



Sharda Motor Industries Ltd.

SMIL: LISTING: 22-23/2608

August 26, 2022

BSE Limited (BSE)

Department of Corporate Services

Pheroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001

(SCRIP CODE - 535602)

National Stock Exchange of India Limited (NSE)

Exchange Plaza,

5th Floor Plot No. C/1, G Block

Bandra - Kurla Complex, Mumbai - 400 051

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Intimation of Notice of 37th Annual General Meeting, Annual Report for Financial Year 2021-22 & Book Closure

Dear Sir/ Madam,

In pursuant to Regulation 34 and other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any amendment thereof "Listing Regulation", please find enclosed herewith a copy of the Notice of the 37th Annual General Meeting ("AGM") along with Annual Report for Financial Year 2021-22.

The 37th AGM of the Members of Sharda Motor Industries Limited ("the Company") is scheduled to be held on Tuesday, September 20, 2022 at 12:00 Noon (IST), through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), to transact the business set as out in the Notice of the AGM. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) & Securities and Exchange Board of India (SEBI) vide their Regulations, circulars and Notifications, has permitted the convening the AGM through VC/OAVM, without the physical presence of the Members at a common venue, and has also granted the relaxation in respect of sending physical copies of the annual report to shareholders.

The Notice of 36th AGM along with Annual Report for Financial Year 2021-22 is also available on the Company's website at "<https://www.shardamotor.com>".

Pursuant to relevant provision of Companies Act, 2013 read with rules made thereunder and applicable provisions of SEBI Listing Regulations, the Company is providing facility to its Members to attend the 37th AGM through VC/ OVAM and to exercise their right to vote in respect of the business to be transacted at the 37th AGM by electronic means (remote e-voting / e-voting at the AGM). The details related to Book closure, Cut off for E-voting, commencement and end dates of E-voting are enclosed as:

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)

Tel.: 91-11-47334100, Fax : 91-11-26811676

E-mail : smil@shardamotor.com, Website : www.shardamotor.com

CIN NO-L74899DL1986PLC023202



Sharda Motor Industries Ltd.

Events	Date	Time
Date of 37 th AGM	Tuesday, September 20, 2022	12:00 Noon (IST)
Mode	Video Conference ("VC") and Other Audio Visual Means ("OAVM")	Not Applicable
Cut-off date for determining the eligibility for casting the votes through e-voting	Tuesday, September 13, 2022	Not Applicable
Commencement of e-voting period	Saturday, September 17, 2022	09:00 A.M. (IST)
End of e-voting period	Monday, September 19, 2022	05:00 P.M. (IST)
Book Closure date for the purpose of AGM & Declaration of Final Dividend for the Financial Year 2020-21	From Wednesday, September 14, 2022 to Tuesday, September 20, 2022 (both days inclusive)	Not Applicable

The detailed procedure for attending the 37th AGM through VC / OVAM and exercising the right to vote in respect of the business to be transacted at the 37th AGM by electronic means (remote e-voting / e-voting at the AGM) are provided in the Notice of 37th AGM.

This is for your information and record.

Thanking you,

Yours faithfully,

For SHARDA MOTOR INDUSTRIES LIMITED

Divyang Jain

**Asst. Company Secretary &
Compliance Officer**

Encl. as above

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**SHARDA MOTOR
INDUSTRIES LIMITED**



BEYOND THE STANDARD...



37 ANNUAL REPORT

2021-22

INVESTOR INFORMATION

Rs. 2,226 Crore

Approx Market Capitalisation as at
March 31, 2022

535602

BSE Code

SHARDAMOTR

NSE Symbol

Equity dividend of

407.50% amounting
to Rs 8.15 per share.

20.09.2022

AGM Date

Video Conferencing (VC)/
Other Audio-Visuals Means (OAVM)

AGM Mode



An electronic version of this report is available online at:
<https://www.shardamotor.com/investor-relations/>

Disclaimer: This document contains statements about expected future events and financials of Sharda Motor Industries Limited which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.





ACROSS THE PAGES

CORPORATE OVERVIEW

Sharda Motor at a Glance	1
Key Milestones	2
Manufacturing Infrastructure	3
Research & Development	4
Our Experience	4
Legislation Tailwinds	5
Backward Integration & Opportunities	6
Future Ready	7
From the MD's Desk	10
Board of Directors and Leadership Team	12
Awards & Accolades	14
Financial Highlights	15
Towards a Responsible Future	15
Corporate Information	17

STATUTORY REPORTS

Notice	18
Directors' Report	33
Report on Corporate Governance	59
Business Responsibility Report	77
Management Discussion and Analysis	94

FINANCIAL SECTION

Standalone	98
Consolidated	172



SHARDA MOTOR AT A GLANCE

Leading Auto-ancillary Company with Global Aspirations

- ➔ Offers highly engineered products and services commencing from emission to suspension systems, roof systems & supply chain management solutions.
- ➔ Strong market share and healthy long-term relationships with OEMs
- ➔ Significant potential growth trajectory.



Emission Control
(Exhaust System)



Suspension & Stampings



Roof System



Supply Chain Management



Lithium Batteries for
Electric Vehicles

* Note:

Purem International GmbH (Formerly known as Eberspaecher Exhaust Technology International)

Kinetic Green Energy & Power Solutions Limited

Foundation

Founded in 1986, Sharda Motor has scaled to numerous highs in the automotive industry.

World class Manufacturing Infrastructure

9 Manufacturing units (including JV), 3 sales offices & 1 R&D center.

Full Backward Integration

Owns 2 Tube Mills & 3 Stamping Plants

Strategic Partnerships*

- Purem (Formerly known as Eberspaecher), Germany (CV exhaust systems)
- Kinetic Green, India (EV Battery)
- Bestop Inc. USA (Roof Systems)

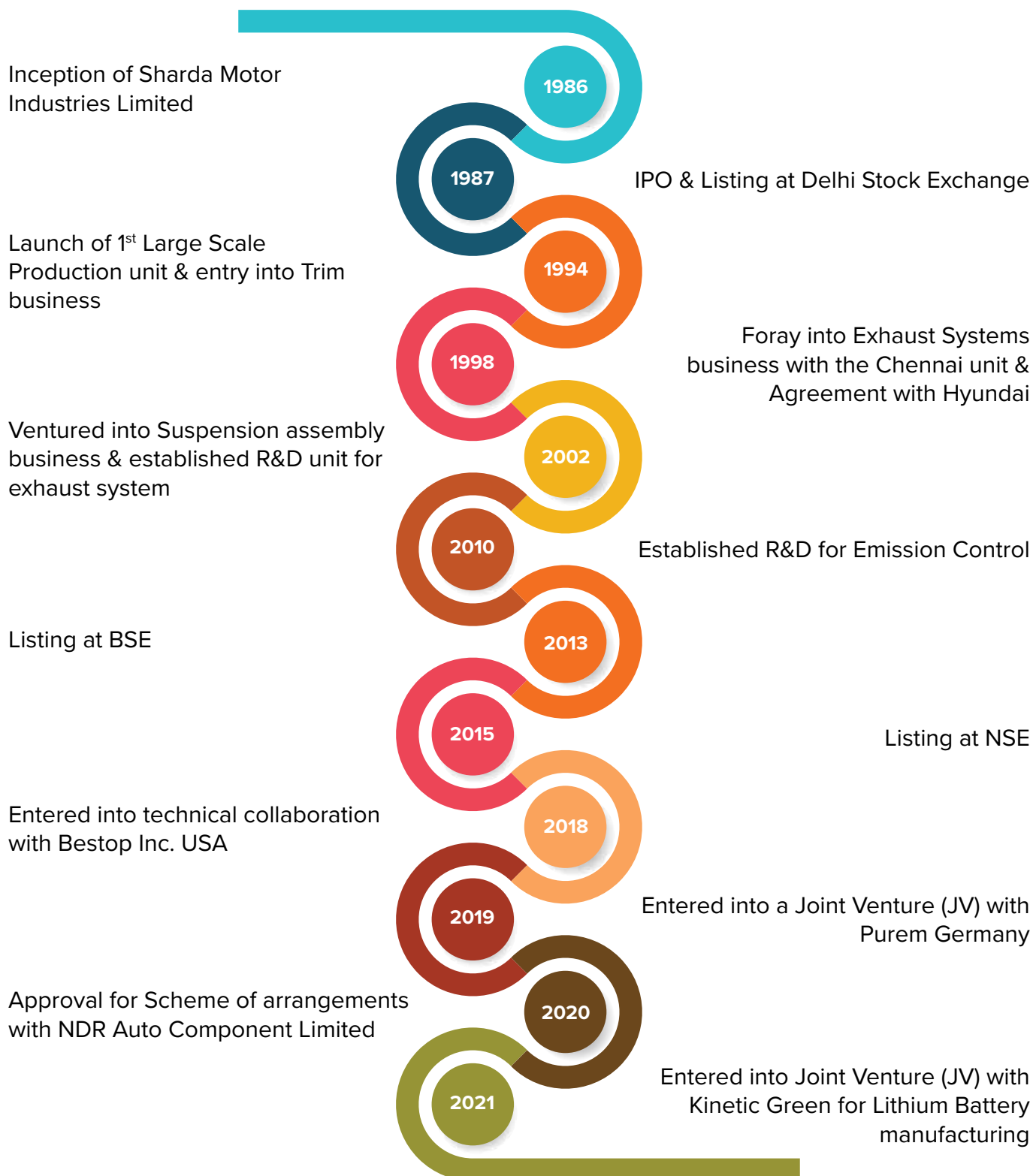
Sound Financials

- Debt Free Company
- Dun & Bradstreet 5A1 rating

Certified

IATF 16949-2016

KEY MILESTONES



MANUFACTURING INFRASTRUCTURE

Presence in Pan India

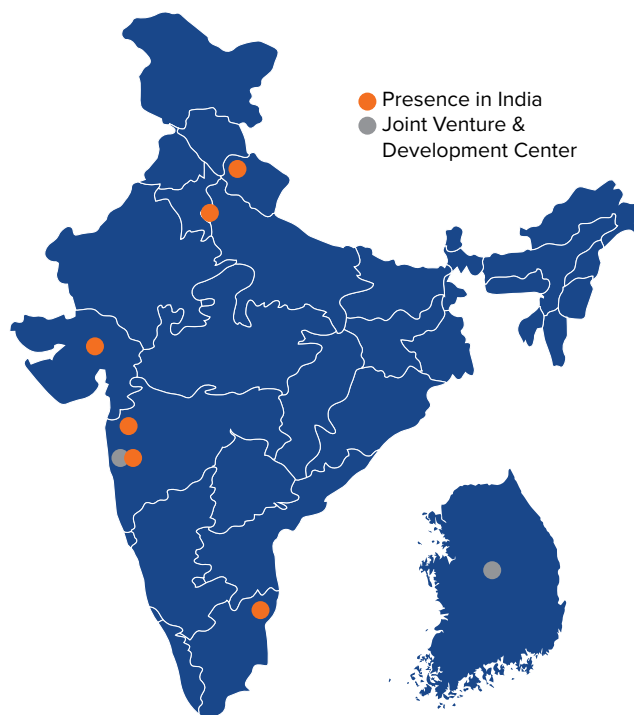
Sanand Exhaust System	Pune Exhaust System Suspension Assembly	Chennai Exhaust System Tube Mill / R&D
Nashik Exhaust System Roof System Suspension Assembly	Haridwar Exhaust System Stamping of Parts & Fuel Tank	Delhi Corporate Office

Joint Venture

Pune Exhaust System - 2 Plants Kinetic - Lithium Battery (under consideration)
--

Abroad

South Korea Design & Development Center at Namyang, South Korea



- State of Art' manufacturing facilities across 7 locations in four states of India
- 9 manufacturing units (including JV) and 1 R&D center covering major part of the auto component(s) market
- Supplies exceptional automotive components to leading vehicle and engine / genset manufacturers

