-
Interest Cost	0.44	0.38
Re-measurement (or Actuarial) (Gain)/Loss	(0.14)	0.02
Net benefit expense recognized in statement of Profit and Loss	6.31	5.72

Notes to Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(c) The principal assumptions used in determining defined benefit obligations are shown below:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount Rate	7.24% p.a.	6.76% p.a.
Attrition Rate	14.28 % p.a.	15.00 % p.a.
Salary Growth Rate	11.39 % p.a.	10.00 % p.a.
Mortality Rate	IALU 2012-14	IALU 2012-14

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

(d) Reconciliation of Fair Value of Assets and Obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	10.24	9.15
Amount Recognised in Balance Sheet	10.24	9.15

NOTE NO: 41 LEASE RELATED DISCLOSURES

The Company has leases for office buildings, warehouses and related facilities. With the exception of short-term leases, leases of low-value underlying assets and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Short term leases & low value assets	-	-
Total	-	-

B) Lease under Ind AS 116 for the year ended 31st March, 2022

The Detail of the Right-of-Use assets held by the Company is as follows:

(Rs. in millions)

Particulars	Depreciation charge for the year	Net carrying amount
Building & Warehousing facilities	18.97	22.35
Total	18.97	22.35

Notes to Financial Information

NOTE NO: 41 LEASE RELATED DISCLOSURES (CONTD..)

C) Amount recognised in Statements of Profit & Loss:

(Rs. in millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Depreciation on right-of-use assets	18.97	18.97
Interest on lease liabilities	2.60	3.58
Rental expenses relating to short term leases and Low value assets	-	-
Total	21.58	22.55

D) Amount recognised in Statements of cash flows:

(Rs. in millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Total Cash out flow for the leases	(18.61)	(16.78)

E) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2020 is 7.4%.

F) Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(Rs. in millions)

31st March, 2022	Minimum lease payments due			Total
	Within 1 year	1-2 years	2-3 years	
Lease payments	22.13	3.97	-	26.10
Interest expense	1.15	0.04	-	1.19
Net present values	20.98	3.93	-	24.91

NOTE NO: 42 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

A. Financial Assets

(Rs. in millions)

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	24.01	24.01	24.01	24.01
Trade Receivables	281.46	281.46	264.71	264.71
Cash & Cash Equivalents	166.58	166.58	416.97	416.97
Other Bank Balances	202.61	202.61	320.36	320.36
Other Financial Assets	43.66	43.66	72.28	72.28
Total Financial Assets	718.31	718.31	1,098.32	1,098.32

* Does not include investments in subsidiary which are measured at cost in accordance with Ind AS 101 and Ind AS 27.

B. Financial Liabilities

(Rs. in millions)

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	297.62	297.62	155.84	155.84
Other Non-Current Financial Liabilities	26.97	26.97	24.34	24.34
Current Borrowings	139.15	139.15	121.43	121.43
Trade Payables	500.15	500.15	627.80	627.80
Other Current Financial Liabilities#	162.88	162.88	162.66	162.66
Total Financial Liabilities	1,126.77	1,126.77	1,092.07	1,092.07

including current maturities of non-current borrowings

Notes to Financial Information

NOTE NO: 42 FAIR VALUES (CONTD.)

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:-

Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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

(Rs. in millions)

Particulars	31st March, 2022	31st March, 2021
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.02
Investment in UnQuoted Shares (Level 1)	23.99	23.99

The management assessed that fair values of cash and cash equivalents, trade receivables, other bank balances, other current financial assets, trade payables and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of security deposits and borrowings are fair considered to be the same as their carrying amounts, as there is an immaterial change in the lending rates.

There have been no transfer from one level to another level of valuation during the above periods.

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. 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 include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management has assigned the responsibility to oversee the management of these risks to its treasury team. The treasury team assesses the financial risks and takes appropriate action to mitigate those risks. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31st March, 2022 and 2021.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and other provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Year Ended 31st March, 2022	Year Ended 31st March, 2021
INR Loans*	+ 100 Basis Points	0.31	0.35
INR Loans*	- 100 Basis Points	(0.31)	(0.35)

*Does not include those loans whose rate of Interest is fixed.

Foreign Currency Risk

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

Foreign Currency Exposure that have not been hedged by derivative Instrument are given below.

(Rs. in millions)

Liabilities/Assets	FOREIGN CURRENCY	
	As at 31st March, 2022	As at 31st March, 2021
Liabilities		
USD	1.05	1.00
EURO	0.15	0.14
Assets		
USD	0.76	0.69
EURO	0.20	0.02

(Rs. in millions)

Liabilities/Assets	INR	
	As at 31st March, 2022	As at 31st March, 2021
Liabilities		
USD	79.88	73.00
EURO	11.91	12.17
Assets		
USD	57.01	50.16
EURO	15.69	1.59

Notes to Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD and EURO, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is as under:

Currency	Change in rate	Effect on profit before tax for the year	
		31st March, 2022	31st March, 2021
USD	Appreciation in INR by 5%	0.11	0.11
USD	Depreciation in INR by 5%	(0.01)	(0.01)
EURO	Appreciation in INR by 5%	(0.02)	0.05
EURO	Depreciation in INR by 5%	0.00	(0.01)

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions.

Trade Receivables

Customer credit risk is being driven by Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The management believes that the trade receivables as on 31st March 2022 and 2021 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
0-6 Months past due	281.19	262.62
6-12 Months past due	0.07	1.77
More than 12 months	1.74	1.85
Total	283.00	266.25

Balances with Banks

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2022 and 2021 is the carrying amounts of balances with banks.

Notes to Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of long term bank loans and short term borrowings etc. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2022				
Borrowings	-	297.62	-	297.62
Other Non-Current Financial Liabilities	-	26.97	-	26.97
Lease Liabilities	20.98	3.93	-	24.91
Current Borrowings	139.15	-	-	139.15
Trade Payables	500.15	-	-	500.15
Other Current Financial Liabilities	162.88	-	-	162.88
Total	823.16	328.52	-	1,151.68

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2021				
Borrowings	-	155.84	-	155.84
Other Non-Current Financial Liabilities	-	24.34	-	24.34
Lease Liabilities	18.61	24.91	-	43.52
Current Borrowings	121.43	-	-	121.43
Trade Payables	627.80	-	-	627.80
Other Current Financial Liabilities	162.66	-	-	162.66
	930.50	205.09	-	1,135.59

NOTE NO: 44 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt borrowings & trade payables, less cash and cash equivalents.

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings	436.77	277.26
Trade Payables	500.15	627.80
Less: Cash and cash equivalents	166.58	416.97
Net Debt (A)	770.34	488.10
Equity (B)	3,108.06	2,898.90
Net Debt/ Equity Ratio (A/B)	24.79%	16.84%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing.

Notes to Financial Information

NOTE NO:45 ANALYTICAL RATIOS

Particulars	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	% of variance
a. Current Ratio	Current Assets	Current Liabilities	1.34	1.38	2.39
b. Net Debt-Equity Ratio	Debt	Shareholders' Equity	0.47	0.50	7.16
c. Debt Service Coverage Ratio	Earnings Available for Debt	Debt	3.95	7.35	85.94
d. Return on Equity Ratio	Net Profit after Taxes	Average Shareholders' Equity	9.58%	29.22%	204.89
e. Inventory turnover ratio	Cost of Goods Sold	Average Inventory	7.03	9.28	31.94
f. Trade Receivables turnover ratio	Net Credit Sales	Average Inventory	5.27	6.54	24.14
g. Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.54	4.57	0.65
h. Net capital turnover ratio	Net Sales	Average Working Capital	12.47	16.65	33.60
i. Net profit ratio	Net Profit	Net Sales	6.15%	15.26%	148.18
j. Return on Capital employed	Earnings before taxes	Capital Employed	16.58%	35.53%	114.34
k. Return on investment.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

NOTE NO: 46 RELATIONSHIP WITH STRUCK OFF COMPANIES

The company does not have any transaction with companies struck off under Companies Act, 2013

NOTE NO: 47 BENAMI PROPERTIES

The Company does not have any Benami Property held in its name or in the name of any other person/company. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

NOTE NO: 48 WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE NO: 49 UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (Such as search or survey), that has not been recorded in books of accounts

NOTE NO: 50 CRYPTO CURRENCY

The Company has not traded or invested in Crypto currency or virtual currency during the year

NOTE NO: 51 REGISTRATION OR SATISFACTION OF CHARGES

The Company does not have any charges or satisfaction of charges, which is yet to be registered with registrar of companies beyond the statutory period

NOTE NO: 52 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an impact on current or previous financial year.

Notes to Financial Information

NOTE NO: 53 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any other person(s) or entity(ies), including foreign entities(intermediaries) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTE NO: 54 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE NO: 55 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods reassessed to ensure that the lease term reflects the current economic circumstances.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial information were prepared. Existing circumstances and assumptions about 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.

Notes to Financial Information

NOTE NO: 55 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTD..)

(i) Contingent liabilities

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry perspective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as contingent liability. The remote cases are disclosed in the Standalone financial information.

(ii) Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period.

(iii) Impairment of Assets

An impairment exists when the carrying value of an asset exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

(iv) Gratuity benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

(v) Taxes

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax liabilities, cash tax settlements and therefore the tax charge in the statement of profit or loss.

NOTE NO: 56 DISTRIBUTIONS MADE AND PROPOSED

(Rs. in millions)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (Rs. In millions) (A)	-	-
Per Share Dividend (Amount in Rs.)	-	-
Proposed Dividend (Rs. in million) (B)*	59.03	78.71
Per Share Dividend (Amount in Rs.)	3.00	4.00
Total Dividend (A+B)	59.03	78.71

* Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) until approved by shareholders.

The Board has recommended annual dividend @60% on paid up share capital of the company i.e. Rs. 3.00 per paid up equity shares for the FY 21-22.

Notes to Financial Information

NOTE NO: 57 INVESTMENT IN SUBSIDIARY

During the year 2019-20, the company has made an investment in wholly owned subsidiary in SMK EUROPE-UNIPESSOAL, LDA. The total value of investment is Rs. 2,39,94,000 for 3,00,000 shares of 1 EURO each at an exchange rate of INR 79.98 for 1 EURO.

NOTE NO: 58

Previous year figures have been rearranged or regrouped, wherever necessary.

As per our report of even date attached

For RAJAN CHHABRA & Co.