Note – Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

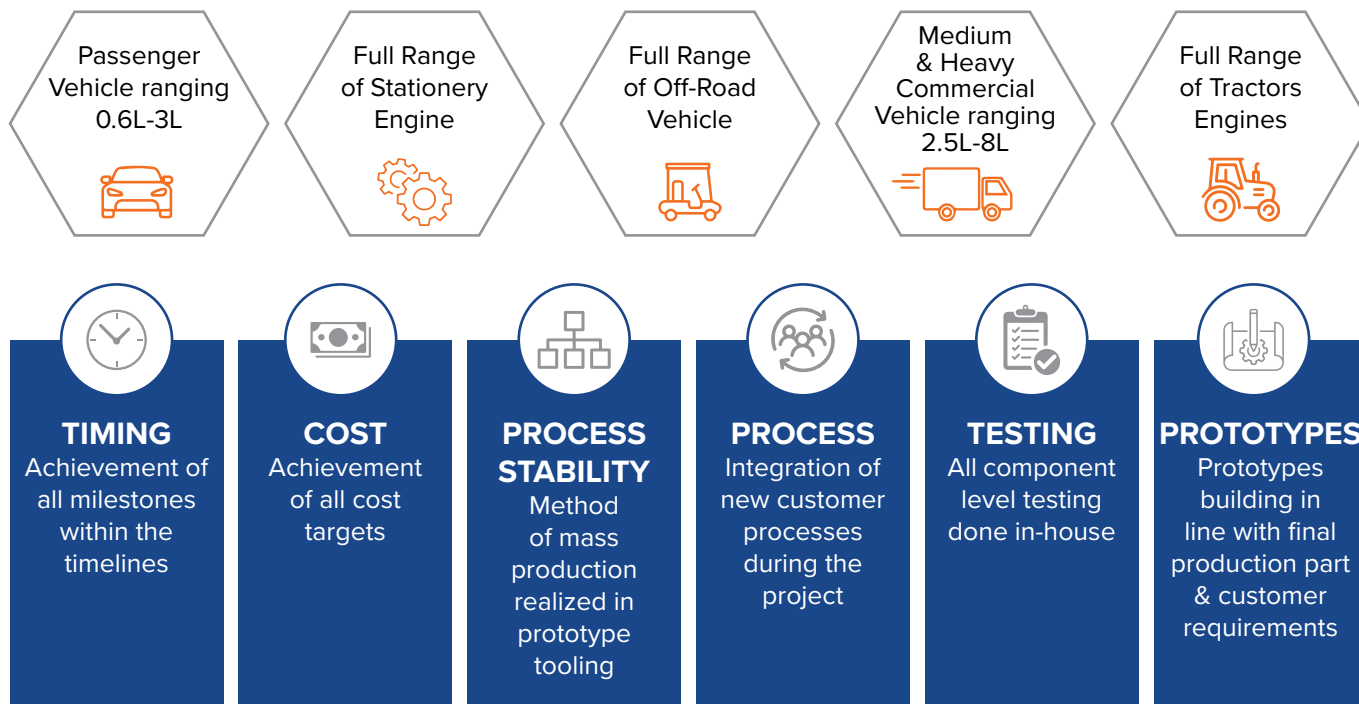
RESEARCH & DEVELOPMENT

- Established R&D unit for **exhaust system in 2002 and emission system 2010** at Mahindra World City, Chennai
- A state of art facility to **Design, Simulate, Testing and Prototype of exhaust system for PVs & CVs as well as non-automotive applications**
- R&D Centre has the full capabilities to cater to **various emission norms ranging from BS6, BS6.2, TREM5, STAGE5, TIER4 & TIER5**
- **100+ Trained and skilled engineers** for Design, CFD, FEA & Acoustics
- **IATF 16949-2016 Certification**



Note – Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

OUR EXPERIENCE MORE THAN 3 DECADES



OUR TECHNOLOGY EXPERTISE

Responsibilities	Concept Design	CFD Analysis	Acoustic Simulation	Structural Analysis	Proto build	Industrialization	Testing	SOP
Passenger Vehicle Engine	●	●	●	●	●	●	●	●
Small Commercial Vehicle Engine	●	●	●	●	●	●	●	●
Light Commercial Vehicle Engine	●	●	●	●	●	●	●	●
Medium Commercial Vehicle Engine	●	●	●	●	●	●	●	●
Heavy Commercial Vehicle	●	●	●	●	●	●	●	●
3 Wheeler Passenger / Load Carrier	●	●	●	●	●	●	●	●
Tractors and Off-road Vehicles	●	●	●	●	●	●	●	●

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL SECTIONS

● Yes | ● Has ability for testing up to 8L engine for Heavy Commercial Vehicle

LEGISLATION TAILWINDS

Leading to increase in content per Vehicle

	Legislation	Impact
Off-Road CEV IV* (Apr'2021) TREM IV** (Oct'2022) CEV V* & TREM V** (Apr'2024)	CEV IV & V and TREM IV & V emission standards are for non road diesel engines used in construction equipment and agricultural tractors	<ul style="list-style-type: none"> With applicability of new emission norms, the Off Highway Addressable Market will become equivalent or larger to the current commercial vehicle market With the new norms, our products will be required for majority of the off highway segment We have already developed and validated export product equivalent to TREM V norms.
On-Road BS-VI RDE Norms (Real Driving Emissions) (April 2023) BS-VI OBD-II (On-Board Diagnostics) (April 2023)	Norms will require cars to achieve emission targets even in real world conditions, as opposed to just a laboratory environment On-board diagnostic systems for emission control shall have the capability of identifying the likely area of malfunction by means of fault codes stored in computer memory as per the procedure laid down in AIS 137 when that failure results in an increase in emission above the limits	<ul style="list-style-type: none"> With applicability of RDE norms from April 2023, the content per vehicle is expected to increase by 10-15% BS-VI OBD-II norms will enable to capture additional organic growth

* CEV Stage IV and CEV Stage V – Applicable for Construction Equipment Vehicles & Other Off-Highway Equipment's

** TREM IV and TREM V – Applicable for Agricultural Tractors (TREM V likely to be postponed by a year)

GROWTH DRIVERS

Operational Efficiencies

- Sustainable growth in operating profits vs Cyclical auto industry
- Backward integration by producing in-house bought out parts

Technology – Key entry barrier

- Strategic technology partnership giving access to world class technology in emission control system act as a key entry barrier for most of domestic suppliers

Improvement in Asset Efficiency

- Projects in pipeline requiring only incremental CAPEX with high cash generation ability

Revenue Expansion & Visibility

- Capitalizing on Purem JV and implementation of BS VI emission norms
- Foray into Electric Vehicle lithium battery manufacturing segment
- High margin export markets for subcomponent

Investment Capabilities

- Debt free with INR 454 crores surplus cash year ended 31st March 2022
- Monetizable properties in National Capital Region

BACKWARD INTEGRATION & OPPORTUNITIES

Structural Advantage

Completely backward integrated with two tube mills and three stamping plants.

Value Accretion

With manufacturing infrastructure already in place and no incremental setup cost, Export market for subcomponents offers higher margins and larger market opportunity

Complete Control

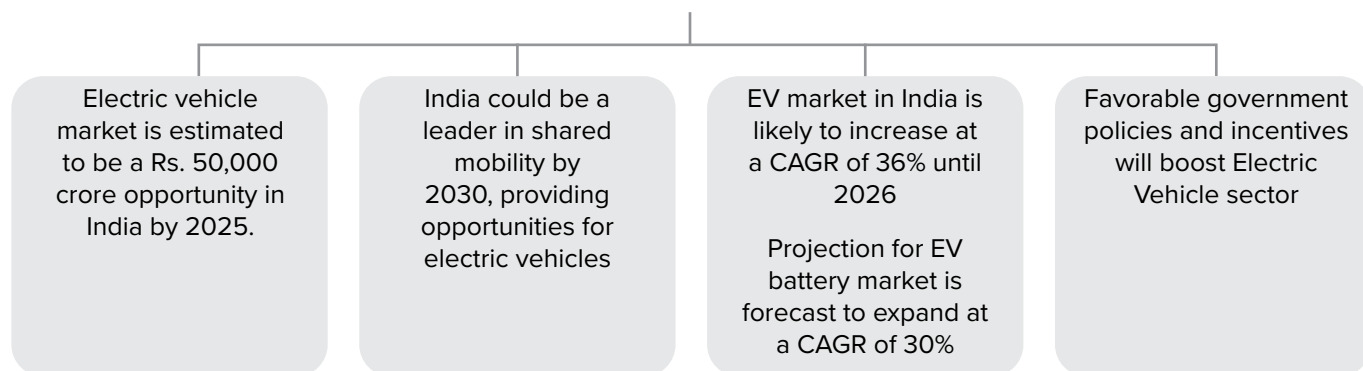
Over process and supply chain efficiencies, leading to cost optimization and gaining strategic advantage over competitors

Leveraging of existing setup for new applications

Established expertise in manufacturing of subcomponents and exploring opportunities in export markets

FUTURE READY

Electric Vehicle Drivers



Source: IBEF

Getting Future Ready

De-Risking

Partner with OEM that are already into production and sales of electric vehicles, assuring ready market and exchange of technology.

Investment in Emerging Technologies

Entered JV with Kinetic Green for manufacturing of lithium batteries for electric vehicles
Provide an early mover advantage

STRATEGIC TECHNOLOGY PARTNERSHIPS

Joint Venture Exhaust Systems

Eberspaecher* and Sharda Motor Industries Ltd. entered into a JV to manufacture commercial vehicle exhaust systems in India. Eberspaecher brings in Global knowhow for the local market.



Technical Collaboration

Entered a technical partnership with Bestop Inc. USA for manufacturing of roof systems



Joint Venture Lithium Battery Manufacturing

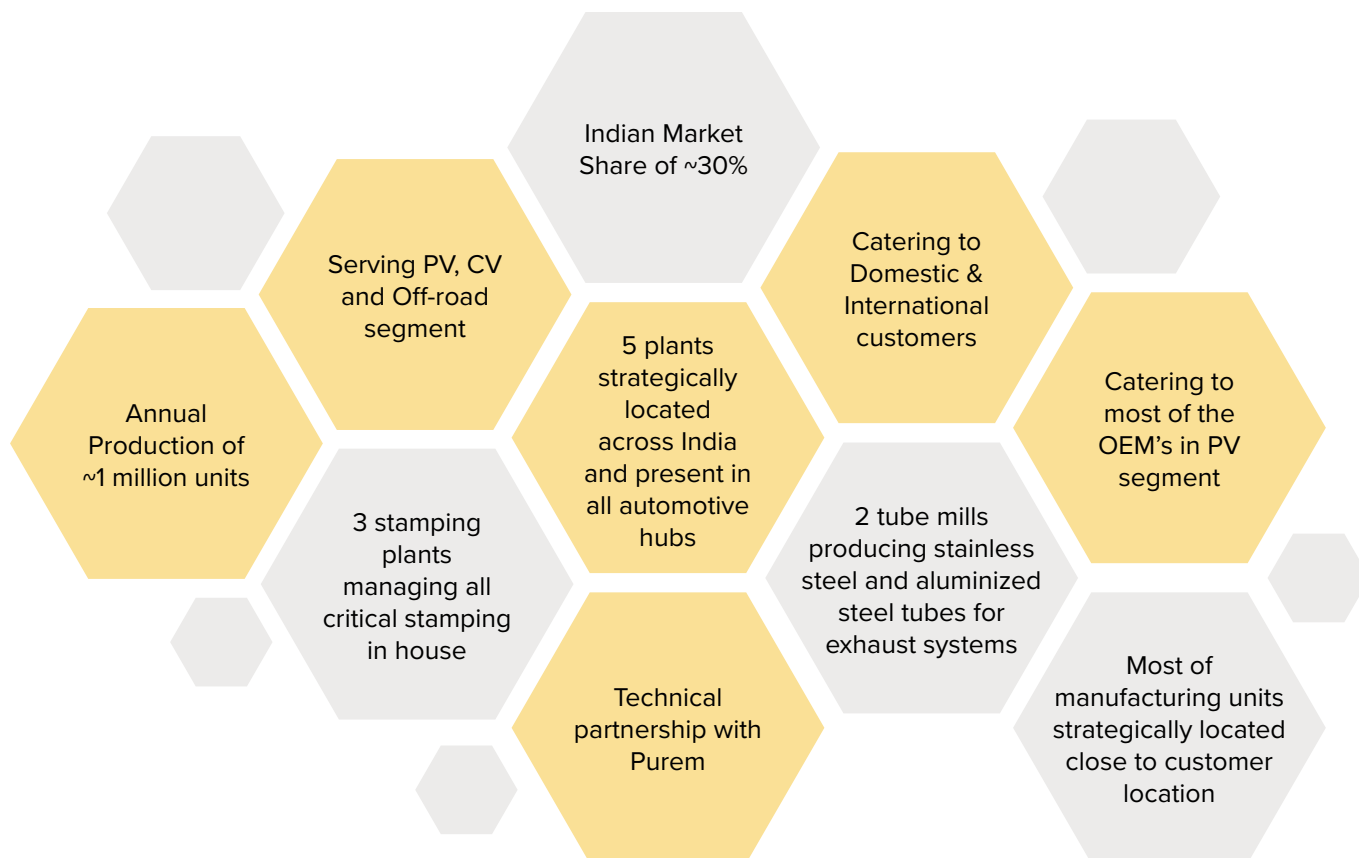
Kinetic Green^ and Sharda Motor Industries Ltd. entered into a JV for manufacturing of Lithium batteries along with BMS for Electric Vehicles – 2W, 3W and Stationary applications