Chartered Accountants

FRN: 009520N

For and on behalf of Board

STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA

Partner

M No. : 088276

Madhu Bhushan Khurana

Chairman and Managing Director

DIN: 00172770

Sidhartha Bhushan Khurana

Managing Director

DIN: 00172788

Shanker Dev Choudhry

Independent Director

DIN: 07094705

Place: Faridabad

Date: 27th August, 2022

Manish Mehta

Chief Financial Officer

Hitesh Wadhwa

Company Secretary



Consolidated
Financial
Statements

Independent Auditor's Report

To
The Members of **Studds Accessories Limited**

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of Studds Accessories Limited (herein referred to as "the Holding Company") and its subsidiary SMK Europe, Unipessoal, LDA (the Holding Company and the subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and the consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of separate financial statements of the subsidiary company referred to in the other matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, the consolidated profit/loss (including comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

3. 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 group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

4. The Holding Company's Board of Directors are responsible for the preparation and presentation of the other information. The Other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and the Unaudited Financial Information in respect of the Foreign Subsidiary, to the extent it relates to the entity and in doing so, place reliance on these Unaudited Financial information as submitted by the management and to consider whether the 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. Other information so far as it relates to the subsidiary is traced from the Unaudited Financial information as submitted by the management. If based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report the facts. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

5. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('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 including other comprehensive income, consolidated cash flows and change in equity of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; for selection and application of the appropriate accounting policies; making judgements

and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to Going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the group or to cease operations or have no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the group are also responsible for overseeing the group's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. 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.
9. 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 the audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls

with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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.
10. 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.
 11. 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

12. We have not audit the financial statements of subsidiary namely SMK Europe, Unipessoal, LDA, whose financial statements reflect total assets of Rs. 24.85Million as at March 31, 2022, total Revenue/ (Expenditure) of Rs. 0.00/ (0.02) Million respectively for the year ended March 31, 2022 as considered in the Financial Statements. In respect of the said Foreign subsidiary whose Financial Statements are unaudited and have been furnished to us by the management and our opinion on these consolidated financial statements is so far, as it relates to the amounts and disclosures included in respect of the subsidiary is solely based on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these unaudited financial information is not material to the group. Our opinion is not modified on this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (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 consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - (i) The group has disclosed the impact of pending litigations on its consolidated Ind AS financial position in its financial statements – Refer Additional Notes to the financial statements 39(ii), Contingent Liability;
 - (ii) The group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (h) (i) The Management of the Holding Company has represented that to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds have been advanced or loaned or invested

(either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any person(s) or entity(ies) including foreign entities (intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management of the Holding Company has represented that to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (" Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(i) The dividend declared and paid during the year by the holding company is in compliance with provisions of section 123 of the companies Act, 2013.

(j) The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

14. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's report) Order, 2020 (the "Order") the financial statements of the subsidiary provided are unaudited and hence provisions of the clause 1s not applicable.

For **Rajan Chhabra & co**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra
Partner

Place: Faridabad
Date: 27th August, 2022

M.No: 088276
UDIN: 22088276AQPTMY4769

Annexure-A

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

1. We have audited the internal financial controls over financial reporting of Studds Accessories Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Board of Directors of the holding company are 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.

AUDITORS' RESPONSIBILITY

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

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

5. 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.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OTHER MATTERS

8. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company is based on the representation received from the auditor of the subsidiary company.

OPINION

9. In our opinion, the Company has, in all material respects, except for the possible effects of the matter described in others matter paragraph, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajan Chhabra & co**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra
Partner

Place: Faridabad
Date: 27th August, 2022

M.No: 088276
UDIN: 22088276AQPTMY4769

Consolidated Balance Sheet

as at 31st March, 2022

(₹ In millions)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3	3,048.01	2,609.16
Capital Work in Process (Tangible)	4	102.39	55.41
Right of use Assets	5	22.35	41.33
Intangible Assets	6	27.27	12.23
Intangible Assets under development	7	25.41	42.05
Financial Assets	8		
(i) Non-Current Investments		0.02	0.02
(ii) Other Financial Assets		25.21	40.62
Total Non-Current Assets		3,250.66	2,800.82
Current Assets			
Inventories	9	424.26	289.86
Financial Assets			
- Trade Receivables	10	281.46	265.71
- Cash & Cash Equivalents	11	190.44	441.86
- Other Bank Balances	12	202.61	320.36
- Other Financial Assets	13	18.45	31.66
Other Current Assets	14	187.01	195.79
Total Current Assets		1,304.23	1,545.24
Total Assets		4,554.89	4,346.06
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	98.88	98.88
Other Equity	16	3,010.52	2,802.42
Total Equity		3,108.90	2,900.79
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	17	297.62	155.84
- Lease Liabilities		3.93	24.91
- Other Non-Current Financial Liabilities	18	26.97	24.34
Non-Current Provisions	19	31.33	28.12
Deferred Tax Liability (Net)	20	133.90	107.58
Total Non-Current Liabilities		493.75	340.79
Current Liabilities			
Financial Liabilities			
- Current Borrowings	21	139.15	121.43
- Lease Liabilities		20.99	18.61
- Trade Payables	22		
- Total outstanding dues of MSME		35.94	4.50
- Total outstanding dues of creditors other than MSME		464.21	623.30
- Other Current Financial Liabilities	23	162.88	162.66
Other Current Liabilities	24	90.54	94.21
Current Provisions	25	17.51	18.01
Current Tax Liabilities (Net)	26	21.02	61.75
Total Current Liabilities		952.24	1,104.47
Total Liabilities		1,445.99	1,445.27
Total Equity and Liabilities		4,554.89	4,346.06

See accompanying notes to financial statements

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Consolidated Statement of Profit & Loss

for the period ended 31st March, 2022

(₹ In millions)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations			
Revenue	27	4,625.07	4,796.15
Other Income	28	54.77	45.95
Total Income		4,679.84	4,842.10
EXPENSES			
Cost of Material Consumed		2,602.86	2,266.62
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	29	(92.50)	(44.57)
Employee Benefit Expense	30	582.44	559.68
Finance Cost	31	30.56	34.64
Depreciation and Amortisation Expense	32	166.32	133.45
Other Expenses	33	990.00	909.32
Total Expenses		4,279.68	3,859.14
Profit before Tax		400.16	982.96
Tax Expense:			
Current Tax		80.53	227.01
Deferred Tax		26.32	37.53
Tax relating to earlier periods		6.95	(21.52)
Total Tax Expense		113.80	243.02
Profit for the Period		286.36	739.94
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Re-measurement gains/(losses) on defined benefit plans		1.98	(1.09)
Income tax effect		(0.50)	0.27
Foreign Currency Translation Reserve		(1.05)	0.86
Total other comprehensive income		0.43	0.04
Total Comprehensive Income for the year		286.80	739.98
Earnings per share (face value Rs. 5/-)	34		
- Basic EPS (in Rs.)		14.55	37.61
- Diluted EPS (in Rs.)		14.55	37.61
See accompanying notes to financial statement			

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Consolidated Statement of Changes in Equity

(I) EQUITY SHARE CAPITAL

(₹ In millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Equity share of Rs. 5/- each*		
Balance at the beginning of the year	98.38	98.38
Movement during the year	-	-
Balance at the end of the year	98.38	98.38

* The Equity shares were of face value of Rs. 10 each till the Financial year 31st March, 2018. After 31st March, 2018 these shares were subsequently converted into shares of face value of Rs. 5 each.

(II) OTHER EQUITY

(₹ In millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at 1st April, 2020	-	82.74	1,980.19	2,062.93
Profit for the year	-	-	739.94	739.94
Other Comprehensive Income (net of tax)	-	-	0.04	0.04
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(0.49)	(0.49)
Less: Utilised during the year	-	-	-	-
As at 31st March, 2021	-	82.74	2,719.68	2,802.42
As at 1st April, 2020	-	82.74	2,719.68	2,802.42
Profit for the year	-	-	286.36	286.36
Other Comprehensive Income (net of tax)	-	-	0.43	0.43
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	78.69	78.69
Less: Utilised during the year	-	-	-	-
As at 31st March, 2022	-	82.74	2,927.78	3,010.52

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

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Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Consolidated Statement of Cash Flows

(₹ In millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A Cash Flow from Operating Activities		
Profit before Tax	400.16	982.96
Adjustments for:		
Depreciation and Amortisation Expense	166.32	133.45
Foreign Currency Translation Reserve	(1.05)	0.86
Finance Cost	30.56	34.64
Rent Income	(0.38)	(0.29)
Interest Income	(20.35)	(28.12)
Provision for doubtful debts	1.54	1.54
Profit on Sale of Investments	-	-
Profit on sale of Property, Plant and Equipment	-	-
Loss on sale of Property, Plant and Equipment	0.30	-
Other Income	(26.93)	(10.85)
Operating Profit before working Capital changes	550.17	1,114.18
Working capital adjustments:		
Movement in trade & other payables	(191.94)	130.57
Movement in trade & other receivables	20.12	(197.29)
Movement in inventories	(134.39)	(100.64)
Cash Generated from Operations	243.96	946.82
Direct Taxes Paid and Taxes earlier years	(128.70)	(207.39)
Net Cash Flow from Operating Activities (A)	115.26	739.43
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(565.60)	(365.08)
Sale proceeds from sale of PPE	1.36	0.96
Investment In Fixed Deposits/Maturity	117.75	(19.90)
Rent Received	0.38	0.29
Investment In Non Current Investments	-	(0.00)
Interest Received	20.35	28.12
Other Income Received	26.93	10.85
Net Cash Flow from Investing Activities (B)	(398.81)	(344.75)
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	159.50	(121.99)
Dividend Including Dividend Distribution Tax	(78.19)	0.20
Repayment of lease liabilities	(18.60)	(16.78)
Interest Paid	(30.56)	(34.64)
Net Cash Flow from Financing Activities (C)	32.15	(173.20)
Net increase in Cash and Cash Equivalents (A+B+C)	(251.41)	221.46
Cash and Cash Equivalent at the beginning of the year	441.85	220.39
Cash and Cash Equivalent at the end of the year	190.44	441.85

Consolidated Statement of Cash Flows

CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

(₹ In millions)

Particulars	Borrowing	Lease
As at 31st March, 2021	277.26	0.00
Cash Flows	159.50	(16.78)
Non-cash changes	-	41.71
As at 31st March, 2022	436.77	24.92

The above statement should be read together with significant accounting policies and notes to the Standalone financial statements.

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flow"
- (ii) During the period the Company has not spent any amount on CSR Expenses in accordance with the provision of the Companies Act, 2013.
- (iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 11
- (iv) Figures in bracket represents cash outflow

As per our report of even date attached

For RAJAN CHHABRA & Co.
Chartered Accountants
FRN: 009520N

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Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

Notes to Consolidated Financial Information

1. CORPORATE INFORMATION

STUDDS ACCESSORIES LIMITED ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at 918, Sector 68, IMT, Faridabad 121004, Haryana.

Studds Accessories Limited is one of the leading manufacturers and exporters of Helmets & two wheeler accessories in India. The product range of the Company includes two Wheeler Accessories.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2022 and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended March 31, 2022 and Other Consolidated Financial Information (together referred as 'Consolidated Financial Information') have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

These Financial statements have been prepared using presentation and disclosure requirements of the Schedule III, Division II of Companies Act, 2013.

(b) Basis of Consolidation and Equity Accounting

The Consolidated Financial Information have been prepared in accordance with Ind AS 103 "Business Combinations", Ind AS 110 "Consolidated Financial Statements", Ind AS 111 "Joint Arrangements", Ind AS 112 "Disclosure of Interests in Other Entities", Ind AS 28 "Investments In Associates and Joint Ventures" and other accounting pronouncements of the Institute of Chartered Accountants of India.

The Consolidated Financial Information are 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 Standalone Financial Information. Accounting policies of consolidated companies have been changed where necessary to ensure consistency with the policies adopted by the group.

The amounts shown in respect of other equity comprise of the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th August 2022.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control cease.

The group combines the financial statements of the Parent and its Subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gain/loss on transactions between group companies are eliminated.

Excess of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as Goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

SMK Europe, Unipessoal, LDA, acquired on 30 July, 2019, is a Wholly Owned Subsidiary and hence Non controlling Interests are NIL.

Changes in Ownership Interests

The group treats transactions with non-controlling interests which does not result in loss of control as

Notes to Consolidated Financial Information

transaction with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

Particulars of Subsidiary Company consolidated

S. No.	Name of Company	Country of Incorporation	% Holding
1	SMK EUROPE, UNIPESSOAL, LDA (acquired on 30/07/2019)	Portugal	100%

(c) Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and

assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations
- Measurement and likelihood of occurrence of provisions and contingencies
- Recognition of deferred tax assets
- Key assumptions used in discounted cash flow projections
- Impairment of Goodwill and Intangible assets
- Indefinite useful life of certain intangible assets
- Measurement of Lease liabilities and Right of Use Asset
- Fair valuation of assets acquired and liabilities assumed as part of business combination

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(d) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The Company has incorporated all such amendments.

Notes to Consolidated Financial Information

(e) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of assets and liabilities based on current/ non-current classification.

- An **asset** is treated as **current** when it is:-
 - expected to be realized or intended to be sold or consumed in the normal operating cycle, or
 - held primarily for the purpose of trading, or
 - expected to be realised within twelve months after the reporting period, or
 - cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies **all other Assets** as **non-current**.
- A **liability** is treated as **current** when it is:-
 - expected to be settled in the normal operating cycle, or
 - held primarily for the purpose of trading, or
 - due to be settled within twelve months after the reporting period, or
 - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies **all other liabilities** as **non-current**.
- **Deferred tax** assets and liabilities are classified as **non-current assets and liabilities**.
- The **operating cycle** is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified **twelve months** as its operating cycle.

(f) Revenue Recognition

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorized by the Company. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognised using the effective interest rate (EIR) method.

(g) Expenditure

Expenses are accounted on accrual basis.

(h) Foreign Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in Other Comprehensive Income or the Statement

Notes to Consolidated Financial Information

of Profit and Loss are also recognised in Other Comprehensive Income or the Statement of Profit and Loss respectively).

(i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to Statement of Profit and Loss during the reporting period in which they have incurred.

Capital work in progress is stated at cost less impairment. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Freehold land is not depreciated.

When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method on a pro-rata basis from the date on which each asset is ready for its intended use to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation is provided on estimated useful lives, as specified in Part "C" of the Schedule II of the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss

arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

(j) Intangible Assets

Intangible assets with definite useful life acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows. Residual Value is considered as Nil in the below cases:

Nature of Assets	Estimated Useful Life
Computer software	6 years
Trademarks	Over the useful life of underlying assets
Technical Know-how	Over the useful life of underlying assets

The amortization period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(k) Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where

Notes to Consolidated Financial Information

surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the group during the period/year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

(l) Inventories

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence. Cost is determined on the following basis:-

Raw Materials are recorded at cost on a weighted average cost formula;

Stores & spares are recorded at cost on a weighted average cost formula.

Finished goods and work-in-process are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

Scrap is valued at net realizable value.

Machinery spares (other than those qualified to be capitalized as PPE and depreciated accordingly) are charged to profit and loss on consumption

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(m) Provisions and Contingencies

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of

a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities

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 group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent asset being a possible asset that arises 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 group, is not recognized but disclosed in the financial statements.

(n) Employee Benefits

Short-Term Obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Other Long-Term Employee Benefit Obligations

Liabilities for leave encashment and 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

Notes to Consolidated Financial Information

reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-Employment Obligations

Defined Benefit Plans

The group has defined benefit plans namely gratuity for employees. 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 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.

Re-measurement 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.

Defined Contribution Plans

The group has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner. The group's contribution is charged to revenue every year. The group has no further payment obligations once the contributions have been paid. The group's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

(o) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(p) Taxes

Taxes comprise of current income tax and deferred tax.

Current Income Tax

The tax currently payable is based on taxable profit for the year. 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 group'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 recognized 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 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 group 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 year

Current and deferred tax are recognised in statement of profit & loss, except when they relate to items that are recognised in other comprehensive income or

Notes to Consolidated Financial Information

directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

(q) Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding 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 leases of low value assets. These short-term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or

a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

(r) Impairment of Non-Financial Assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(s) Fair Value Measurement

The group measures certain financial instruments at fair value at each Balance Sheet date.

Notes to Consolidated Financial Information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial information on recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(t) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that 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 costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial Assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method 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.

Notes to Consolidated Financial Information

The group 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 amortized 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 group'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 Other Entities at fair value through Profit or loss (FVTPL)

Investment in equity instrument of other than subsidiaries, joint ventures and associates are classified at fair value through profit or loss, unless the group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortized 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 amortized 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 recognizing 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 Re measurement recognized in profit or loss.

Trade & Other Receivables

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

Impairment of Financial Assets

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

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

Expected credit losses 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 event 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 18, the group 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 group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients or

Notes to Consolidated Financial Information

- The rights to receive cash flows from the asset has expired

Financial Liabilities

Classification of Debt or Equity

Debt or equity instruments issued by the group 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 group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through Statement of Profit and Loss

Trade and Other Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the 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 Statement of Profit Loss.

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(u) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(v) Previous years figures have been rearranged or regrouped where ever necessary.

Notes to Consolidated Financial Information

NOTE NO: 3 PROPERTY PLANT & EQUIPMENT

(Rs. in millions)

Description	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Office Appliances	Computers	Vehicles	Total
Cost								
As at 1st April, 2020	635.11	287.78	787.70	27.05	8.83	6.95	32.54	1785.96
Additions	14.29	600.02	508.26	25.80	10.93	6.98	0.57	1,166.85
Disposals/write off	-	-	1.00	-	-	-	-	1.00
As at 31st March, 2021	649.40	887.80	1,294.96	52.85	19.76	13.93	33.11	2,951.81
Additions	377.37	31.70	145.39	10.65	9.08	7.27	-	581.46
Disposals/write off	-	-	-	-	-	-	8.66	8.66
As at 31st March, 2022	1,026.77	919.50	1,440.35	63.50	28.84	21.20	24.45	3,524.61
Accumulated Depreciation								
As at 1st April, 2020	-	28.12	180.17	6.56	4.05	2.73	9.62	231.25
Charge for the year	-	23.38	77.06	3.34	2.09	1.35	4.22	111.44
Disposals/write off	-	-	0.03	-	-	-	-	0.03
As at 31st March, 2021	-	51.50	257.20	9.90	6.14	4.08	13.84	342.65
Charge for the year	-	30.02	94.70	5.66	4.25	2.40	3.92	140.95
Disposals/write off	-	-	-	-	-	-	7.00	7.00
As at 31st March, 2022	-	81.52	351.90	15.56	10.39	6.48	10.76	476.60
Net Book Value								
As at 31st March, 2022	1,026.77	837.98	1,088.45	47.94	18.46	14.72	13.69	3,048.01
As at 31st March, 2021	649.40	836.30	1,037.76	42.95	13.62	9.85	19.27	2,609.16

Certain borrowings of the Company have been secured against Property, Plant and Equipment (Refer Note No. 17 & 21)

NOTE NO: 4 CAPITAL WORK IN PROGRESS- TANGIBLE

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning	55.41	838.13
Additions	251.07	34.44
Capitalised during the year	204.09	817.16
Reversal of Impairment	-	-
Balance at the end	102.39	55.41

There are no capital work in progress where completion is overdue against original planned timelines as on 31st March, 2022

NOTE NO: 5 RIGHT OF USE ASSETS

Particulars	Amount
Cost	Building
As at 1st April, 2021	60.30
Additions	-
Disposals/write off	-
As at 31st March, 2022	60.30
Accumulated Depreciation	
As at 1st April, 2021	18.97
Additions	18.98
Disposals/write off	-
As at 31st March, 2022	37.95
Net Book Value	
As at 31st March, 2022	22.35
As at 31st March, 2021	41.33

Notes to Consolidated Financial Information

NOTE NO: 6 OTHER INTANGIBLE ASSETS

(Rs. in millions)

Particulars	Computer Software	Trademark	Technical Know-How	Total
Cost				
As at 1st April, 2020	11.82	0.38	2.57	14.77
Additions	0.88	-	5.09	5.97
Disposals/write off				
As at 31st March, 2021	12.70	0.38	7.66	20.74
Additions	15.81	-	5.64	21.45
Disposals/write off	-	-	-	-
As at 31st March, 2022	28.51	0.38	13.30	42.19
Accumulated Depreciation				
As at 1st April, 2020	5.36	0.02	0.09	5.47
Additions	1.64	0.11	1.29	3.04
Disposals/write off	-	-	-	-
As at 31st March, 2021	7.00	0.13	1.38	8.51
Additions	2.98	0.11	3.31	6.41
Disposals/write off	-	-	-	-
As at 31st March, 2022	9.98	0.24	4.69	14.92
Net Book Value				
As at 31st March, 2022	18.53	0.15	8.60	27.27
As at 31st March, 2021	5.70	0.26	6.28	12.23

NOTE NO: 7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning	42.05	24.56
Additions	4.81	24.65
Capitalised during the year	21.45	4.59
Reversal of Impairment	-	-
Transfer to expense	-	2.58
Balance at the end	25.41	42.05

NOTE NO: 8 FINANCIAL ASSETS

Note No: 8 (i) Non Current Investments

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Investment in Equity Shares				
A. In Others - At FVTPL				
- Bank of Maharashtra 10/-	1,900.00	1,900.00	0.02	0.02
Total Investments	1,900.00	1,900.00	0.02	0.02
Aggregate Value of Unquoted Investments			-	-
Aggregate Value of Quoted Investments			0.02	0.02
Aggregate Market Value of Quoted Investments			0.02	0.02
Aggregate Amt of Impairment in Value of Investments			-	-

Notes to Consolidated Financial Information

NOTE NO: 8 FINANCIAL ASSETS (CONTD..)