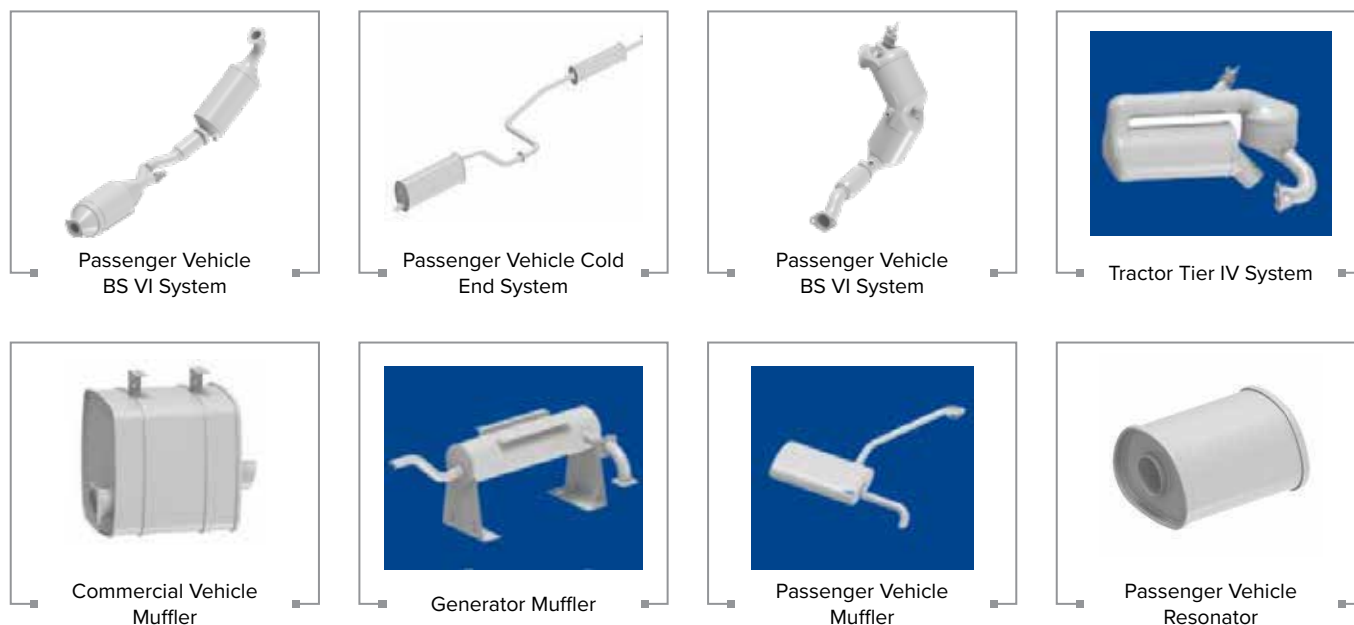
* Purem International GmbH (Formerly known as Eberspaecher Exhaust Technology International)

^ Kinetic Green Energy & Power Solutions Limited

EXHAUST SYSTEM



From an idea to its manufacturing, Sharda Motor leads the market in this category



SUSPENSION SYSTEMS



Indian Market Share of
~10%



Annual Production of
~1.8 lakh units



Manufacturing units
2



Concept,
Design and
Digitizing



Development,
Project planning
& Testing &
Validation

**Expertise in this arena with its
world-class manufacturing processes**



Arm Lower Control
Comp RH 2WD



Front Suspension



Upper Arm Assy



Assy. Lower Link
Complete RH



Front Axle Assy 4WD



Rear Suspension

CORPORATE
OVERVIEW

STATUTORY
REPORTS

FINANCIAL
SECTIONS

FROM THE MD's DESK



We have successfully implemented BS VI products in the Indian market and have developed intellectual property and experience in similar products for the global market.

We have begun the business development cycle to develop export products and expect good results in the coming years.



Dear Shareholders,

We hope you all are keeping safe and healthy.

Last year, we saw unprecedented challenges which put our resilience to the test, as the COVID-19 pandemic, persistent semiconductor shortage and other geopolitical issues disrupted industrial production. However, we, as an organization worked hard and successfully managed to achieve growth by focusing on contingency planning, adapting processes to the new normal, innovation in R&D, flexible manufacturing and customer-centricity.

The Automobile Industry has shown a good recovery towards the latter part of the fiscal year with all segments witnessing growth. At Sharda Motor Industries Limited (SMIL), we registered a growth of 30% in revenue with a consistent focus on meeting the customers' expectations and strategic supply chain management. We also achieved a growth of 76% in operational profits and generated a healthy cash surplus during the year. The EPS of SMIL, has also doubled in FY22 to Rs 54.32 per share as compared to the EPS of Rs. 26.43 per share FY21.

I must acknowledge that our employees' unwavering dedication and incomparable resilience are the key drivers of our success. Their support during the difficulties of the past year was truly remarkable. I am incredibly grateful for the hard work and tenacity shown by our entire team SMIL.

Growth Opportunities

We are excited about the new growth opportunities in the coming years.

- We shall see an increase in our addressable market with the introduction of TREM & CEV norms for the off-highway market. The introduction of these norms will require emission systems for most domestic produced tractors, gensets, construction equipment and other off-highway products.
- Further, the enhanced BS VI RDE norms are expected to be introduced in the year 2023 and this will increase the technology focus and

content per vehicle for our products.

- Also, by successfully implementing BS VI products in the Indian market, we have developed intellectual property and experience in similar products for the global market. We have begun the business development cycle to develop export products and expect good results in the coming years.
- Further the geo-political crisis on supply chain has opened the potential market for us to export several of our locally produced subcomponents.

Future Trends

We expect that the future of automobile market will have a variety of powertrains depending on the segment and technological innovation. To capitalise on the trend, we are gearing up by:

- Actively innovating new powertrain agnostic products through our advanced R&D facility.
- Exploring various M&A opportunities to strengthen our suspension vertical and other suitable products to cross-sell to our customer base.
- Focusing on the growth opportunities in the commercial vehicle, Tractor and off-highway market
- Utilising our Intellectual property and experience to develop the export market for our products in Europe and American Market.
- Entering the 2-wheeler and 3-wheeler battery segment through our JV for Battery and BMS assembly.

PLI Scheme

During the year FY22, the Government of India announced the much-awaited 'Production Linked Incentive' Scheme for the Automotive Sector with an outlay of INR 26,000 crores. The PLI scheme saw an overwhelming response from the industry with a total of around 115 companies applying for the scheme and more than 70 received preliminary approvals.

We are happy to share that SMIL has also been granted approval under the "Auto Component Champion" incentive scheme and we expect to leverage the benefits in the coming years for our eligible products.

Focus Area

As we move along with this growth path, we will focus on products and segments that enable efficient capital deployment, working capital management and strengthening overall ROCE. We will continue to focus on:

- World Class R&D & Innovation
- Customer Centricity
- Teamwork and Talent pool
- Adaptability and Flexibility
- Speed of Execution

Acknowledgments

I extend my sincerest appreciation to the entire SMIL team which continues to remain resilient and dedicated to the growth of SMIL.

On behalf of the entire Board of Sharda Motor Industries Limited, I would like to thank all our stakeholders viz. Customers, Employees, Vendors, Investors, Bankers, Government and most importantly our shareholders, who have conferred immense confidence in us, throughout this long journey.

Till then, take care and stay safe!

Regards

Shri Ajay Relan
Managing Director

BOARD OF DIRECTORS



Shri Kishan Parikh

Chairman, Independent Director

Holds Bachelor's Degree in commerce and has 31+ years of experience in area of Business Management and managing Financial activities



Smt. Sharda Relan

Co-Chairperson

Holds Bachelor's degree and is being associated with the Company since its inception. She has 36+ years of experience in area of overall management of Business activities.



Shri Ajay Relan

Managing Director

Dynamic entrepreneur contributing a vast experience in manufacturing automobile components, setting up of new projects and its successful implementation



Shri Nitin Vishnoi

Executive Director & Company Secretary

Has 30+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance



Shri Ashok Kumar Bhattacharya

Independent Director

He holds Bachelor's degree from IIT, Kharagpur and PhD. from Cambridge. Has 41+ years of experience in Process Engineering.



Smt. Sarita Dhuper

Independent Director

She holds MBBS degree along with Masters in Medicine and she is a Practitioner Doctor in USA. She has 36+ years of experience in the Medicine and related fields



Shri Udayan Banerjee

Independent Director

Holds Masters Degree in Earth Science from IIT Kharagpur. He has 48+ years of experience with various Industries and reputed organizations

LEADERSHIP TEAM

CORPORATE
OVERVIEW

STATUTORY
REPORTS

FINANCIAL
SECTIONS



Shri Ajay Relan

Managing Director

Responsible for overall manufacturing operations, Plant, Research & Development, Product Development and complete supervision of the Company



Shri Aashim Relan

Chief Executive Officer

Graduated in Finance & Economics from Emory University, Atlanta & has various other business certifications. Responsible for managing the Supply Chain, Operations, Strategy & Innovations. Recognized as one the youngest business leaders in the country.



Shri Srinivasan Narasimhan

Chief Financial Officer

Qualified Chartered Accountant, Company Secretary & Cost Accountant, He has also been winner of CFO Power List 2020 in the FP&A Category amongst the top 100 influential CFOs



Shri Nitin Vishnoi

Executive Director & Company Secretary

Has 30+ years of experience and expertise in Corporate Restructuring, Compliance Management and Corporate Governance



Shri Deepak Bhaskar

Chief People Officer

MBA in HR from SIMS, Pune & Executive MBA in Business Management from MDI, Gurgaon. Has proven leadership experience across HR verticals, supported by strong achievements track record. Has served 23+ years in IAF in different capacities



Shri Dnyanesh Dandekar

Vice President R&D

B.E. Mechanical & M.E. Thermal Engineering from Govt. College of Engineering, Karad & Executive MBA from SPJIMR, Mumbai. Has 23+ years of experience in development of new products, new technologies as new features in existing products



Shri Sriram Balaraman

Vice President R&D

Master of Engineering with 26+ years of product development experience in Automotive sector. Last stint with Ashok Leyland Ltd., as Group Head – Exhaust & After Treatment Systems (EATS). Has successfully launched EATS products for Trucks & Buses for BS3, BS4 & BS6 emission norms

AWARDS & ACCOLADES



Hyundai 100 PPM Certificate for Outstanding Performance (2002)



Hyundai Appreciation Certificate (2004)



Hyundai Merit Award for BEST CO-OPERATION (2004)



Hyundai Merit Award for BEST CO-OPERATION (2005)



Mahindra Supplier Performance Award (2006-07)



Manufacturing Today Conference And Awards for Excellence in Technology (2013)



Cummins India ABO Supplier Conference Award for Best Continuous Improvement (2013)



Mahindra & Mahindra Annual Commodity Award (2014)



Mahindra Supplier Excellence Award for Business Partner of the Year (2015)



Silver award in Business Alignment Category by Ashok Leyland (2020-21)

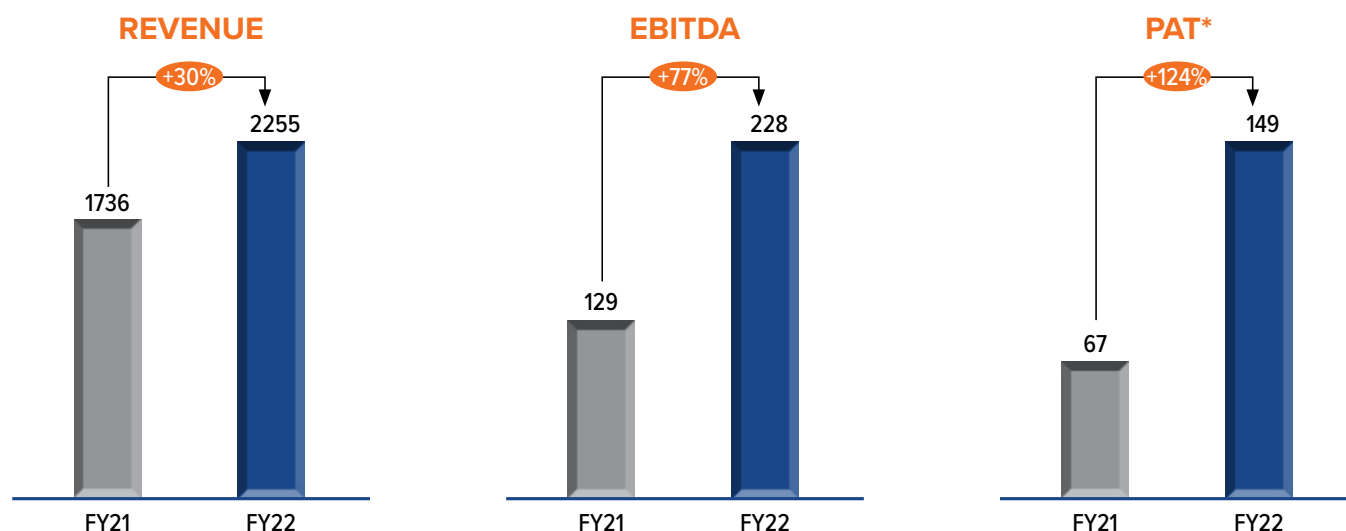


Silver award in Business Alignment Category by Ashok Leyland (2021)



Special Appreciation BS6 by Mahindra & Mahindra (2021)

CONSOLIDATED KEY FINANCIAL HIGHLIGHTS - FY22



* Including Profit/(loss) in JV and Associates

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL SECTIONS

TOWARDS A RESPONSIBLE FUTURE

We believe that we have a key role to play in helping the communities in which we live and work. This takes the form of going beyond business and doing our contribution towards environment conservation, health & safety of the people.

Distribution of Food / Groceries

Distribution of Food/Groceries at Sipcot Plant at Chennai during lockdown



Distribution of Food/Groceries at Mahindra World City-Plant, Chennai during lockdown



Ongoing Project - “Medical Clinics”

Purchase of Ambulance at Chakan Plant in Maharashtra



Purchase of Ambulance at Nasik Plant in Maharashtra



Purchase of Ambulance at Sipcot Plant in Chennai



Installation of Pet Shredding Machine

Installation of Pet Shredding Machine at Jamshedpur Railway Station



CORPORATE INFORMATION

BOARD OF DIRECTORS

SHRI KISHAN N PARIKH
Chairperson

SMT. SHARDA RELAN
Co-Chairperson

SHRI AJAY RELAN
Managing Director

SHRI ASHOK KUMAR BHATTACHARYA
Director

SHRI SATINDER KUMAR LAMBAH
Director (upto June 30, 2022)

SHRI UDAYAN BANERJEE
Director

SMT. SARITA DHUPER
Director

SHRI NITIN VISHNOI
Executive Director & Company Secretary

CHIEF EXECUTIVE OFFICER

SHRI AASHIM RELAN

CHIEF FINANCIAL OFFICER

SHRI SRINIVASAN NARASIMHAN

AUDITORS

STATUTORY AUDITOR

M/s. GUPTA VIGG & CO.
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITOR

M/s. VKC & ASSOCIATES
COMPANY SECRETARIES

COST AUDITOR

M/s. GURDEEP SINGH & ASSOCIATES
COST ACCOUNTANTS

BANKERS

KOTAK MAHINDRA BANK

HDFC BANK

YES BANK

REGISTERED OFFICE

D-188, OKHLA INDUSTRIAL AREA, PHASE - I,
NEW DELHI - 110 020, INDIA

Website: www.shardamotor.com

E-mail: investorrelations@shardamotor.com

Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676

CIN: L74899DL1986PLC023202

NOTICE

SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)

Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020

Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676

Email: investorrelations@shardamotor.com

Website: www.shardamotor.com

NOTICE

NOTICE is hereby given that the Thirty Seven (37) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held on Tuesday, September 20, 2022 at 12:00 Noon (IST), through Video Conferencing (VC) / Other Audio Visual Means (OVAM) to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt:

- (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon and in this regard.

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

- (a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
- (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2022, and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. To re-appoint Smt. Sharda Relan (DIN: 00252181), who retires by rotation, being eligible and offers herself for re-appointment as Director of the Company.

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

"RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013, Smt. Sharda Relan (DIN: 00252181), who retires by rotation at this meeting and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To declare a final dividend for the financial year 2021-22.

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a final dividend of Rs. 8.15/- per Equity Share of the face value of Rs. 2 each i.e. 407.5 percent on the paid-up share capital be and is hereby declared for the Financial Year 2021-22."

4. To appoint M/s. S.R. DINODIA & Co. LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration

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

“RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S.R. DINODIA & Co. LLP, Chartered Accountants, having registration No. 001478N/N500005 be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 37 Annual General Meeting till the conclusion of the 42 Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company [which expression shall include any Committee thereof or any other person(s) as may be authorised by the Board in that behalf], be and is hereby authorised to undertake, execute all such acts, deeds, matters and things as they may deem necessary, proper and/or expedient, to apply for requisite approval(s) of the statutory or regulatory authorities, as may be required, to carry out all requisite, incidental, consequential steps and to settle any question, difficulty or doubt that may arise in order to give full effect to this resolution.”

SPECIAL BUSINESS:

5. To ratify the Remuneration to be paid to M/s. Gurdeep Singh & Associates, Cost Auditors of the Company.

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

“RESOLVED THAT pursuant to the provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the members of the Company do hereby ratify the remuneration of Rs. 100,000/- (Rupees One Lac only) excluding applicable taxes and other out-of-pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products for the Financial Year 2022-23.”

“RESOLVED FURTHER THAT the Board of Directors of the Company [which expression shall include any Committee thereof or any other person(s) as may be authorised by the Board in this regard], be and is hereby authorised to undertake, execute all such acts, deeds, matters and things as they may deem necessary, proper and/or expedient, to apply for requisite approval(s) of the statutory or regulatory authorities, as may be required, to carry out all requisite, incidental, consequential steps and to settle any question, difficulty or doubt that may arise in order to give full effect to this resolution.”

By Order of the Board
For **Sharda Motor Industries Limited**

Nitin Vishnoi

Executive Director & Company Secretary

DIN: 08538925

M. No.: F3632

New Delhi
August 10, 2022

NOTES:

1. In view of the continuing COVID-19 pandemic, following social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated 31 December, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, and General Circular No. 2 & General Circular No. 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circulars / Notifications issued by Securities & Exchange Board of India ("SEBI") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and as amended from time to time and other applicable laws and regulations, if any) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 37 AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 37 AGM will be the Registered Office of the Company at D-188, Okhla Industrial Area, Phase-I, New Delhi-110020.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing Regulations pertaining to the Directors proposed to be appointed/ re-appointed / continued as Director is also annexed.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH, ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS UNDER SECTION 105 OF THE COMPANIES ACT, 2013 READ WITH THE MCA CIRCULARS & SEBI CIRCULARS, WILL NOT BE AVAILABLE FOR THE 37 AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 37 AGM through VC/ OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at vkpc.scs@gmail.com with a copy marked to Company at investorrelations@shardamotor.com and Voting Agency (CDSL) at helpdesk.evoting@cdslindia.com or upload on the VC portal/e-voting portal at least Ten days before casting the vote through remote e-voting/e-voting at AGM.
5. The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares that stood as on Tuesday, September 13, 2022 as per the data provided by the Depositories to the Company for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the Company's Register of Members as on Tuesday, September 13, 2022. The final dividend shall be paid within the prescribed time from the date of its declaration.
6. The Record Date for payment of Dividend will be Tuesday, September 13, 2022. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend Warrants / Demand Drafts will be dispatched to the registered address of the Shareholders who have not updated their bank account details. Shareholders are therefore requested to register/update their complete bank details:
 - i) with their Depository Participant(s) with which they maintain their Demat accounts if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and

- ii) with the RTA by sending an email at rta@alankit.com or lalit@alankit.com if shares are held in physical mode, by submitting:
 - (a) scanned copy of the signed request letter containing Shareholder's name, Folio Number, Bank Details (Bank account number, Bank and Branch Name, and address, IFSC, MICR details)
 - (b) self-attested copy of the PAN card, and
 - (c) canceled cheque leaf.

7. Tax Deductible at Source: As per the Income-tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by Bank after April 1, 2020, shall be taxable in the hands of the Shareholders. The Bank shall therefore be required to deduct tax at source (TDS) at the prescribed rates at the time of making the payment of dividend to the Shareholders.

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

- ➔ Members having valid Permanent Account Number (PAN) 10%* or as notified by the Government of India
- ➔ Members not having PAN / valid PAN 20% or as notified by the Government of India

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2022-23 does not exceed Rs. 5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- ➔ Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- ➔ Copy of the Tax Residency Certificate for financial year 2022-23 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- ➔ Self-declaration in Form 10F
- ➔ Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- ➔ Self-declaration of beneficial ownership by the non-resident shareholder

- ➔ Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

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

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

The aforementioned documents are required to be send to the Company via. e-mail to at **investorrelations@shardamotor.com** on or before Tuesday, September 20, 2022. No communication would be accepted from members after the date of AGM i.e. Tuesday, September 20, 2022 regarding tax-withholding matters. Shareholders may write to **investorrelations@shardamotor.com** for any clarifications on this subject.

TDS certificates in respect of tax deducted, if any, can be subsequently asked via e-mail at **investorrelations@shardamotor.com**. Shareholders can also check their tax credit in Form 26AS from the e-filing account at **https://www.incometax.gov.in/iec/foportal** or "View Your Tax Credit" on **https://www.tdscpc.gov.in**.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In line with the MCA General Circulars, the Notice of the AGM along with the Annual Report for the FY 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.
10. The Notice convening the 37 AGM along with the Annual Report for the FY 2021-22 has been uploaded on the website of the Company at www.shardamotor.com under the 'AGM Notices' section of Shareholders Information and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice alongwith the Annual Report for the FY 2021-22 is also available on the website of CDSL at www.evotingindia.com. The Members are also requested to register their e-mail ID's and other details with the Company and Depository Participant. The Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit').
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars but this will not include large Shareholders (Shareholders holding 2 Percent or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first-come-first-served basis.
12. Members may note that pursuant to General Circular No. 20/2021 dated May 5, 2021, issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address sending the request at e-mail Id of the Company at investorrelations@shardamotor.com. However, the Company shall send the annual report along with the notice for the Annual General Meeting at the request of the Shareholder holding shares as on the cut-off date.
13. The Members can post their questions/queries on financial statements or any agenda item proposed in the notice

of AGM by giving due intimation to the Company at least 10 days prior to the meeting at investorrelations@shardamotor.com, or to the Registrar & Share Transfer Agent at rta@alankit.com.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Tuesday, September 20, 2022. Members seeking to inspect such documents can send an email to investorrelations@shardamotor.com.
15. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit') at lalitap@alankit.com or rta@alankit.com for assistance in this regard.
16. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so shall be eligible to vote through the e-voting facility provided at the AGM.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at lalitap@alankit.com or rta@alankit.com in case the shares are held in physical form, quoting their folio number. Further, Members may note that the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.
18. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 14, 2022 to Tuesday, September 20, 2022 (both days inclusive).
19. Members holding shares in the dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.
20. Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company and Members holding shares in DEMAT mode are requested to register their email IDs with their respective DPs in case the same is still not registered.
21. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
22. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and its applicable rules, therefore, it is advised to claim the same from the Company.

The due dates of transfer of the following dividends to IEPF are as under:

FY ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025
31.03.2018	27.09.2018	25.10.2025
31.03.2021	27.08.2021	24.09.2028

* Interim Dividend

The Company has already transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more along with the unpaid or unclaimed dividend for that period to the Investor Education & Protection Fund. Members who have so far not claimed their shares/dividends for the said period may claim their dividend and shares from the Investor Education & Protection Fund by submitting an application in the prescribed form.

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

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

23. VOTING PROCESS AND INSTRUCTION REGARDING REMOTE E-VOTING:

- The e-voting period will commence on Saturday, September 17, 2022 (09:00 A.M. IST) and ends on Monday, September 19, 2022 (05:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on Cut-Off date i.e. Tuesday, September 13, 2022, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated December 9, 2021, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its members, in respect of all members' resolutions.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, all the Demat account holders have been enabled for e-voting by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs. thereby, not only facilitating seamless authentication but also enhancing the

ease and convenience of participating in the e-voting process.

- (e) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2021/242 dated December 9, 2021, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access the e-Voting facility.

Pursuant to aforesaid SEBI Circular, the login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for the CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach the 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 visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see the e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers website directly. 3) If the user is not registered for Easi/Easiest, an option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access the e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see the e-voting page. Click on the Company name or e-voting service provider name and you will be re-directed to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, an 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

Type of shareholders	Login Method
	3) Visit the e-voting website of NSDL. Open a web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on mobile. Once the home page of the e-voting system is launched, click on the icon “Login” which is available under the ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting.
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 the e-voting facility. After Successful login, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on the Company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining a virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact the 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

LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT FORM & MEMBERS HOLDING IN PHYSICAL MODE:

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

- The shareholders should log on to the e-voting.
- Click on Shareholders.
- Now Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL:8 Character DPID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company.
- Enter the Image Verification as displayed and Click on Login.

- v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on earlier voting of any Company, then your existing password is to be used.
- vi) If you are a first-time user follow the steps given below:
- vii) For Members holding shares in Demat Form other than Individual & Physical Form

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

- viii) After entering these details appropriately, click on the “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach the ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same option “YES/NO” for voting. Select the option YES or NO as desired. Option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the voting done by you by clicking on the “Click here to print” option on the Voting page.
- xvii) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xviii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with the attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and the Company at the email address viz; investorrelations@shardamotor.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under the help section or write an email to helpdesk.evoting@cdslindia.com or call 1800 22 55 33.
- All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or 1800 22 55 33.

(b) The remote e-voting period will commence on Saturday, September 17, 2022 (09:00 A.M. IST) and ends on Monday, September 19, 2022 (05:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the Cut-Off date i.e. Tuesday, September 13, 2022, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently.