Note No: 8 (ii) - Other Financial Assets

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Security Deposit with Vendors	25.21	40.62
Total	25.21	40.62

NOTE NO: 9 INVENTORIES

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Raw Materials	238.55	179.22
Raw Material in Transit	2.64	20.08
Finished Goods	132.34	75.33
Work in Progress	50.73	15.24
Total	424.26	289.86

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 17 & 21).

For Valuation, refer Note 2 k of Accounting Policies

NOTE NO: 10 TRADE RECEIVABLES

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Carried at Amortised Cost		
From Others*		
- Secured, considered good	3.58	3.89
- Unsecured, considered good	277.88	261.83
- With significant increase in credit risk	1.54	1.54
Total Receivable	283.00	267.25
Less: Credit impaired	(1.54)	(1.54)
Total	281.46	265.71

* Amount is due from Related party (Bikerz US Inc) is Rs. 10.76.

Certain borrowings of the Company have been secured against Trade Receivables (Refer Note No. 17 & 21).

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Ageing of Trade Receivables.

(Rs. in millions)

Particulars	Outstanding for following periods from the date of payment					Total
	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	281.19	0.07	0.10	0.00	0.00	281.36
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	1.64	1.64
TOTAL	281.19	0.07	0.10	0.00	1.64	283.00

Notes to Consolidated Financial Information

NOTE NO: 11 CASH AND CASH EQUIVALENTS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Cash in hand	0.01	0.05
Balances with Bank		
- in Deposit having maturity for less than 3 months	157.40	380.51
- in Current accounts	33.04	61.30
Total	190.44	441.86

NOTE NO: 12 OTHER BANK BALANCES

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	200.68	318.93
- in Unpaid Dividend account	1.93	1.43
Total	202.61	320.36

NOTE NO: 13 OTHER FINANCIAL ASSETS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Carried at Amortised Cost		
Unsecured, considered good		
Balances with Bank		
- in Deposit having maturity for more than 12 months	17.47	30.16
Advances to employees	0.98	1.49
Total	18.45	31.66

NOTE NO: 14 OTHER CURRENT ASSETS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Unsecured, considered good		
Advance to Vendors		
- Vendors	132.57	148.09
- Others	-	14.00
Export Benefit Receivable	8.11	3.00
Prepaid Expenses	8.18	8.41
Balance of Cenvat/GST	12.27	4.33
Other assets	25.88	17.97
Total	187.01	195.79

NOTE NO: 15 EQUITY SHARE CAPITAL

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at	As at	As at	As at
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Authorised Capital				
Equity shares of Rs. 5/- each*	5,00,00,000	5,00,00,000	250.00	250.00
Issued Capital				
Equity share of Rs. 5/- each*	1,96,76,700	1,96,76,700	98.38	98.38
Subscribed and Fully Paid up				
Equity share of Rs. 5/- each*	1,96,76,700	1,96,76,700	98.38	98.38

In the EGM held on 7th July, 2018, Bonus shares were issued in the ratio of 8 equity shares for every 1 equity share held.

Notes to Consolidated Financial Information

NOTE NO: 15 EQUITY SHARE CAPITAL (CONTD..)

A Reconciliation of Number of Equity Shares Outstanding

(Rs. in millions)

Particulars	No of Shares		Amount	
	As at	As at	As at	As at
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Balance at the beginning of the year	1,96,76,700	1,96,76,700	98.38	98.38
Add: Effect due to Share Split	-	-	-	-
Add: Effect due to Bonus Issue	-	-	-	-
Less: Cancelled during the year	-	-	-	-
As at 31st March, 2022	1,96,76,700	1,96,76,700	98.38	98.38

B Rights, Preferences and Restrictions attached to Equity Shares.

The Company has one class of Equity Shares with a par value of Rs. 5/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their holding. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

B Details and Shareholders holding more than 5% Equity Shares

Particulars	No of Shares		%	
	As at	As at	As at	As at
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	1,08,92,880	55.36%	55.36%
Sidhartha Bhushan Khurana	28,14,480	28,14,480	14.30%	14.30%
Chand Khurana	16,48,800	16,48,800	8.38%	8.38%

C Details of promoters' shareholding

Particulars	No of Shares		%	
	As at	As at	As at	As at
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	1,08,92,880	55.36%	55.36%
Sidhartha Bhushan Khurana	28,14,480	28,14,480	14.30%	14.30%

In the EGM held on 7th July, 2018, Bonus shares were issued in the ratio of 8 equity shares for every 1 equity share held.

NOTE NO: 16 OTHER EQUITY

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at 1st April, 2020	-	82.74	1,980.19	2,062.93
Addition:				
Profit for the year	-	-	739.94	739.94
Other Comprehensive Income (net of tax)	-	-	0.04	0.04
Less:				
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	0.49	0.49
Utilised during the year	-	-	-	-
As at 31st March, 2021	-	82.74	2,719.68	2,802.42

Notes to Consolidated Financial Information

NOTE NO: 16 OTHER EQUITY (CONTD..)

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at 1st April, 2021	-	82.74	2,719.68	2,802.42
Addition:				
Profit for the year	-	-	286.36	286.36
Other Comprehensive Income (net of tax)	-	-	0.43	0.43
Less:				
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	78.69	78.69
Utilised during the year	-	-	-	-
As at 31st March, 2022	-	82.74	2,927.78	3,010.52

NOTE NO: 17 NON-CURRENT BORROWINGS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	5.82	7.26
Other Term Loan	430.95	270.00
Total	436.77	277.26
Less: Current Maturities on Non Current Borrowings		
- Vehicle Loan	1.59	1.43
- Other Term Loan	137.56	120.00
Total	139.15	121.43
Total Non-Current Borrowings	297.62	155.84

A. Term Loan From HDFC (Santioned Rs. 480 Mn. Balance as on 31st March, 2022 - Rs. 150 Mn)

Security Terms:

Secured against Factory Land & Building, Plant & Machinery, Stock & Book Debts and personal guarantee of two Directors - Madhu Bhushan Khurana and Sidhartha Bhushan Khurana.

Interest Rates:

(6 Month MCLR + 25 bps)

Repayment Terms:

5 Years including 1 year moratorium (equal quarterly installment after end of 1 year)

B. Term Loan From HDFC (Santioned Rs. 595 Mn. Balance as on 31st March, 2022 - Rs. 280 Mn)

Security Terms:

Secured against Factory Land & Building, Plant & Machinery, Stock & Book Debts of the Company.

Interest Rates:

(REPO RATE + 250 bps)

Repayment Terms:

5 Years including 1 year moratorium (equal quarterly installment after end of 1 year)

Notes to Consolidated Financial Information

NOTE NO: 17 NON-CURRENT BORROWINGS (CONTD..)

C. Vehicle Loans

Security Terms:

Secured against hypothecation of specified vehicles of the company.

Interest Rates:

Applicable rate of interest is 8.50% to 10.50%

Repayment Terms:

Vehicle loan repayable within 36/ 60 equal monthly installment.

NOTE NO: 18 OTHER NON-CURRENT FINANCIAL LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carried at Amortised Cost		
Security Deposit from Dealers	26.97	24.34
Total	26.97	24.34

NOTE NO: 19 NON-CURRENT PROVISIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
- Gratuity	23.20	21.27
- Leave Encashment	8.13	6.85
Total	31.33	28.12

NOTE NO: 20 DEFERRED TAX LIABILITIES (NET)

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	152.48	130.15
Total Deferred Tax Liabilities	152.48	130.15
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	18.58	22.57
Total Deferred Tax Assets	18.58	22.57
Net Deferred Tax Liabilities/(Asset)	133.90	107.58

Reconciliation of Deferred Tax Liabilities (Net)

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	130.15	79.31
Movement during the year	22.33	50.84
Closing Balance	152.48	130.15

Notes to Consolidated Financial Information

NOTE NO: 20 DEFERRED TAX LIABILITIES (NET) (CONTD..)

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		-
Opening Balance	22.57	9.26
Movement during the year	(3.99)	13.31
Closing Balance	18.58	22.57
Net Deferred Tax Liabilities/(Asset)	133.90	107.58

NOTE NO: 21 CURRENT BORROWINGS

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Current Maturities on Borrowings from Banks (Refer Note No. 17)	139.15	121.43
Total	139.15	121.43

Overdraft limit of Rs 10 million has been sanctioned by HDFC Bank and balance against this overdraft limit as at year end is positive.

Overdraft limit of Rs 200 million has been sanctioned by HDFC Bank against FDR and balance against this overdraft limit as at year end is positive.

NOTE NO: 22 TRADE PAYABLES

(Rs. in millions)

Particulars	As at	
	31st March, 2022	31st March, 2021
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	35.94	4.50
Dues of other than MSMEs	464.21	623.30
Total	500.15	627.80

* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 35)

Ageing of Trade Payables

(Rs. in millions)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	35.94	-	-	-	35.94
(ii) Others	457.62	1.37	1.72	3.50	464.21
(iii) Disputed MSME					-
(iv) Others MSME					-
TOTAL	493.56	1.37	1.72	3.50	500.15

Notes to Consolidated Financial Information

NOTE NO: 23 OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Payables on purchase of Property, Plant & Equipment	11.23	78.89
Employee Related Liabilities	66.29	59.94
Expenses Payable	79.65	19.27
Others Payable	3.83	3.19
Unpaid Dividend	1.88	1.38
Total	162.88	162.66

NOTE NO: 24 OTHER CURRENT LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances received from Customers	56.22	51.24
CSR Payable	-	14.00
Statutory Dues	34.32	28.97
Total	90.54	94.21

NOTE NO: 25 CURRENT PROVISIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
- Gratuity	14.99	14.35
- Leave Encashment	2.52	3.66
Total	17.51	18.01

NOTE NO: 26 CURRENT TAX LIABILITIES

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income Tax Payable	21.02	61.75
Total	21.02	61.75

NOTE NO: 27 REVENUE FROM OPERATIONS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Sale of Goods		
- Inland Sales	3,783.34	4,422.57
- Exports Sales	972.82	538.74
Total Sales	4,756.16	4,961.31
Less : Discount & Incentives	131.09	165.16
Net Sales	4,625.07	4,796.15

Notes to Consolidated Financial Information

NOTE NO: 28 OTHER INCOME

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other income - operative		
Interest Income	20.35	28.12
Service Income-Domestic	0.38	0.29
Service Income-Export	0.95	-
Miscellaneous Income	2.64	1.50
Export Incentive	24.29	9.35
Other income - non operative		
Profit on Sale of Fixed Assets	-	-
Profit on account of currency fluctuation	6.16	6.69
Total	54.77	45.95

NOTE NO: 29 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in millions)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventory at the beginning of the year		
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	90.57	45.99
Less: Inventory at the end of the year		
Finished Goods	132.34	75.33
Work in Progress	50.73	15.24
Total	183.07	90.56
Net (Increase)/decrease	(92.50)	(44.57)

NOTE NO: 30 EMPLOYEE BENEFIT EXPENSES

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Wages and Bonus	524.31	504.75
Contribution to Provident Fund & Other Fund	35.19	32.30
Employees Welfare Expenses	22.94	22.62
Total	582.44	559.68

NOTE NO: 31 FINANCE COST

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on:		
- Term Loan	21.10	19.79
- Cash Credit / Overdraft	0.00	0.01
- Vehicle Loan	0.64	0.79
- Delayed Payment to MSME	1.57	0.03
- HSIIDC	3.17	8.51
- Dealer Security Deposit	1.20	1.13
- Lease Liability	2.60	3.58
- Others	0.28	0.80
Total	30.56	34.64

Notes to Consolidated Financial Information

NOTE NO: 32 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of Property, Plant & Equipment	140.94	111.44
Amortisation of Right of use assets	18.97	18.97
Amortisation of intangible assets	6.41	3.04
Total	166.32	133.45

NOTE NO: 33 OTHER EXPENSES

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Labour Charges	160.29	175.60
Power & Fuel	190.28	172.99
Store Consumed	67.07	58.72
Cartage Outward	259.05	254.84
Insurance Expenses	10.44	11.42
Repair and Maintenance		
- Plant & Machinery	28.24	32.32
- Building	3.70	5.74
- Others	12.43	27.49
Payment to Auditors	0.50	0.50
Legal & Professional Expenses	30.84	29.10
Corporate Social Responsibility (CSR) expenses	17.30	14.00
Travelling & Conveyance Expenses	8.79	4.29
Commission on Sales	31.13	18.44
Advertisement & Sales Promotion	88.41	42.69
Provision for Bad Debts	-	1.54
Bank Charges	1.39	1.54
Miscellaneous Expenses	80.14	58.11
Total	990.00	909.32

NOTE NO: 34 EARNINGS PER SHARE

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares, unless the effect of potential dilutive equity share is antidilutive.

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit after tax for calculation of EPS (Rs. In million) (A)	286.36	739.94
Number of equity shares post split	1,96,76,700	1,96,76,700
Add: Effect of Bonus issue	-	-
Number of equity shares for calculating basic & diluted EPS (B)	1,96,76,700	1,96,76,700
Face Value per share (Amount in Rs.)	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	14.55	37.61
Diluted Earning per share (Amount in Rs.) (A/B)	14.55	37.61

Notes to Consolidated Financial Information

NOTE NO: 35 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		-
- Principal amount due to MSME	35.94	4.50
- Interest due on above	1.57	0.03
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.		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.57	0.03
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.		-

NOTE NO: 36 SEGMENT INFORMATION

The Company is primarily engaged in the business of "manufacturing and sale of helmets and two wheeler accessories" which in context of Ind AS 108 "Segment Reporting" as referred to in Companies (Indian Accounting Standards) Rules, 2015 is considered as the only Business Segment.

NOTE NO: 37 DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

In light of Section 135 of the Companies Act, 2013 the Company has carried out the following expenses on Corporate Social Responsibility (CSR) activities aggregating to INR 17.30 millions spent as on 31st March, 2022:-

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Gross amount required to be spent by the Company during the year	17.30	14.00

(Rs. in millions)

Particulars	Paid	Unspent at Year end	Total
(ii) Amount to be spent during the year ending on 31st March, 2022:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than 1 above	17.30	-	17.30
(ii) Amount spent during the year ending on 31st March, 2021:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than 1 above			
- Studds Foundation		14.00	14.00

As per Notification dated 22nd January, 2021 the above mentioned unspent amount has been contributed to fund specified under Schedule VII as per second proviso to Section 135(5) before 30th September, 2021

Nature of Activities taken under CSR :

Activities related to Preventive Healthcare, Education, Environmental Sustainability

Notes to Consolidated Financial Information

NOTE NO: 38 RELATED PARTY DISCLOSURES

The list of related parties as identified by the management is as under:

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

- Studds Foundation
- Bikerz INC (formerly known as Studds Canada)
- Bikerz US INC

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana Chairman
- Mrs. Chand Khurana Wife of Chairman
- Mr. Sidhartha Bhushan Khurana Managing Director
- Mrs. Garima Khurana Wife of Managing Director
- Mrs. Shilpa Arora Daughter of Chairman
- Mr. Manish Mehta Chief Financial Officer
- Mr. Hitesh Wadhera Company Secretary

Following transactions were carried out with related parties in the ordinary course of business for the Year Ended 31st March 2022:-

(Rs. in millions)				
S. No.	Name of the Party	Nature of Transaction	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Enterprise with Significant Influence			
	Studds Foundation	Advance Received	14.00	" -
		Advance given		14.00
		Balance Receivable/(Payable)		14.00 "
	Bikerz US INC	Sale of Goods	10.76	" 00
		Balance Receivable/(Payable)	10.76	00 "
	Bikerz INC (formerly known as Studds Canada)	Sale of Goods		1.11
2	Key Management Personnel & their Relatives			
	Mr. Madhu Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	18.83	24.37
		- Dividend	43.57	-
		- Security Refund	0.08	-
		- Balance Receivable/(Payable)	(4.75)	(0.45)
	Mrs. Chand Khurana	Salary:		
		- Short-term employee benefits	2.78	2.72
		- Dividend	6.60	-
		- Security Refund	0.08	-
		- Balance Receivable/(Payable)	(0.14)	(0.14)
	Mr. Sidhartha Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	18.61	24.27
		- Dividend	11.26	-
		- Balance Receivable/(Payable)	(4.75)	(0.45)
	Mrs. Garima Khurana	Salary:		
		- Short-term employee benefits	1.46	1.43
		- Dividend	0.14	-
		- Balance Receivable/(Payable)	(0.11)	0.00
	Mrs. Shilpa Arora	Dividend	0.36	-
	Mr. Manish Mehta	Salary	4.31	4.33
	Mr. Saurav Kumar	Salary	0.00	2.01
	Mr. Hitesh Wadhera	Salary	1.96	-

Notes to Consolidated Financial Information

NOTE NO: 38 RELATED PARTY DISCLOSURES (CONTD..)

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 through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31st March, 2022 & 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.

NOTE NO: 39 COMMITMENTS AND CONTINGENCIES

(i) Commitments (Net of Advances)

Estimated amount of contracts remaining to be executed on capital account and not provided for are as follows:-

Particulars	(Rs. in millions)	
	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	33.20	33.36

(ii) Contingent Liabilities

Particulars	(Rs. in millions)	
	As at 31st March, 2022	As at 31st March, 2021
Service Tax demand	3.17	3.17
Goods and Service Tax demand	2.05	2.05
Bank Guarantees	15.80	15.48
Letter of Credits	0.00	35.42

- The company does not expect any reimbursements in respect of the above contingent liabilities.
- The company had a legal dispute against Haryana State Pollution Control Board and Anr which has raised demand of Rs. 95,15,625.00. Company had filed appeal against the raised demand to Appellate Authority under the Water Act at Chandigarh. Haryana State Pollution Control Board has withdrawn the same through its order dated 27th April 2022 without any demand.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

NOTE NO: 40 EMPLOYEE BENEFITS

(A) Defined Contribution Plans as per Ind AS 19 Employee Benefits:

Contribution to Defined Contribution Plan as recognised as expense is as under:

Particulars	(Rs. in millions)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's Contribution to Provident Fund & Pension*	26.08	23.92
Employer's Contribution to ESI*	8.08	7.86

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 30).

(B) Defined Benefit Plans and Other Long Term Benefits as per Ind AS 19 Employee Benefits:

The Company has defined benefit plan namely Gratuity plan which is governed by payment of Gratuity Act, 1972 and other long term benefits namely Leave Encashment and Compensated Absences. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. 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..