24. Only those shareholders of the Company who are holding shares either in physical form or in dematerialised form, as on the cut-off date (i.e. Tuesday, September 13, 2022), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as of the cut-off date should treat this Notice for information purposes only.
25. The Members who have cast their vote by remote-e-voting prior to the AGM may also attend/participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM.
26. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.
 - i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id. at investorrelations@shardamotor.com or rta@alankit.com / lalitap@alankit.com
 - ii) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
 - iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

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

- (a) The procedure for attending meetings & e-voting on the day of the AGM is the same as the instructions mentioned above for e-voting.
- (b) The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after a successful login as per the instructions mentioned above for e-voting.
- (c) Shareholders are encouraged to join the Meeting through Laptops / I-Pads for a better experience.
- (d) Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (e) Further shareholders will be required to allow the Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
- (f) Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (g) Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast Ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investorrelations@shardamotor.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Ten days prior to the meeting mentioning their name, Demat account number/folio number, email id, and mobile number at investorrelations@shardamotor.com. These queries will be replied to by the Company suitably by email.
- (h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

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

- i) The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system available during the AGM.
- iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv) Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

29. Shri Vineet K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. 49021), of M/s. VKC & Associates, New Delhi, Practicing Company Secretaries, having consented to act as a scrutinizer, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

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

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

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

As required under Listing Regulations and Secretarial Standard-2, the particulars of Directors who are proposed to be appointed/ re- appointed, during the year under review are furnished (details as on March 31, 2022) below:

Particulars	Smt. Sharda Relan
Date of Birth (as on date)	August 11, 1935 (86 Years)
Nationality	Indian
DIN:	00252181
Date of First Appointment on the Board of the Company	January 29, 1986
Qualification	Graduate
Experience, Expertise & other details	She has an overall experience of 36 years in the field of Business Management and other details are mentioned in brief profile in the Explanatory Statement of this Notice
Brief profile	She holds a bachelor's degree in Arts and has an overall experience of 36 years in the field of Business Management. She has been taking effectively participating in the Decisions activities of the Company and her engagement with Stakeholders since the inception of the Company gives her rich experience, and expertise to the Company.
Shareholding in the Company including shareholding as beneficial owner	NIL
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	Shri Ajay Relan (Son)
Remuneration received from the Company in the FY 2021-22	Sitting Fees: Rs. 80,000/-
Number of meetings of the Board held and attended during the FY 2021-22	Board Meeting: held: 4 attended: 1
Directorships held in Companies in India (including this listed entity)	Directorship :1 Sharda Motor Industries Limited
Chairman/ Member of Committee of the Board of other listed entities in which they are director	None

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

Item No. 4

M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N), were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, from the conclusion of the 32 Annual General Meeting of the Company held on August 30, 2017, till the conclusion of 37 Annual General Meeting of the Company to be held in the year 2022. Since the term of Statutory Auditor is going to expire at the ensuing scheduled to be held in the year 2022. Further M/s. S.R. DINODIA & Co. LLP have given their consent for their appointment as Statutory Auditors of the Company and have issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. S.R. DINODIA & Co. LLP have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to the audit.

In compiles with Section 139 of the Companies Act, 2013 and based on the recommendations of the Audit Committee, the Board of Directors of the Company at their Meeting held on August 10, 2022, it is hereby proposed to appoint M/s. S.R. DINODIA & Co. LLP, Chartered Accountants, having registration No. 001478N/N500005, as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 37 AGM till the conclusion of the 42 AGM of the Company. The remuneration proposed to be paid to the Statutory Auditors during their term shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The details required in pursuant to Regulation 36(5) of the SEBI Listing Regulation are as:

The Fees proposed by the New Auditor (M/s S.R. Dinodia & Co. LLP) is INR 24,00,000/- for the Financial year 2022-23 whereas the fees paid to the Previous Statutory Auditors (M/s Gupta Vigg) was INR 13,35,000/- for the financial year 2021-22. The proposed remuneration of S.R. Dinodia & Co. LLP is commensurate with their experience and size of audit firm.

The proposed Appointment of M/s/ S.R. Dinodia & Co. LLP as Statutory Auditors of the Company would be for a term of 5 years starting from the date of conclusion of the 32 Annual General Meeting (AGM) till the 37 Annual General Meeting (AGM) to be held for the financial year 2026-27, pursuant to the provisions of Section 139(1) of the Companies Act, 2013.

M/s S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi, (Firms Regn No. 001478N/N500005) {SRD} is a firm of Chartered Accountants. SRD is a reputed audit firm and has a rich experience of 70 years. SRD has qualified and experienced partners and staff having diversified knowledge to deliver necessary services to the Company.

The Board recommends the resolution set out in Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 5

On the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on May 27, 2022, has considered and approved the Appointment and Remuneration of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products at a remuneration of Rs. 1,00,000/- (Rupees One Lac) plus applicable Tax as applicable and other out-of-pocket expenses for the financial year 2022-23. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies

(Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2022-23 by way of an ordinary resolution is being sought from the members as set out at item no.5 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out in item no 5.

The Board recommends the Resolutions as set forth in the Notice as Item No. 5 (being Special Business), be passed an ordinary resolution for the consideration and approval of the shareholders.

By Order of the Board
For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director & Company Secretary
DIN: 08538925
M. No.: F3632

New Delhi
August 10, 2022

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Thirty-Seven (37) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on March 31, 2022.

FINANCIAL SUMMARY

(Rs. In Lakhs)

Particular	Standalone		Consolidated	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations	2,25,531.32	1,73,653.60	2,25,531.32	1,73,653.60
Other Income	2,953.61	2,145.03	2,953.61	2,145.03
Total Revenue	2,28,484.93	1,75,798.63	2,28,484.93	1,75,798.63
Profit before Financial Charges, Depreciation	25,732.38	15,069.15	25,732.38	15,069.15
Less: Financial Costs	147.50	142.70	147.50	142.70
Profit before Depreciation, Exceptional Items & Taxes	25,584.88	14,926.45	25,584.88	14,926.45
A. Depreciation	4,065.09	4,398.46	4,065.09	4,398.46
B. Exceptional items	-	-	-	-
Taxation	-	-	-	-
– Current Tax	5,539.88	3,050.00	5,539.88	3,050.00
– Deferred Tax Charged/ (Released)	(169.58)	(381.04)	(169.58)	(381.04)
Profit for the year before share of profit/(loss) of associates and joint venture	16,149.49	7,859.03	16,149.49	7,859.03
Share of profit/(loss) of associate (net of tax)	-	-	(17.85)	(35.82)
Share of profit/(loss) of Joint venture (net of tax)	-	-	(1,210.13)	(1,158.31)
Profit for the year	16,149.49	7,859.03	14,921.51	6,664.90
Other comprehensive income (net of tax)	64.78	(37.14)	64.78	(37.14)
Add: Profit brought forward from previous year	22,924.08	15,102.19	21,464.51	14,836.75
Less: Adjustments pursuant to the scheme of arrangement (Demerger)	-	-	-	-
Profit available for appropriation	39,138.35	22,924.08	36,450.80	21,464.51
APPROPRIATIONS				
Dividend	781.94	-	781.94	-
Tax on Dividend	-	-	-	-
Interim Dividend	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	38,356.41	22,924.08	35,668.86	21,464.51
Paid-up equity share capital (Face value of Rs. 2/- each)	594.63	594.63	594.63	594.63

OPERATIONAL PERFORMANCE

During the year under review, the total revenue from operations and other income was Rs. 2,28,484.93 Lacs as against Rs. 1,75,798.63 Lacs of previous year. Profit before taxation was Rs. 21,519.79 Lacs as against Rs. 10,527.99 Lacs of previous year (i.e. Increased by approx. 104.40 Percent) during the year whereas the finance cost has been increased to Rs. 147.50 Lacs from Rs. 142.70 Lacs. Net Profit after taxes of the Company has Increased by 105.49 percent on standalone basis and 123.88 percent on consolidated basis year on year basis.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, the Company has not changed the nature of its Business

SHARE CAPITAL & SPLIT OF FACE VALUE OF EQUITY SHARE

Sub-division / Split of Equity Shares of the Company such that 1 (One) equity share of the face value of Rs. 10/- each split / sub-divided into 5 (Five) equity shares of the face value of Rs. 2/- each with effect from the Record Date i.e. April 19, 2021. Pursuant to the aforesaid sub-division the paid-up share capital of the Company is Rs. 5,94,63,260 divided into 2,97,31,630 equity shares of Rs. 2/- each.

JOINT VENTURE

During the year under review, the Company ("SMIL") entered into a Joint Venture (JV) Agreement with Kinetic Green Energy & Power Solutions Limited ("Kinetic") on June 23, 2021, in the ratio of 74:26 i.e. (SMIL: 74 & Kinetic: 26) for Business of manufacturing Battery Packs along with BMS /related systems or other alternative fuel systems for Electric Vehicles or other applications such as stationary applications, or any other alternative fuel technology products such as hydrogen fuel-based systems, other components related to electric/hybrid vehicles. This Joint Venture is expected to bring benefits to both the JV Partners i.e. SMIL & Kinetic. Pursuant to this, from November 22, 2021, onwards till the date of this report, both the Joint Venture partners have invested in their Joint Venture ratio "Udippt Mobility Private Limited" to undertake the Business Activities. Likewise Udippt Mobility Private Limited became Subsidiary of the Company as on November 22, 2021.

EMPLOYEES STOCK OPTION SCHEME

To attract, reward and retain talented and key Employees of the Company and also to motivate them, the shareholders of the Company had approved formulation and implementation of "Sharda Motor Industries Limited Stock Option Scheme 2022" (the "Scheme") through postal ballot on July 08, 2022 for grant of stock options to such eligible employees and enable them to be co-owners and get a share in the value they would create in the Company and contribute to the Company goals in the years to come, thereby increasing the overall shareholders' value. The Company has filed requisite application with the stock exchange(s) for obtaining in-principle approval, where its equity shares are listed, and may consider grant of options under the Scheme in the present financial year after receipt such approval from all the stock exchanges.

DIVIDEND & RESERVES

Based on the financial performance of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022, has recommended a final dividend of Rs. 8.15/- per equity of face value of Rs. 2 each i.e. 407.5 Percent on the paid-up share capital, for the FY 2021-22.

During the year under review, the Company has not transferred any amount to the Reserves.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy was approved by the Board of Directors of the Company at its Meeting held on June 23, 2021, and is available on the Company's website at: <https://www.shardamotor.com/wp-content/uploads/2022/07/DIVIDEND-DISTRIBUTION-POLICY.pdf>. The said Policy shall provide the Shareholders understanding the Dividend aspect of the Company with the following parameters:

- the circumstances under which the shareholders of the listed entities may or may not expect dividends;

- the financial parameters that shall be considered while declaring dividend;
- internal and external factors that shall be considered for declaration of dividend;
- policy as to how the retained earnings shall be utilised; and
- parameters that shall be adopted with regard to various classes of shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The existing composition of the Board is fully in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) / amendment(s) thereof for the time being in force.

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

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

During the year under review, the shareholders of the Company at its 36 Annual General Meeting have approved the following:

1. Re-appointment of Shri Udayan Banerjee (DIN: 00339754) as Non-Executive Independent Director of the Company for the second term of five consecutive years from January 1, 2022, till December 31, 2027.
2. Continuation / Re-appointment of Shri Udayan Banerjee (DIN: 00339754) as Non-Executive-Independent Director aged about 74 years, w.e.f January 15, 2022, till December 31, 2027.
3. Re-appointment of Shri Ajay Relan as Managing Director of the Company.
4. Further, Shri Nitin Vishnoi, Director of the Company liable to retire by rotation was also re-appointed as Executive Director of the Company.

In pursuant to section 152 of the Companies Act, 2013, the Board of Directors of the Company at its Meeting held on August 10, 2022 has considered and recommended the re-appointment of Smt. Sharda Relan (DIN:00252181), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, considering that, being eligible she offers herself for re-appointment.

Further due to the sad demise of Shri Satinder Kumar Lambah, Non-Executive Independent Director on June 30, 2022, he ceases to be associated as "Non-Executive Independent Director" of the company and Chairperson of the Stakeholders' Relationship Committee and Nomination & Remuneration Committee and member of the Audit Committee, the Corporate Social Responsibility Committee and the Risk Management Committee of the Company. He has been associated with the Company since 2016 and have given remarkable contribution vide. suggestions and recommendations given by them. We can testify to his sincerity, abilities, knowledge and professionalism.

A brief profile of the above-mentioned director(s) seeking appointment / re-appointment at the ensuing 37 Annual General Meeting (37 AGM) of the Company has been provided in the Explanatory Statement of the Notice of this AGM. In compliance with the provisions of the Companies Act, 2013, Listing Regulations and other applicable provisions, if any, the required consents/declarations showing the willingness and confirming that they are eligible and are not disqualified from being appointed / re-appointed / continued as Director was duly received from all the as Director(s) / Key Managerial Personnel(s) of the Company.

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

During the year under review, except for the above-mentioned, there is no change in the Directorship & Key Managerial Personnel(s) of the Company.

NUMBER OF MEETINGS OF THE BOARD

The number of Board and committee meetings including the date of the meeting and attendance thereof by each director during the year is given in the Report on Corporate Governance that forms part of this Annual Report. The compliance of intervening gap between any two meetings was well within the purview of Companies Act, 2013 & SEBI Listing Regulations, read with Circulars/notifications/amendments thereof as may be issued/notified by Ministry of Corporate Affairs & SEBI from time to time.

BOARD-LEVEL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any. The Board of Directors ("Board") at its meeting held on May 27, 2022, carried out the performance evaluation of its own performance and that of its committees and individual directors.

A suggestive evaluation format (structured questionnaire) for the performance evaluation, based on the approved criteria, was provided to all the Directors for their evaluation and was also placed/presented before the members of the Board to give their comments therein for facilitating the performance evaluation of individual directors, the Board as a whole and its committees.

Based on the above the performance of the Board was evaluated through the ratings given by each Director based on the structured questionnaire that was prepared after considering the approved criteria such as the Board composition and structure, effectiveness of board processes, contribution toward the development of the strategy etc.

The performance of the committees was also evaluated by the Board after seeking inputs/ratings from the committee members on the basis of the approved criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board deliberated and found that the overall performance of individual directors and the Board as a whole and its committees were satisfactory.

The Board of Directors has reviewed the performance of the individual directors, including both independent and non-independent, on the basis of the evaluation criteria like qualification & experience, attendance of directors at Board and committee meetings, conflict of interest, effective participation, integrity, knowledge & competencies, domain knowledge, compliance with code of conduct, independent judgment, vision, and strategy etc.