Notes to Consolidated Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present value of obligation as at the beginning	35.63	29.07
Interest cost	2.34	1.95
Past Service Cost	-	-
Current service cost	4.25	3.98
Benefits paid	(2.05)	(0.47)
Re-measurement (or Actuarial) (gain) / loss	(1.98)	1.09
Present Value of Obligation as at the end	38.19	35.63
Current Liability	14.99	14.35
Non-Current Liability	23.20	21.27

(ii) Fair Value of Plan Assets:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Fair Value of Plan Assets as at the beginning	-	-
Interest Income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets as at the end	-	-

(iii) Assets and Liabilities recognized in the Balance Sheet:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present Value of Obligation at the end	38.19	35.63
Fair Value of Plan Assets at the end	-	-
Amount Recognised in Balance Sheet	38.19	35.63

(iv) Net Employee Benefit Expense (recognized in Employee Cost):

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current service cost	4.25	3.98
Past service cost	-	-
Net interest cost on net defined benefit liability	2.34	1.95
Net benefit expense recognized in statement of Profit and Loss	6.59	5.93

(v) Amount recognised in Other Comprehensive Income:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (gains)/losses	(1.26)	(0.39)
Difference in Present Value of Obligations	(0.73)	1.48
Components of defined benefit costs recognised in other comprehensive income	(1.98)	1.09

Notes to Consolidated Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(vi) Funding Pattern

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	Nil	Nil

(vii) The principal assumptions used in determining defined benefit obligations are shown below:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate	7.24%	6.76% p.a
Attrition Rate	14.28%	15.00 % p.a.
Salary growth rate	11.39%	10.00 % p.a.
Mortality rate	IALU 2012-14	IALU 2012-14

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount Rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (3 % p.a. increase) Impact on defined benefit obligation	(1.41)	(1.33)
Change in assumption (3 % p.a. decrease) Impact on defined benefit obligation	1.56	1.48

(b) Salary growth rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (1 % p.a. increase) Impact on defined benefit obligation	3.13	2.96
Change in assumption (1 % p.a. decrease) Impact on defined benefit obligation	2.66	(2.50)

(c) Attrition Rate

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Change in assumption (2 % p.a. increase) Impact on defined benefit obligation	(0.67)	(0.66)
Change in assumption (2 % p.a. decrease) Impact on defined benefit obligation	0.86	0.77

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

Notes to Consolidated Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Within the next 12 months	15.13	14.47
Between 2 and 5 years	13.53	11.49
Between 5 and 10 years	9.88	9.78
After 10 years	16.08	14.14

(x) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:-

- Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria . It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

II. Disclosures in Respect of Leave Encashment and Compensated Absences (Unfunded):

(a) Movement in the present value of the defined benefit obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Present value of obligation as at the beginning	9.15	7.81
Current service cost	6.01	5.32
Interest cost	0.44	0.38
Re-measurement (or Actuarial) (gain) / loss	(0.14)	0.02
Benefits paid	(5.23)	(4.38)
Present Value of Obligation as at the end	10.24	9.15
Current Liability	2.11	2.31
Non-Current Liability	8.13	6.85

(b) Net Employee Benefit Expense (recognized in Employee Cost):

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current service cost	6.01	5.32
Past service cost	-	-
Interest cost	0.44	0.38
Re-measurement (or Actuarial) (gain) / loss	(0.14)	0.02
Net benefit expense recognized in statement of Profit and Loss	6.31	5.72

Notes to Consolidated Financial Information

NOTE NO: 40 EMPLOYEE BENEFITS (CONTD..)

(c) The principal assumptions used in determining defined benefit obligations are shown below:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate	7.24% p.a.	6.76% p.a.
Attrition Rate	14.28 % p.a.	15.00 % p.a.
Salary growth rate	11.39 % p.a.	10.00 % p.a.
Mortality rate	IALU 2012-14	IALU 2012-14

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

(d) Reconciliation of Fair Value of Assets and Obligation:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	10.24	9.15
Amount Recognised in Balance Sheet	10.24	9.15

NOTE NO: 41 LEASE RELATED DISCLOSURES

The Company has leases for office buildings, warehouses and related facilities. With the exception of short-term leases, leases of low-value underlying assets and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(Rs. in millions)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Short term leases & low value assets	-	-
Total	-	-

B) Lease under Ind AS 116 for the year ended 31st March, 2022

The Details of the right-of-use assets held by the Company is as follows:

(Rs. in millions)

Particulars	Depreciation charge for the year	Net carrying amount
Building & Warehousing facilities	18.97	22.35
Total	18.97	22.35

Notes to Consolidated Financial Information

NOTE NO: 41 LEASE RELATED DISCLOSURES (CONTD..)

C) Amount recognised in Statements of Profit & Loss:

(Rs. in millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Depreciation on right-of-use assets	18.97	18.97
Interest on lease liabilities	2.60	3.58
Rental expenses relating to short term leases and Low value assets	-	-
Total	21.58	22.55

D) Amount recognised in Statements of cash flows:

(Rs. in millions)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Total Cash out flow for the leases	(18.61)	(16.78)

E) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2020 is 7.4%.

F) Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(Rs. in millions)

31st March, 2022	Minimum lease payments due			Total
	Within 1 year	1-2 years	2-3 years	
Lease payments	22.13	3.97	-	26.10
Interest expense	1.15	0.04	-	1.19
Net present values	20.98	3.93	-	24.91

NOTE NO: 42 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

A. Financial Assets

(Rs. in millions)

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	0.02	0.02	0.02	0.02
Trade Receivables	281.46	281.46	265.71	265.71
Cash & Cash Equivalents	190.44	190.44	441.86	441.86
Other Bank Balances	202.61	202.61	320.36	320.36
Other Financial Assets	43.66	43.66	72.28	72.28
Total Financial Assets	718.19	718.19	1,100.23	1,100.23

* Does not include investments in subsidiary which are measured at cost in accordance with Ind AS 101 and Ind AS 27.

B. Financial Liabilities

(Rs. in millions)

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	297.62	297.62	155.84	155.84
Other Non-Current Financial Liabilities	26.97	26.97	24.34	24.34
Current Borrowings	139.15	139.15	121.43	121.43
Trade Payables	500.15	500.15	627.80	627.80
Other Current Financial Liabilities#	162.88	162.88	162.66	162.66
Total Financial Liabilities	1,126.77	1,126.77	1,092.07	1,092.07

including current maturities of non-current borrowings

Notes to Consolidated Financial Information

NOTE NO: 42 FAIR VALUES (CONTD.)

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:-

Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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

(Rs. in millions)

Particulars	31st March, 2022	31st March, 2021
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.02
Investment in UnQuoted Shares (Level 1)	-	-

The management assessed that fair values of cash and cash equivalents, trade receivables, other bank balances, other current financial assets, trade payables and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of security deposits and borrowings are fair considered to be the same as their carrying amounts, as there is an immaterial change in the lending rates.

There have been no transfer from one level to another level of valuation during the above periods.

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. 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 include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management has assigned the responsibility to oversee the management of these risks to its treasury team. The treasury team assesses the financial risks and takes appropriate action to mitigate those risks. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to Consolidated Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31st March, 2022 and 2021.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and other provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Year Ended 31st March, 2022	Year Ended 31st March, 2021
INR Loans*	+ 100 Basis Points	0.31	0.35
INR Loans*	- 100 Basis Points	(0.31)	(0.35)

*Does not include those loans whose rate of Interest is fixed.

Foreign Currency Risk

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

Foreign Currency Exposure that have not been hedged by derivative Instrument are given below.

(Rs. in millions)

Liabilities/Assets	FOREIGN CURRENCY	
	As at 31st March, 2022	As at 31st March, 2021
Liabilities		
USD	1.05	1.00
EURO	0.15	0.14
Assets		
USD	0.76	0.69
EURO	0.20	0.02

(Rs. in millions)

Liabilities/Assets	INR	
	As at 31st March, 2022	As at 31st March, 2021
Liabilities		
USD	79.88	73.00
EURO	11.91	12.17
Assets		
USD	57.01	50.16
EURO	15.69	1.59

Notes to Consolidated Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD and EURO, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is as under:

Currency	Change in rate	Effect on profit before tax for the year	
		31st March, 2022	31st March, 2021
USD	Appreciation in INR by 5%	0.11	0.11
USD	Depreciation in INR by 5%	(0.01)	(0.01)
EURO	Appreciation in INR by 5%	(0.02)	0.05
EURO	Depreciation in INR by 5%	0.00	(0.01)

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions.

Trade Receivables

Customer credit risk is being driven by Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The management believes that the trade receivables as on 31st March, 2022 and 2021 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
0-6 Months past due	281.19	262.62
6-12 Months past due	0.07	1.77
More than 12 months	1.74	2.86
Total	283.00	267.25

Balances with Banks

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2022 and 2021 is the carrying amounts of balances with banks.

Notes to Consolidated Financial Information

NOTE NO: 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of long term bank loans and short term borrowings etc. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2022				
Borrowings	-	297.62	-	297.62
Other Non-Current Financial Liabilities	-	26.97	-	26.97
Lease Liabilities	20.98	3.93	-	24.91
Current Borrowings	139.15	-	-	139.15
Trade Payables	500.15	-	-	500.15
Other Current Financial Liabilities	162.88	-	-	162.88
Total	823.16	328.52	-	1,151.68

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2021				
Borrowings	-	155.84	-	155.84
Other Non-Current Financial Liabilities	-	24.34	-	24.34
Lease Liabilities	18.61	24.91	-	43.52
Current Borrowings	121.43	-	-	121.43
Trade Payables	627.80	-	-	627.80
Other Current Financial Liabilities	162.66	-	-	162.66
	930.50	205.09	-	1,135.59

NOTE NO: 44 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt borrowings & trade payables, less cash and cash equivalents.

(Rs. in millions)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Borrowings	436.77	277.26
Trade Payables	500.15	627.80
Less: Cash and cash equivalents	190.44	441.86
Net Debt (A)	746.47	463.21
Equity (B)	3108.91	2,900.79
Net Debt/ Equity Ratio (A/B)	24.01%	15.97%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing.

Notes to Consolidated Financial Information

NOTE NO:45 ANALYTICAL RATIOS

Particulars	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	% of variance
a. Current Ratio	Current Assets	Current Liabilities	1.37	1.40	2.15
b. Net Debt-Equity Ratio	Debt	Shareholders' Equity	0.47	0.50	7.12
c. Debt Service Coverage Ratio	Earnings Available for Debt	Debt	3.95	7.35	85.94
d. Return on Equity Ratio	Net Profit after Taxes	Average Shareholders' Equity	9.55%	29.24%	206.36
e. Inventory turnover ratio	Cost of Goods Sold	Average Inventory	7.03	9.28	31.94
f. Trade Receivables turnover ratio	Net Credit Sales	Average Inventory	5.25	6.53	24.35
g. Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.54	4.57	0.65
h. Net capital turnover ratio	Net Sales	Average Working Capital	11.67	15.94	36.59
i. Net profit ratio	Net Profit	Net Sales	6.13%	15.28%	149.35
j. Return on Capital employed	Earnings before taxes	Capital Employed	16.57%	35.51%	114.26
k. Return on investment.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

NOTE NO: 46 RELATIONSHIP WITH STURCK OFF COMPANIES

The company does not have any transaction with companies sturck off under Companies Act, 2013

NOTE NO: 47 BENAMI PROPERTIES

The Company does not have any Benami Property held in its name or in the name of any other person/company. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

NOTE NO: 48 WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE NO: 49 UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (Such as search or survey), that has not been recorded in books of accounts

NOTE NO: 50 CRYPTO CURRENCY

The Company has not traded or invested in Crypto currency or virtual currency during the year

NOTE NO: 51 REGISTRATION OR SATISFACTION OF CHARGES

The Company does not have any charges or satisfaction of charges, which is yet to be registered with registrar of companies beyond the statutory period

NOTE NO: 52 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an impact on current or previous financial year.

Notes to Consolidated Financial Information

NOTE NO: 53 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any other person(s) or entity(ies), including foreign entities(intermediaries) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

NOTE NO: 54 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE NO: 55 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods reassessed to ensure that the lease term reflects the current economic circumstances.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial information were prepared. Existing circumstances and assumptions about 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.

Notes to Consolidated Financial Information

NOTE NO: 55 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

(i) Contingent liabilities

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry perspective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as contingent liability. The remote cases are disclosed in the Standalone financial information.

(ii) Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period.

(iii) Impairment of Assets

An impairment exists when the carrying value of an asset exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

(iv) Gratuity benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

(v) Taxes

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax liabilities, cash tax settlements and therefore the tax charge in the statement of profit or loss.

Notes to Consolidated Financial Information

NOTE NO:56 DISTRIBUTIONS MADE AND PROPOSED (CONTD..)

(Rs. in millions)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (Rs. In millions) (A)	-	-
Per Share Dividend (Amount in Rs.)	-	-
Proposed Dividend (Rs. in million) (B)*	59.03	78.71
Per Share Dividend (Amount in Rs.)	3.00	4.00
Total Dividend (A+B)	59.03	78.71

* Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) until approved by shareholders.

The Board has recommended annual dividend @60% on paid up share capital of the company i.e. Rs. 3.00 per paid up equity shares for the FY 21-22.

NOTE NO: 57

Previous year figures have been rearranged or regrouped, wherever necessary.

As per our report of even date attached

For RAJAN CHHABRA & Co. For and on behalf of Board
Chartered Accountants **STUDDS ACCESSORIES LIMITED**
FRN: 009520N

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 27th August, 2022

Manish Mehta
Chief Financial Officer

Hitesh Wadhwa
Company Secretary

STUDDS ACCESSORIES LIMITED

Regd Office: Plot 918, Sector 68, IMT, Faridabad-121004, Haryana

CIN: U25208HR1983PLC015135

Website: www.studds.com; **Email:** secretarial@studds.com

Ph. No.: 0129-4296500

NOTICE is hereby given that the 40th (Fortieth) Annual General Meeting ("AGM") of the members of Studds Accessories Limited ("the Company") will be held on Friday, September 30, 2022 at 4:00 P.M. (IST) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended 31st March, 2022, including Balance Sheet as on 31st March 2022, the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors and Auditors along with its annexures and notes thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2022 including Balance Sheet as on 31st March 2022, the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date and the report of Auditors along with its annexures and notes thereon.
2. To declare Final Dividend of Rupees 3 per Equity Shares (i.e. 60% on Paid up Value of Rupees 5/- each) for the Financial Year 2021-22.
3. To appoint a director in place of Mr. Sidhartha Bhushan Khurana (DIN: 00172788) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. PANKAJ DUHAN (DIN: 08093989) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM

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 Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company,

Mr. Pankaj Duhan (DIN: 08093989), who holds office of Independent Director up to 08th April 2023 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years commencing from 9th April 2023 upto 8th April 2028.

RESOLVED FURTHER THAT Mr. Madhu Bhushan Khurana, Chairman and Managing Director or Mr. Sidhartha Bhushan Khurana, Managing Director or Mr. Hitesh Wadhwa Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. REAPPOINTMENT OF MR. SIDHARTHA BHUSHAN KHURANA, MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members by way of a special resolution be and is hereby accorded for re-appointment Mr. Sidhartha Bhushan Khurana (DIN: 00172788) as Managing Director of the Company, liable to retire by rotation, with remuneration, for a period of five (5) years with effect from 1st April 2023 to 31st March 2028 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the remuneration.

FURTHER RESOLVED THAT the overall managerial remuneration payable to Mr. Sidhartha Bhushan Khurana

shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee but not exceeding 11% of the net profits of the Company for each financial year or part thereof computed in accordance with the provisions of Section 197, 198 of the Companies Act, 2013 at any point of time and that the terms and conditions of the aforesaid remuneration payable to Mr. Sidhartha Bhushan Khurana, as Managing Director be varied/altered/revised within said overall limit, in such manner as may be required.

RESOLVED FURTHER THAT wherein any financial year, during the term of office of Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, the Company has no profits or its profits are inadequate, Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director shall continue

to get the same remuneration as minimum remuneration as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to settle all questions or difficulties that may arise with regard to this resolution in such manner as they may determine necessary in their absolute discretion, without requiring to secure any further consent or approval of the Shareholders/Members of the Company.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

By the order of Board
For **Studds Accessories Limited**

Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Date: August 27, 2022
Place: Faridabad

NOTES:

1. In view of the situation arising due to Covid-19 pandemic, as per guidelines issued by the Ministry of Corporate Affairs, Government of India vide Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 05, 2022 ('collectively referred to as MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members/Shareholders at a common venue. In compliance with the provisions of the Act, and MCA Circulars, the 40th AGM of the Company is being held through VC/OAVM facility.

The Deemed Venue for the 40th AGM shall be the Registered Office of the Company.
2. The explanatory statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of this Notice.
3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members/ Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Members/Shareholders will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of venue are not annexed to this Notice. However, Corporate Members/Shareholders intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant board resolution to the Company
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
6. The attendance of the Members/Shareholders attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In terms of Section 152 of the Act, Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his reappointment.
8. At the 36th AGM held on September 28, 2018 the Members/ Shareholders approved appointment of M/s. Rajan Chhabra & Co., Chartered Accountants (ICAI Firm Registration no. 009520N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members/Shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 40th AGM.
9. The recording/ transcripts of the forthcoming AGM scheduled on September 30, 2022, shall also be made available on the website of the Company <https://www.studds.com/investor-relations>.
10. The relevant details, as required under Secretarial Standard-2, of directors seeking re-appointment at the Annual General Meeting ('AGM') are furnished herewith and forms part of the Notice.
11. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID secretarial@studds.com till the date of AGM.
12. During the AGM, Members/Shareholders may access Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act. Members/ Shareholders may also write a mail to secretarial@studds.com for this purpose.
13. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members/ Shareholders who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members/ Shareholders who have not registered their e-mail address with the Company can now register the same by sending an email to Company Secretary and Compliance Officer of the Company at secretarial@studds.com and/or by sending a request to Link Intime India Private Limited Registrar and Share Transfer Agent ('RTA') through email delhi@linkintime.co.in or contact 011-49411000. Members/ Shareholders holding shares in demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.
14. Members/Shareholders may note that this Notice of AGM and Annual Report will also be available on Company's website <https://www.studds.com/investor-relations>.

15. The Notice of AGM and Annual Report will be sent to those Members/ Shareholders whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on close of business hours on August 26, 2022. The voting rights of the shareholders/ beneficial owner shall be reckoned on the equity shares held by them as at close of business hours on the Record Date i.e. September 23, 2022.
16. Members/Shareholders desiring any information/ clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at secretarial@studds.com at least seven days in advance to enable the management to keep information ready at the AGM. Members/Shareholders desiring to seek information/ clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by Link Intime India Private Limited.
17. Members/Shareholders holding shares in electronic form are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members/Shareholders holding shares in physical form, if any, can submit their PAN to the Registrar and Share Transfer Agent ("RTA") Link Intime India Private Limited.
18. Ministry of Corporate Affairs vide its notifications dated September 10, 2018, mandated that securities of unlisted public companies can be transferred only in dematerialized form w.e.f. October 02, 2018. Accordingly, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members/ Shareholders are requested to dematerialize the shares held by them in physical form. The ISIN No. for the Equity Shares of the Company is INE00Q601028.
19. Members/Shareholders holding shares in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-13 in terms of Section 72 of the Companies Act, 2013 to the RTA. Members/ Shareholders holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company's website <https://www.studds.com/investor-relations>. Members/Shareholders who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.
20. Non-Resident Indian Members/Shareholders are requested to inform RTA, immediately of: (a) Change in their residential status on return to India for permanent settlement; (b) Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.
21. If the dividend as recommended by the Board of Directors is declared at the Annual General Meeting, payment of such dividend will be made as per the provisions of the Companies Act, 2013 as under:
- (a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on September 30, 2022; and
 - (b) To all Members in respect of shares held in physical form after giving effect to valid requests lodged with the Company on or before the close of business hours on September 30, 2022.
22. As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend if the dividend as recommended by the Board of Directors is declared at the Annual General Meeting.
23. Attention of the Members/Shareholders is drawn to the provisions of Section 124 of the Companies Act, 2013 which require a company to transfer in the name of Investor Education and Protection Fund (IEPF) Authority, company is required to transfer the due unclaimed dividends to the Investor Education and Protection Fund (IEPF) established by the Central Government, on completion of seven year period from the date of transfer of the dividend to Unpaid Dividend Account. In case of those members who have not claimed or encashed the dividend warrant(s) consecutively for last seven consecutive financial years, the Company will proceed to transfer the respective shares to Investor Education and Protection Fund (IEPF) account in terms of IEPF rules. The details of such shareholders are uploaded on the web-link <https://www.studds.com/investor-relations>.
24. The Board of Directors have appointed CS Manish Kumar, Partner of Manish K & Associates, Company Secretaries the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The scrutinizer's report along with result declared shall be placed on website of the Company on the web-link <https://www.studds.com/investor-relations>.
25. All correspondence including share transfer documents should be addressed to the RTA of the Company viz. Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Tel: 011 - 49411000, e-mail: delhi@linkintime.co.in.
26. A person, whose name is recorded in the register of member or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. close of business hours on September 23, 2022, only shall be entitled to avail the facility of remote e-voting/ voting.

27. The remote e-voting facility will be available during the following period:

- I. Commencement of remote e-voting: From 9:00 a.m. (IST) on September 27, 2022.
- II. End of remote e-voting: Up to 5:00 p.m. (IST) on September 29, 2022.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by RTA upon expiry of aforesaid period.

By the order of Board
For **Studds Accessories Limited**

Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Date: August 27, 2022
Place: Faridabad

INSTRUCTIONS FOR JOINING THE AGM AND E-VOTING ARE AS FOLLOWS:

A. Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - Select the "Company" and 'Event Date' and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
 - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

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

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company on secretarial@studds.com in following format:

Speaker Registration Form*:

- (a) Name of Shareholder (including joint shareholder)
- (b) DPID & Client ID/ Folio No.
- (c) Permanent Account Number (PAN)
- (d) Mobile Number
- (e) Query:

* All fields are mandatory

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

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

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

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

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

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

B. Remote e-voting instructions for shareholders post change in login mechanism for shareholders

Pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder and MCA Circulars, shareholders holding securities in DEMAT mode can register directly with the depository or will have the option of accessing various ESP portals directly from their DEMAT accounts.