In a separate meeting of independent directors, the performance of non-independent directors, the performance of the Board as a whole, and the performance of the Chairperson were evaluated taking into account the views of executive directors and non-executive directors. The same was discussed in the next board meeting held after the meeting of the independent directors held on March 30, 2022, at which the performance of the Board, its committees and individual directors was also discussed.

The Directors expressed their satisfaction with the evaluation process. The Board also noted that the Independent Directors fulfill the independence criteria as specified in the Listing Regulations and are Independent of the Management of the Company.

NOMINATION, REMUNERATION & EVALUATION POLICY

Pursuant to Section 134(3) read with Section 178 of the Companies Act, 2013, the nomination and remuneration policy of

the Company lays down the criteria for determining qualifications, competencies, positive attributes, and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, Key Managerial Personnel(s) ("KMP") and other employees is available on the Company's website at <http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf>

AUDIT COMMITTEE

During the year under review, audit committee comprises five members out of which four are independent directors including Shri Kishan N Parikh, an Independent Director, who is the Chairperson of the Committee. Smt. Sharda Relan, Non-Executive Director of the Company is also a Member of the Committee. All the members of the committee have adequate financial & accounting knowledge and background. Detailed information regarding the number of committee meetings, terms of reference, etc. is provided in the Corporate Governance Report forming part of this annual report. All recommendations of the Audit Committee, whenever made, were accepted by the Board during the FY 2021-22.

AUDITORS

SECRETARIAL AUDITORS & AUDITORS REPORTS

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, is any, the Board of Directors has appointed M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Auditor the Company for the FY 2021-22. The Secretarial Audit Report for the FY ended March 31, 2022, is annexed herewith marked as **Annexure I** to this Report.

Further, the Board of Directors of the Company at its Meeting held on May 27, 2022, has considered and approved the appointment of M/s. VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company for the FY 2022-23.

STATUTORY AUDITORS & AUDITORS REPORTS

Pursuant to the provisions of Section 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N) were appointed by the Members as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, from the conclusion of the 32nd Annual General Meeting of the Company held on August 30, 2017, till the conclusion of 37th Annual General Meeting of the Company to be held in the year 2022.

Since the term of Statutory Auditor is going to expire at the ensuing AGM scheduled to be held in the year 2022. Based on the recommendations of the Audit Committee and the Board of Directors of the Company at their Meeting held on August 10, 2022 it is hereby proposed to appoint M/s. S.R. DINODIA & Co. LLP, Chartered Accountants, having registration No. 001478N/N500005, as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 37th AGM till the conclusion of the 42nd AGM of the Company.

Further, M/s. S.R. DINODIA & Co. LLP have given their consent for their appointment as Statutory Auditors of the Company and have issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. S.R. DINODIA & Co. LLP have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the ethical requirements relevant to the audit.

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

COST AUDITORS & COST AUDIT REPORT

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, and based on the recommendation of the audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the FY 2021-22, considering that the remuneration has also been approved by the members at the 36th Annual General Meeting. The Company has also received a letter from Cost Auditors of the Company to the effect that their appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company.

Further, the Board of Directors of the Company at its Meeting held on May 27, 2022, has considered and approved the appointment of M/s. Gurdeep Singh & Associates (holding M. No. 9967) as Cost Auditors of the Company for conducting the cost audit for the FY 2022-23 subject to the ratification of remuneration by the members that have been placed before the ensuing 37th Annual General Meeting.

Further, on the recommendation of the Audit Committee, the Company has made and maintained all such accounts and cost records, as specified in section 148 of the Companies Act, 2013 read with sub-rule (5) of rule 8 of the Companies (Accounts) Rules, 2014.

APPLICATION / ANY PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, the Company has not made any Application and nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

VALUATION

During the year under review, the Company has not performed any Valuation for one time settlement and for taking loan from the Banks or Financial Institutions. Therefore the details of Valuation and its difference between amount of valuation are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company has majorly identified/approved and complied with the following:

- ➔ Identified the Ongoing Projects in which the Company shall undertake its CSR Activities / Obligation through “Sharda CSR Foundation Trust” for the FY 2021-22.
- ➔ Opening of “Sharda Motor Industries Limited -Unspent CSR Account FY 2021-22”
- ➔ Transferring Unspent CSR Amount that remains unspent for the FY 2021-22 for the utilization of funds over the identified Ongoing Project.
- ➔ Devising of Annual Action Plan for carrying out the CSR activities for the FY 2022-23.

Further, the Company has transferred an amount of Rs. 199.94 Lacs to “Sharda Motor Industries Limited - Unspent CSR Account FY 2021-22, indeed to the accomplishment of the CSR Obligations as identified by the CSR Committee & Board of Directors as Ongoing Project i.e. Support Poor, Sharda - Green India Campaign, Sharda – Medicare, Sharda - Clean India Campaign & Sharda - Educate. The said amount shall be utilized in a period of three years for such activities as identified under the aforesaid Ongoing Projects for the FY 2021-22 for the benefit of the Society.

Details of the composition of the Committee, number of meetings, and attendance at the meetings are provided in the Corporate Governance Report forming part of this annual report. The revised Corporate Social Responsibility Policy of the Company is available on the website of the Company at <https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf>

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure II** to the Director’s report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website under Section "Announcement" of the enclosed link: <https://www.shardamotor.com/investor-relations/notices-results/>

PARTICULARS OF EMPLOYEES

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure-III**.

The statement containing details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure IV**.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, guarantees, and investments under section 186 have been disclosed in the financial statements.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in Form AOC - 2 are appended as **Annexure-VI** forming part of this report.

The policy on materiality of and dealing with related party transactions is available on the Company's website at <https://www.shardamotor.com/investor-relations/>

Further, pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions belonging to the promoter/ promoter group holding 10 Percent or more shareholding in the Company are for Shri Ajay Relan, Promoter/ Managing Director of the Company is holding 58.43 Percent of Equity Shares in the Company. The above detail is also provided in the Related Party Disclosures in Note No. 37 of Notes to Financial Statements for the year ended March 31, 2022, forms part of this Annual Report.

CORPORATE GOVERNANCE

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulation. The "Report on Corporate Governance" forms an integral part of this report and is set out as a separate section to this annual report. A certificate from M/s. Gupta Vigg & Co., Chartered Accountants, the statutory auditors of the Company, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations is annexed with the report on corporate governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulation, is presented in a separate section forming part of this Annual Report.

VIGIL MECHANISM

The Company has a vigil mechanism for directors and employees to report their genuine concerns. Vigil Mechanism/

Whistle Blower Policy is available on the Company's website at <http://www.shardamotor.com/wp-content/uploads/2021/08/Whistle-Blower-Policy.pdf>

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public covered under chapter V of the Companies Act, 2013 and no amount was outstanding as on the date of Balance Sheet.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there were no material changes and commitments affecting the financial position of the Company.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no other material orders have been passed by the Regulators/Courts or Tribunals that can impact the going concern status and Company's operation in the future.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the financial year, no Company has become or ceased to be a subsidiary, Associate or Joint Venture of the Company.

The total amount of investment of the Company that stood in the Exhaust Technology Private Limited, Joint Venture Company as on March 31, 2022, is Rs. 47.5 Crore.

The Company has entered into Joint Venture Agreement with M/s. Kinetic Green Energy & Power Solutions Limited ("Kinetic") with equity sharing ratio i.e. SMIL: 74 & Kinetic: 26.

Financial Performance for the FY 2021-22 of the Associates and Joint Venture Companies are disclosed in the financial statements which form part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the joint venture and associate company is provided as **Annexure VII**.

RISK ASSESSMENT, RISK MINIMISATION PROCEDURE

In line with the new regulatory requirements, the Company has formally framed a Risk Assessment and Risk Minimisation Procedure to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks. Details on the Company's risk management framework, risk evaluation, risk identification, etc. is provided in the Management Discussion and Analysis Report forming part of this report.

RISK MANAGEMENT COMMITTEE & POLICY

The details regarding the constitution of the Risk Management Committee are provided in the Corporate Governance Report and the Risk Management Policy is available on the Company's website at: <http://www.shardamotor.com/wp-content/uploads/2022/07/Risk-Management-Policy.pdf> The said Policy shall provide the Shareholders with the understanding of Risk factors/parameters and its process of monitoring and mitigation.

DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy,

any employee may report his / her complaint to the Redressal Committee / Internal Complaints Committee, constituted with duly compliance under the Sexual Harassment Act, for this purpose to their Manager or HR personnels.

We affirm that adequate access has been provided to any complainant who wished to register a complaint under the policy, but no complaint was received / filed by any person during the year under review and no complaint is pending to be resolved as at the end of the year.

BUSINESS RESPONSIBILITY REPORT

In pursuant to the amended in Regulation 34(2)(f) of the SEBI Listing Obligations and Disclosure Requirements ('LODR') (Fifth Amendment) Regulations, 2019, the Business Responsibility Report detailing the various initiatives taken by the Company on the environmental, social and governance and various other factors forms an integral part of Annual Report as **Annexure X**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this annual report.

SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

IMPACT OF COVID-19 PANDEMIC

The continuing COVID-19 pandemic has adversely affected the business and industrial activity and caused extraordinary economic disruption worldwide. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies, from time to time, to ensure safety of workforce across all its plants and offices.

The arrival of second wave of COVID-19 pandemic has led to the mass loss of lives creating havoc or panic considering which the Company extended the support to poor / several needful peoples by distributing food / edible at various locations.

The Company has always prioritised health, safety and well-being of its employees, their families, and other stakeholders.

The Company has put in place a robust protocol for ensuring workplace safety including the wearing up of face masks, sanitisation and social distancing norms and shall continue to strengthen it further, based on the guidelines / directions of Government of India.

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

August 10, 2022
New Delhi

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Annexure to Directors' Report

Annexure I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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,
Sharda Motor Industries Limited
CIN: L74899DL1986PLC023202
D-188, Okhla Industrial Area Phase-I, New Delhi 110020

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sharda Motor Industries Limited (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic

means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 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 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not Applicable
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review.
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - Not Applicable

- (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - Not Applicable
- vi) The Company has identified following laws applicable specifically to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under following laws:
 1. The Industrial (Development and Regulation) Act, 1951;
 2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder;
 3. The Environment (Protection) Act, 1986;
 4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules;
 5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules;

We have also examined compliance with the applicable provisions of the following: -

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

We further report that:

The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

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

We further report that during the audit period the Company has the following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

- i) During the period under review:
 - (a) the NSE and BSE via letter dated April, 13, 2021 and July 5, 2021 respectively have waived off their penalties of Rs. 5.25 lacs each imposed on the Company on the account of delay in appointment of Women Independent Director as per Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 2015 and as such no further comments.
 - (b) Pursuant to Regulation 31A (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following promoters have requested the Company to re-classify them

as Public Shareholders:

S. No	Name of Persons under Promoter / Promoter Group	No. of Equity Shares held	% of Shareholding
1.	Rohit Relan	NIL	0.00
2.	Ritu Relan	NIL	0.00
3.	Rishabh Relan	NIL	0.00
4.	Pranav Relan	NIL	0.00
5.	Ayush Relan	NIL	0.00

- ii) Further, in this regard the Board of Directors have given their approval in their meeting held on February 9, 2022 & the Company has made the application to NSE and BSE on March 4, 2022 and the application is pending for approval till the date of this report.
- (c) The Company has transferred Rs.137.58 Lakhs and Rs.194 Lakhs for the Financial Year 2020-21 & 2021-22 respectively to the separate unspent CSR Account of the Company for the ongoing CSR projects of the Company.
- (d) The Board of Directors in the Board Meeting held on June 23, 2021, has accorded their approval to enter into a Joint Venture Agreement between “the Company” and “Kinetic Green Energy and Power Solutions Limited” to carry on the business of manufacturing Battery Packs along with BMS/related systems or other alternative fuel systems for Electric Vehicles or other applications such as Stationary Applications in the shareholding Pattern of 74:26.

Pursuant to Joint Venture Agreement was executed on June 23, 2021 between the Company and J.V Partner, the Company has acquired 740 equity shares of Rs. 10/- each of “Uddipt Mobility India Private Limited” on 22nd November 2021 and such entity become the subsidiary of the Company thereafter.

- iii) Pursuant to shareholders’ consent obtained by way of Postal Ballot dated 10th February, 2021 for Sub-division of the Authorized Share Capital of the Company, comprising of 5,00,00,000 equity share of Rs. 10/- each into 25,00,00,000 equity shares of the Company of Rs. 2/- each.

The board of the Company had fixed 19th April, 2021 as the record date for the sub-division of the equity share capital of the Company and consequently, the entire paid-up capital of the Company comprising of 59,46,326 equity share of Rs. 10 each of the Company was sub-divided into 2,97,31,630 equity share of Rs. 2/- each.