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

- I. Individual Shareholders holding securities in demat mode with NSDL
 1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e- Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
 2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

II. Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

III. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. LINKINTIME and

you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
 - A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company.
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

 - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click "confirm" (Your password is now generated).
3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed.

If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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 in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e- Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail

address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%^&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

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

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 04

The members/ shareholders of the Company at 36th Annual General Meeting appointed Mr. Pankaj Duhan (DIN: 08093989) as Independent Director for a period of five (5) years with effect from 9th April 2018, not liable to retire by rotation. His tenure (first term) as Independent Director of the Company is valid up to 08th April 2023.

The Nomination and Remuneration Committee, based on the performance evaluation, has recommended the re-appointment of Mr. Pankaj Duhan as an Independent Director, for a second term of 5 (five) consecutive years.

Based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on August 27, 2022, after considering the professional background and experience and contribution made by Mr. Pankaj Duhan during his tenure, decided that it would be beneficial to the Company to continue to avail services of Mr. Pankaj Duhan as an Independent Director. Accordingly, the Board has proposed to re-appoint Mr. Pankaj Duhan as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company, with effect from 09th April 2023.

Pursuant to the provisions of Section 149, 164 and other applicable provisions of the Companies Act, 2013 read

with rules made thereunder and the Articles of Association of the Company. Mr. Pankaj Duhan fulfils the criterion required for Independent Director and is not disqualified to be re-appointed as Independent Director of the Company. The Company has received a consent from him to be re-appointed as Independent Director of the Company. The Board of Directors of the Company recommends the re-appointment of Mr. Pankaj Duhan (DIN 08093989) as an Independent Director of the Company and is of the opinion that Mr. Pankaj Duhan fulfils the conditions specified in the Companies Act, 2013 read with Rules made there under, to be re-appointed as Independent Director of the Company.

Except Mr. Pankaj Duhan and their relative, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the accompanying Notice, except to the extent of his/her respective shareholding, if any, in the Company.

The Board of Directors recommend passing of the Special Resolution at Item No. 04 of the Notice.

ITEM NO. 05

Mr. Sidhartha Bhushan Khurana was appointed as Managing Director for a period of five (5) years with effect from 1st April 2018, on such terms and conditions including remuneration as approved by the shareholders/ members at the Extraordinary General Meeting held on 26th April 2018 and revised at Annual General Meeting held on 28th September 2021. His tenure as Managing Director of the Company is valid upto 31st March 2023.

Mr. Sidhartha Bhushan Khurana provides valuable insights and vision for the Company's sustained growth initiatives and plans. He has constantly provided the leadership and guidance to qualified and well experienced professionals across all key functions of the Organisation to enable them to add value to the Company's growth. He has played an instrumental role in growth of the Company and in order to avail benefits of his vast experience and expertise. The Board of Directors based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, in its meeting held on August 27, 2022, considered, approved and recommended to shareholders/ members of the Company, re-appointment of Mr. Sidhartha Bhushan Khurana as Managing Director, liable to retire by rotation, with remuneration, for a period of 5 years from 1st April 2023 to 31st March 2028 on terms and conditions as set out in the Resolution and the details enumerated below:

Mr. Sidhartha Bhushan Khurana, as a Managing Director of the Company shall be entitled to receive tax-free remuneration as mentioned hereunder:

a) Salary

Basic salary of INR 5,00,000/- p.m with authority to the Board (which expression shall include a committee thereof), to revise his salary from time to time.

b) Perquisites

In addition to salary, the Managing Director shall also be entitled to perquisites and allowances upto such amount as detailed below:

- i. Special Allowance upto INR 250,000/- (50% of Basic Salary) payable monthly.
- ii. Leave Travel Concession: Leave Travel Concession for self and family subject to a ceiling of three months basic salary.

Explanation: Family means the spouse, dependent children and dependent parents.
- iii. Medical reimbursement: Reimbursement of the expenses incurred for self and family subject to a ceiling of three months basic salary every year and such actual expenses as prescribed under the proviso to section 17(2) of the Income Tax Act.
- iv. Provident Fund, Bonus, Gratuity as per the rules of the Company.
- v. Motor Cars: Company maintained two motors cars with chauffeurs for official & personal use.

- vi. Club Membership Annual Fees subject to four Clubs.
- vii. Coverage under Medical claim Insurance, Group Personal Accident Insurance & Term Insurance as per company policy.
- viii. Round the clock one armed security guard to be provided by the Company at his residence.
- ix. Telephone: Telephone provided at residence to be paid by Company and Mobile phone Expenses as per the rules of the Company.
- x. Actual Electricity and Water Charges of his residence
- xi. Hard and Soft Furnishing at residence equivalent to three (3) Months basic salary every year.

c) Commission

Upto 5% of the Net Profits (excluding of the payment made under Salary and Perquisites & Allowances mentioned in point a and point b above) of the Company for each Financial year or part thereof Net Profit to be computed in accordance with the provisions of section 198 of the Companies Act, 2013.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

I. General Information	
1. Nature of industry	Manufacturing
2. Date or expected date of commencement of commercial production/ transactions.	February 1983.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4. Financial performance based on given indicators	The Financial performance of the Company for Financial Year ended on 31st March 2022 is as under: Revenue: 4,625.07 Other Income: 54.77 Total Expense: 4279.67 Profit/ (Loss) before tax: 400.17
5. Foreign investments or collaborations, if any.	Company has one wholly owned subsidiary company SMK EUROPE UNIPessoal LDA.
II. Information about the appointee:	
1. Background details	Mr. Sidhartha Bhushan Khurana has been on Board of the Company since 1998 and has over 25 years of experience in the field of business administration, finances, strategies, and Management. He has constantly provided leadership and guidance to qualified and well experienced professionals across all key organizational functions to enable them to add value to the Company's growth.
2. Past remuneration	Rs. 18.61 Million (during financial year 2021-22).
3. Recognition or awards	N.A.

I. General Information	
4. Job profile and his suitability	Mr. Sidhartha Bhushan Khurana is an Alumni of Punjab Engineering College, Chandigarh. He is associated with the Company since last 25 years and the Company has gone to a new level and reach new heights under his Directorship.
5. Remuneration proposed	The Remuneration proposed shall be on the terms as set out in the Resolution and explanatory statement under section 102 of the Companies Act, 2013 for item no. 5 which consists of Salary, Perquisites and Commission on profits.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration of remuneration of Managing Directors in the industry in general has gone up manifold. The remuneration proposed to the Managing Director of the Company is purely based on merits, keeping in view the profile of the Managing Director, responsibilities being shouldered by him, remuneration being paid by other comparable Companies in the Industry, Industry remuneration benchmarks, Company's remuneration policy as finalised by Nomination and Remuneration Committee constituted by the Board.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving Director's remuneration, Mr. Sidhartha Bhushan Khurana is holding 28,34,430 Equity Share of Rs.5/- each of the Company.
III. Other information:	
1. Reasons of loss or inadequate profits	The Company is passing a Special Resolution pursuant to provisions of section 197 read with Schedule V as a matter of abundant precaution as the profitability of the company may be adversely impacted in future due to business environment.
2. Steps taken or proposed to be taken for improvement	Not Applicable.
3. Expected increase in productivity and profits in measurable terms	Not Applicable.
IV. Disclosures	
1. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	As per the terms and conditions including remuneration as set out in the resolution and the details enumerated in the explanatory statement under section 102(1) of the Companies Act, 2013 for Item no 5.
2. details of fixed component. and performance linked incentives along with the performance criteria	
3. service contracts, notice period, severance fees; a	
4. stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Not applicable.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except Mr. Sidhartha Bhushan Khurana and Mr. Madhu Bhushan Khurana and their relative, none of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the accompanying Notice, except to the extent of his/her respective shareholding, if any, in the Company.

The Board of Directors recommend passing of the Special Resolution at Item No. 05 of the Notice.

Pursuant to the Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished:

Name of the Director	Mr. Sidhartha Bhushan Khurana (DIN: 00172788)	Mr. Pankaj Duhan (DIN 08093989)
Date of Birth & Age	July 20, 1977 45 years	February 23, 1977 45 years
Experience	He has more than 25 years of experience of handling key areas such as managing business administration, finances, strategies, and Management in helmets industry.	He was associated with Procter & Gamble Europe SA, Singapore for more than a decade, where he has held the position of a brand director, among others. At present, he is a marketing director (South Asia - Health) at Reckitt Benckiser.
Qualification	Bachelor's degree in Aeronautical Engineering	Bachelor's degree in engineering (electronics and electric communication) from Punjab Engineering College and a master's degree in management from the Indian Institute of Management, Ahmedabad.
Terms and Conditions of appointment/ re-appointment	Managing Director, liable to retire by Rotation	Appointed for five (5) years and is not liable to retire by rotation.
Details of Remuneration sought to be paid	The details of remuneration sought to be paid is as per the terms and conditions including remuneration as set out in the resolution and the details enumerated in the explanatory statement under section 102(1) of the Companies Act, 2013 for Item no 5.	Entitled to get the sitting fee for attending the Meeting of Board and/ or Meeting of Committees thereof.
Last Remuneration drawn (Per Annum)	INR. 18.61 Million	GBP 2,75,800
Date of first appointment on the Board	August 28, 1998	April 09, 2018
No. of shares held	28,34,480	NIL
Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	Mr. Madhu Bhushan Khurana (Chairman & Managing Director) and Mr. Sidhartha Bhushan Khurana (Managing Director), are related to each other as father and son.	Not Applicable
Number of Board Meetings attended during the Financial Year 2021-22	4 (four)	1 (one)
Directorships held in other Companies	None	None
Chairman/ Member of the Committee of the Board of Directors of the Company	1. Audit Committee (Member) 2. Stakeholder's Relationship Committee (Member) 3. Corporate Social Responsibility (Member)	1. Audit Committee (Member) 2. Nomination and Remuneration Committee (Member)
Committees position held in other Companies	None	None

STUDDS ACCESSORIES LIMITED

Corporate Identification No.:
U25208HR1983PLC015135

Regd. Office: Plot No. 918, Sector 68, IMT
Faridabad-121004, Haryana, India

Tel.: 0129-4296500

Email: secretarial@studds.com

Website: www.studds.com