For **VKC & ASSOCIATES**

(Company Secretaries)

Unique Code: P2018DE077000

CS Ishan Khanna

Partner

ACS No. 53517

C P No. 24258

UDIN: A053517D000364289

Peer Review Cer. No.: 1955/2022

Date: May 27, 2022
New Delhi

Annexure to Directors' Report

Annexure II

ANNUAL REPORT ON CSR ACTIVITIES

CORPORATE
OVERVIEW

STATUTORY
REPORTS

FINANCIAL
SECTIONS

1. Brief outline on CSR Policy of the Company:

The CSR Policy lays out a broader action plan aimed for social and economic welfare of the society in deed to comply with the CSR goals of the Company as provided under Schedule VII of the Companies Act, 2013 or as may be provided by the Ministry of Corporate Affairs / other Authority, from time to time. The Policy identifies that CSR programs / activities shall be carried out directly through their contribution or through CSR Philanthropic arm of the Company i.e. Sharda CSR Foundation Trust. The Policy also details out the procedure for Communication, reporting and Monitoring of CSR activities which takes place through the ongoing projects / other than ongoing projects.

2. Composition of CSR Committee:

Sl. 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	Smt. Sharda Relan	Member/ Chairperson	2	0
2	Shri Kishan N. Parikh	Member	2	2
3	Shri Ajay Relan	Member	2	2
4	Shri Satinder Kumar Lambah*	Member	2	2

*Ceased to be the Member of the CSR Committee, consequent to his demise on June 30, 2022

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:

Sl. No.	Particulars	Weblink
1	Composition of CSR committee	http://www.shardamotor.com/investor-relations/board-of-directors/
2	CSR Policy	https://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy-1.pdf
3	CSR projects approved by the board	http://www.shardamotor.com/about-us/csr-initiatives/

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).

The provision for Impact assessment of CSR projects as provided under sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 (including any amendment thereof) are not applicable to the Company.

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 FY, if any.

The Company does not have any amount required for set off during the FY in as provided under sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

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

Rs. 10,347.14 Lacs

7. (a) Two Percent of average net profit of the Company as per section 135(5)

Rs. 206.94 Lacs

(b) Surplus arising out of the CSR activities of the previous FYs

There is no surplus amount arising out of the CSR activities of the previous FYs.

(c) Amount required to be set off for the FY, if any

Nil

(d) Total CSR obligation for the FY (7a+7b-7c)

Rs. 206.94 Lacs

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

Total Amount Spent for the FY. (in Rs. Lacs)	Amount Unspent (in Rs. Lacs)				
	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	Date of transfer	Name of the Fund	Amount	Date of transfer
206.94	199.94	April 27, 2022	-	-	-

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in Rs. Lacs)	Amount spent in the current FY (in Rs. Lacs)	Amount trans-ferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lacs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	a. Support Poor	Ambulances Services (Salary & Fuel-Ambulance)	Yes	Nasik, Pune, Chennai	Maharashtra, Chennai	3 Years		2.71				
	b. Sharda - Green India Campaign	Eradicating Poverty-Sweater to poor	Yes	Delhi	Delhi	3 Years	204.69	2.04	199.94	No	Sharda CSR Foundation Trust	CSR00003707
	c. Sharda - Medicare											
	d. Sharda - Clean India Campaign											
	e. Sharda - Educate											

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs. Lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Donation to Rotary Southend Charitable Trust	Donation for carrying out CSR activities	Yes			0.23	No	Sharda CSR Foundation Trust	CSR00003707
Total						0.23			

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the FY (8b+8c+8d+8e)

The Company has spent the entire required amount of 2 Percent of the Average net profit for last three years i.e. an amount of Rs. 206.94 Lacs and the details are enclosed:

S. No.	Particulars	Amount in Rs. (Lacs)
1	CSR expenditure required for FY. 2021-22	206.94
2	Total amount spent on CSR activities	7.00
3	Amount transferred to unspent CSR account for the Ongoing Project	199.94

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

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

Sl. No.	Preceding FY.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Lacs)	Amount spent in the reporting FY (in Rs. Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding FYs. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	137.58	72.98	Not Applicable			
2.	2019-20	N.A*	16.16	Not Applicable			
3.	2018-19	N.A*	13.90	Not Applicable			

*In view of the amended CSR Rules, Unspent CSR amount for the preceding three FYs is not eligible to be transferred to Unspent CSR Account or any fund specified under Schedule VII as per section 135(6).

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

Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the FY:

The Company has not created / acquired any capital asset through CSR spent during the FY 2021-22, therefore the asset- wise details, in this regard is not applicable to the Company.

11. Specify the reason(s), if the Company has failed to spend two Percent of the average net profit as per section 135(5)

The Company has spent the entire required amount of 2 Percent of the Average net profit for last three years i.e. an amount of Rs. 206.94 Lacs which includes Rs. 7.00 Lacs towards the CSR activities and an amount of Rs. 199.94 Lacs that remains unspent for the FY 2021-22 has been transferred to Unspent CSR Account on account of the Ongoing Projects as mentioned in point 8b. of the above, in view of the provision of section 135(6) of the Companies Act, 2013.

For **Sharda Motor Industries Limited**

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Co-chairperson / Chairperson CSR
Committee
(DIN:00252181)

August 10, 2022
New Delhi

Annexure to Directors' Report

Annexure III

CORPORATE
OVERVIEW

STATUTORY
REPORTS

FINANCIAL
SECTIONS

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

Requirements of Rule 5(1)	Details
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	i) Shri Kishan N Parikh – NA ii) Shri Ajay Relan – 1: 108.98% iii) Smt. Sharda Relan – NA iv) Shri Nitin Vishnoi – 1: 8.81% v) Shri Satinder Kumar Lambah – NA vi) Shri Ashok Kumar Bhattacharya – NA vii) Shri Udayan Banerjee – NA viii) Smt. Sarita Dhuper – NA
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Directors: i) Shri Kishan N Parikh- NA ii) Shri Ajay Relan – 12.8% iii) Smt. Sharda Relan – NA iv) Shri Nitin Vishnoi – 10.1% v) Shri Satinder Kumar Lambah – NA vi) Shri Ashok Kumar Bhattacharya – NA vii) Shri Udayan Banerjee – NA viii) Smt. Sarita Dhuper – NA Key Managerial Personnel i) Shri Srinivasan Narasimhan – NA Chief Financial Officer ii) Shri Nitin Vishnoi – 10.1% Executive Director & Company Secretary
(iii) the percentage increase in the median remuneration of employees in the FY;	16.83%
(iv) the number of permanent employees on the rolls of Company;	928 employees as on March 31, 2022
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last FY and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in remuneration of non-managerial personnel is against which the increase in average salary of managerial personnel is 10.12% which is in the same range and does need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended March 31, 2022 is as per the Remuneration Policy of the Company.

General Note: For the purpose of above calculation, Company has taken the comparable employees who were in the employment during the year under review and the previous FY 2020-21 and have excluded the employees not eligible for increment.

Annexure to Directors' Report

Annexure IV

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

(a) Employed throughout the year ended March 31, 2022:

S. No.	Name	Designation	Remuneration received (Rs. In Lacs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2022	Last employment held
1	Ajay Relan	Managing Director	588.32	B. Com (Hons.) OPM from Harvard Business School USA 36 Years	29-01-1986	60 Years	N.A.
2	Aashim Relan	Chief Executive Officer	144.60	Graduate in Economics major from Emory University, Atlanta (U.S.A) 9 Years	28-06-2012	32 Years	N.A.
3	Anand Dinkar Sontakke	Chief Operation Officer	175.00	BE (Mech.), Visvesvaraya NIT ICWAI Intermediate	01-04-2021	53 Years	MAHLE ANAND Filter Systems
4	Srinivasan Narasimhan	Chief Finance Officer	86.84	CA, CS & ICWA 17 Years	24-02-2021	40 years	Tenneco
5	Deepak Bhasker	Chief People Officer	79.62	MBA – HR, National Defense Academy, 30 Yrs	09-07-2020	52 years	Omax Auto
6	Ashish Shashikant Kulkarni	Chief Purchasing Officer	125.20	BE (Prod), EMBA 29 Year	21-09-2020	53 years	Tenneco
7	Dnyaneshwar Pramod Dandekar	Vice President	70.07	BE (Mech), ME (Thermal Engg), EMBA 24 Years	27-11-2019	46 Years	Tenneco
8	K K Sharma	President	69.34	B.Com 29 Years	14-06-1993	51 Years	N.A.
9	Suck Tae Ko	Senior Director	93.92	B. tech	06-10-2020	56 years	DGENX Co. Ltd.
10	Sriram Balaraman		90.00	M.E. (Auto Engg.) 26 Years	04-01-2021	50 Years	Ashok Leyland Ltd.
11	Nitin Vishnoi	Executive Director & Company Secretary	46.43	Company Secretary 30 Years	01-07-1998	52 Years	Korin India Limited

(b) Employed for part of the year ended March 31, 2022:

S. No.	Name	Designation	Remuneration received (Rs. In Lacs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.2022	Last employment held
1	Seung Doh Lee	CEO	280.00	BE	01-10-2008	68 Years	-
2	Vivek Bhatia	President & Group CFO	57.40	Chartered Accountant & Company Secretary 30 Years	01-07-2016	54 Years	Jamna Auto Limited
3	Anupam Bhargava	Vice President	7.03	B.E. (Mechanical) 26.5 Years	04-03-2022	49 Years	Tata Autocomp Systems Ltd.
4	UR Suresh	General Manager	37.52	MBA Accounting and Finance 24 years	24-05-2021	45 Years	Polaris Consulting & Services Limited
5	Yong Hee Cho	Director	5.96	BA International Trade 30 Years	14-03-2022		-NA-
6	Vishwas Vilasrao Deshpandey	General Manager	36.45	MBA in Finance 21 Years	03-05-2021	47 Years	Assa Abloy Opening Solutions (SMI),
7	Gajjela Sridhar	Deputy General Manager	30.18	Mcom 30 Years	19-08-2016	53 Years	Jamna Auto Limited
8	Mohan Nivruti Datir	Deputy General Manager	5.00	B.E. (Production) 22 Year	01-02-2022	44 Years	Tenneco Clean Air India Pvt Ltd
9	Rathinakumar. J	AGM	17.31	DECE from Central Polytechnic 30 Years	20-05-2021	51 Year	Foxcon Hon Hai Technology India Mega Development Pvt Ltd

1. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Shri Ajay Relan is contractual, for the rest of the employees, it is other than contractual.
3. Shri Ajay Relan is son of Smt. Sharda Relan. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 58.43 Percent and 5.12 Percent equity shares of the Company respectively, none of the above employees holds more than 2 Percent of the equity share capital of the Company as on March 31, 2022 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

Annexure to Directors' Report

Annexure V

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

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

(a) CONSERVATION OF ENERGY:

- i) The steps taken by the Company for conservation of energy or impact on conservation of energy

India comes in at the bottom of the global rankings, placing 180th out of 180 countries in the 2022 Environmental Performance Index (EPI) among the most Polluting countries. The country ranks 179th in the Air Quality issue categories. India is going through the most degraded phase in terms of pollution in all forms either it is air, water or soil pollution. Likewise, energy conservation offers a practical approach for reduction of greenhouse gasses. A socially responsible organisation always keeps track of its operations being environmentally efficient. Your Company always strives to achieve the highest standards of energy conservation techniques by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

- ➔ Installation of automatic sensors for cutting off the electricity of electrical equipments or heavy motors / machines when not in use / idle for few minutes at several Plants.
- ➔ Maintenance of "Power Factor" to reduce consumption of electricity.
- ➔ Installation of efficient "Harmonic Panel" for reducing consumption of electricity.
- ➔ Replacement of bulbs with LED lights across the plants.
- ➔ Installation of VFD drivers to save more power in machines and motors.
- ➔ Regular cleaning of Solar Panels to increase solar energy contribution.
- ➔ Installation / Implementation of Robotic Cell as Automation drive effective utilisation of energy.
- ➔ Replacement of electrical motor / other equipments with latest energy efficient equipments with higher standards.
- ➔ Protoshop Timer shave been installed to cut the idle running of the machines.
- ➔ Air Conservation system for Air Compressor.
- ➔ Auto stop timer for shop floor machines, exhaust fans, welding machines.
- ➔ Installation of Solar Norikool Advance Day Light System in Nasik Plant.
- ➔ Installation of Solar Power Plant in SIPCOT Chennai (3500 KW) and 763KW in Chennai Mahindra World City.
- ➔ Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- ➔ 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant.

- ➔ Compressed Air Leakage reduced in plants.
- ➔ Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.
- ➔ Logic Modification to Auto cut-off Air during idle time in Air Leak Tester.
- ➔ Identification of Air Leakages by Utility And closing Tentatively and Regular Monitoring.

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

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without harming the environment. Your Company has taken steps towards solar and wind energy in its plants.

- ➔ Solar Power plant have been initiated in the Nasik and Chakan plant.
- ➔ Company is using Wind Power as its major power source in Chennai Plant.

iii) The capital investment on energy conservation equipments:

Company has not made any substantial capital investment during the year.

(b) TECHNOLOGICAL ABSORPTION:

i) The efforts made towards technology absorption;

- ➔ Improved performance of exhaust system;
- ➔ BS VI Advanced technology orientation through workshop and internship programmes;
- ➔ Managing extended enterprises for quality supply for better warranty Management Emphasis on absorption of design and manufacturing technology such as controlled canning, micro mig welding; Expansion and modernisation programme such robo welding uniform across plants.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

- ➔ Import substitution and less dependence on technical collaborators;
- ➔ Product line extension, introduction of mixing devise for UI improvement;
- ➔ Improving fuel economy and consequent reduction in CO₂ through low back pressure;
- ➔ Improvement in core competencies and standardisation and correlation;
- ➔ Significant improvement in meeting demand of end user.

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

No Technology has been imported during the last three years.

iv) The expenditure incurred on Research and Development

Capital Expenditure – Rs. 58.22 Lacs
Revenue Expenditure – Rs. 1,908.55 Lacs

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the FY 2021-22.

Annexure to Directors' Report

Annexure VI

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 ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

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.

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

Name(s) of the related party and nature of relationship	Exhaust Technology Private Limited, Joint Venture Company	Relan Industrial Finance Limited, Associate Company
Nature of contracts/ arrangements/ transactions	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature.	Recurring, whenever, it will be in the best interest of the Company.
Salient terms of the contracts or arrangements or transactions including the value, if any	Up to a maximum of Rs. 65 Crore (Actual amount of transaction Rs. 36.72 Crore for sale & purchase of goods) and Rs. 10 Crore (actual amount of transaction NIL for sale of fixed assets) per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crore per transaction, However, remaining outstanding amount at any point of time shall not exceed Rs. 300 Crore during any FY.
Date(s) of approval by the Board, if any	Since the transaction entered into is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 10, 2021 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered in to is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on February 10, 2021 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	NIL	Nil

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

Sharda Relan
Co-chairperson / Chairperson CSR
Committee
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

New Delhi

Annexure to Directors' Report

Annexure VII

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.: 1
2. Name of the subsidiary **UDDIPT MOBILITY INDIA PRIVATE LIMITED**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period **07/04/2021 till 31/03/2022**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
5. Share capital **Rs. 10,000**
6. Reserves & surplus **Rs. 1,11,331**
7. Total assets **Rs. 10,000**
8. Total Liabilities **Rs. 10,000**
9. Investments **Rs. 0**
10. Turnover **Rs. 0**
11. Profit before taxation **Rs. 1,11,331**
12. Provision for taxation **Rs. 0**
13. Profit after taxation **Rs. 1,11,331**
14. Proposed Dividend **Rs. 0**
15. % of shareholding **74%**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and joint Ventures

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

(Currency: Rs. in Lacs except otherwise specified)

Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited*
E1. Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022
2. Date on which the Associate and Joint Venture was associated or acquired	November 15,1993	April 16,2019
3. Shares of Associate/Joint Venture held by the Company on the year end		
No. (in Numbers)	4,90,000	4,75,00,000
Amount of Investment in Associate/ Joint Venture	49	4,750
Extend of Holding (in percentage)	47.12 Percent	50 Percent
4. Description of how there is significant influence	Shareholding	Shareholding
5. Reason why the associate /joint venture is not consolidated	N.A	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	364.04	1,809.64
7. Profit/Loss for the year		
i. Considered in Consolidation	(17.85)	(1,210.13)
ii. Not Considered in Consolidation	(20.02)	(1,210.13)

1. There are no associate or joint venture which are yet to commence operations.

2. None of the associate or joint venture have been liquidated or sold during the year.

*Based on the unaudited Financial Statement as provided by Company.

On behalf of the Board of Directors
For **Sharda Motor Industries Limited**

Sharda Relan
Co-chairperson / Chairperson CSR Committee
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Aashim Relan
Chief Executive
Officer

Srinivasan Narasimhan
Chief Financial Officer
M. No. 214036

Nitin Vishnoi
Executive Director & Company Secretary
DIN: 08538925
M. No. F3632

New Delhi

Annexure to Directors' Report

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions, if any, (including any statutory modification(s) / re-enactment(s) thereof for the time being in force) your directors are pleased to present the Company's annual report on Corporate Governance for the year ended March 31, 2022, in the prescribed format and forming part of the Board Report:

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sharda Motor Industries Limited (SMIL) is committed to doing business in an efficient, responsible, honest and ethical manner. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all our stakeholders, in particular, shareholders, employees and our customers in a balanced manner.

SMIL philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were in place even before they were mandated. The Company has documented internal governance policies and has put in place a formalised system of Corporate Governance which sets out the structure, processes and practices of governance within the Company.

The Company emphasizes the need for full transparency and accountability in all its transactions in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

SMIL is respected for its professional management and good business practices in the Indian Corporate World. Integrity, emphasis on product quality and transparency in its dealings with all stakeholders are its core values.

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on March 31, 2022, the Board of Directors of the Company consist eight directors, chaired by Shri Kishan N. Parikh, Non-Executive Independent Director. The composition of the Board is in conformity with Listing Regulations. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Four (4) times during the FY 2021-22 on June 23, 2021, August 13, 2021, November 9, 2021 and February 9, 2022. In adherence to the Directives issued / notified by the Ministry of Corporate Affairs / other Departments / Authorities amid COVID-19 pandemic, all the directors participated at the Board and Committees Meetings held during the period under review through video conferencing. All the Board & Committee Meetings were in compliance with the Companies Act, 2013 and Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India ("SEBI") amid COVID 19 pandemic. The intervening gap between any two meetings was well within the purview Companies Act, 2013 & SEBI Listing Regulations, read with Circulars / notifications / amendments thereof as may be issued / notified by Ministry of Corporate Affairs & SEBI from time to time.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on March 30, 2022 in compliance with Regulation 25(3) of SEBI Listing Regulations and in pursuant to the provision of Schedule IV to the Companies Act, 2013.

The composition and category of directors, their attendance at the Board meetings held during the year ended March 31, 2022 and at the last Annual General Meeting, number of other directorships and membership/ chairpersonships of committees etc. are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on August 27, 2021	Directorship of other public companies*		Name & Category of Directorship held in the Listed Entities including this Listed Entity	Committee position held in other public Companies#		Share-holding in the Company
						Chair-person	Director		Chair-person	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairperson)	Independent/ Non-executive Director	4	4	YES	1	2	1. Pebco Motors Limited (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	1	750
2.	Shri Satinder Kumar Lambah (07425155) (Director)\$	Independent/ Non-executive Director	4	3	Yes	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
3.	Shri Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non-executive Director	4	4	No	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
4.	Shri Ajay Relan (00257584) (Managing Director)	Promoter / Executive Director	4	4	YES	0	2	1. Sharda Motor Industries Limited (Managing Director)	0	0	1,73,71,380
5.	Smt. Sharda Relan (00252181) (Director)	Promoter / Non-executive Director	4	1	No	0	1	1. Sharda Motor Industries Limited (Executive Director)	0	0	NIL
6.	Shri Udayan Banerjee (DIN: 0339754), (Director)	Independent/ Non-executive Director	4	4	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
7.	Shri Nitin Vishnoi (DIN:- 08538925)	Executive Director	4	4	YES	0	0	1. Sharda Motor Industries Limited (Executive Director)	0	0	NIL

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on August 27, 2021	Directorship of other public companies*		Name & Category of Directorship held in the Listed Entities including this Listed Entity	Committee position held in other public Companies#		Share-holding in the Company
						Chair-person	Director		Chair-person	Member**	
8.	Smt. Sarita Dhuper (DIN: 08776286), (Director)	Independent/ Non-executive Director	4	3	No	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL

Note: Shri Ajay Relan is son of Smt. Sharda Relan. Apart from this there is no relationship among the directors inter-se among any Directors

*Excludes directorship in associations, private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

**membership includes chairpersonship.

Represents Chairpersonship/ Membership of Audit Committee & Stakeholders' Relationship Committee

\$ *Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

At the time of appointment and thereafter at the first board meeting of every FY, the Independent Directors submitted a self- declaration confirming their independence is in compliance with various eligibility criteria laid down by the applicable laws & SEBI Regulations among other things and not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. In addition, the Company also ensures that the directors meet the above eligibility criteria. All such declarations are placed before the Board for information. The Company has not issued any equity / other convertible instruments during the year and None of the Directors of the Company holds any such convertible instrument.

Details of familiarisation programme(s) imparted to independent directors are available on Company website www.shardamotor.com, under heading 'Investor Relations'.

FOLLOWING IS THE LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF THE COMPANY'S BUSINESS(S) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD:

- Financial:** Proficiency in understanding financial reporting, making capital allocation decisions, challenging and help optimise complex financial transactions, help ensure long-term financial health of the Company.
- Strategic and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
- Global Business:** Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
- Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
- Leadership:** Leadership experiences for setting goals and with understanding of leading change, practical management of people, products, strategy and industry networking.
- Innovation & Technology:** Technical / Professional Skills with specialised knowledge to assist the ongoing aspects of the business and to adapt with the continuous rapid changes in technology and customer behaviour, the Company needs to be constantly striving for new products /services to be introduced into markets. The ability for innovation and demonstrating a culture of entrepreneurship is necessary.

S. No.	Name	Skills	Expertise	Competence
1	Shri Kishan N Parikh	Belonging from Commerce background. His overall experience and knowledge evolves around financial matters.	Holds Bachelor's Degree in commerce and has overall experience of more than 31 years in area of Business Management and managing Financial activities.	Being from Commerce background, he plays important role in decision making at the Board level specifically financial related matters and Management matters
2	Smt. Sharda Relan	Management Business and related activities	Holds Bachelor's degree and is being associated with the Company since its inception. She has an experience of more than 36 years in area overall management of Business activities.	Managing Business Operations, handling day to day affairs and other related activities.
3	Smt. Sarita Dhuper	Belonging from Medical background. Her Overall education and knowledge is in Medical field.	She holds MBBS degree along with Masters degree in Medicine and is Practitioner Doctor in USA. She has more than 36 years of experience in the Medicine and related fields.	She helped / suggested the Company for undertaking CSR activities under Medical / Healthcare Sector.
4	Shri Ashok Kumar Bhattacharya	Being from Engineering background, Research and Technology are the key areas.	He holds Bachelor's degree from IIT, Kharagpur and P.H.D from Cambridge. Has more than 41 years of experience including the in Process Engineering.	Being from the Engineering Background and having vast expertise in field of Physics, Chemistry and Process Engineering, he suggest / support and understand in the decision making related to Research & Technology for our Technology.
5	Shri Ajay Relan	He holds Bachelor's degree in Commerce and Management degree from USA. He is looking after the overall Strategic and Business Management of the Company.	He has Bachelor's degree in commerce and Masters degree from Harvard Business School, U.S.A. He is being associated with the Company since its inception. He has more than 36 years of experience in several fields of Finance, Marketing, and strategic Management.	Being from commerce background. He is engaged into the overall manufacturing operations at Plant and Research & Development, Product Development, sales and marketing field and complete supervision of the Company. His leadership qualities embark the Company towards growth in domestic & global footprint. He is also actively engaged in the decision making at the Board level specifically the financial related matters.

S. No.	Name	Skills	Expertise	Competence
6	Shri Satinder Kumar Lambah*	He holds Bachelor's degree. He has been Ambassador of India to Hungary, Germany, Russia and High Commissioner to Pakistan.	He has vast experience in several fields of Finance and Management of the Company. He has overall experience of more than 46 years.	Being Diplomat representing the Country and considering the involvement in many successful economic ventures at country level. He has vast experience in several fields of handling issues and decision making. He is actively engaged in the decision making at the Board level in the filed of Finance, Management and Strategic Management.
7	Shri Udayan Banerjee	He holds Masters Degree in Earth Science from IIT Kharagpur. Research and Technology are the key areas of his interest.	He has an overall experience of more than 48 Years for working with various reputed organisations.	Being holding Masters degree in Science, he possesses expertise in the field of Research and Development of Technology and setting up of Plant. He is actively engaged in the decision making at several at the Board level.
8	Shri Nitin Vishnoi	He holds Fellow Membership from Institute of Company Secretaries of India (ICSI).	Being from Commence background and holding Membership as Company Secretary. He has been associated with the Company since year 2002 and has an overall work experience of more than 30 Years	He has an expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance and is actively engaged in the decision making at the Board level in the field Finance and Strategic Management.

3. AUDIT COMMITTEE

Constitution of Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. During the year under review, the Audit Committee comprise of Four (4) Independent Directors and one Non-Executive-non-Independent Director of the Company, all the Five members of Committee have adequate financial & accounting knowledge and background.

The Audit Committee of the Company acts in accordance with the terms of reference as provided under applicable laws and as may be specified by the Board from time to time. The role of the audit committee inter alia includes the following: -

- oversight of the Company's financial reporting process and disclosure of financial information;
- recommendation to the Board for appointment, remuneration etc. of auditors;
- review of financial statement and auditor's report;
- discussion with statutory auditors of the Company about their findings, observations, suggestions, scope of audit etc.;

- v) review of internal control systems and accounting policies followed by the Company;
- vi) review of the financial statements with the management before their submission to the Board for approval etc;
- vii) Approval of related party transactions and subsequent material modifications thereon.

In addition to the above, the Audit Committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The proceedings and minutes of the Committee meetings are regularly placed before the Board. Chairperson of the Committee was present at the last Annual General Meeting held on August 27, 2021 to address the members of the Company.

The Managing Director, CFO and representative of Statutory Auditors are the permanent invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary of the Committee.

During the year ended March 31, 2022, the Audit Committee meetings were held on June 9, 2021, June 23, 2021, August 13, 2021, November 9, 2021, and February 9, 2022.

The Composition and attendance of Members at the meeting held during the FY 2021-22 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non-Executive	Chairperson	5	5
Smt. Sharda Relan	Non-Independent & Non-Executive	Member	5	1
Shri Satinder Kumar Lambah*	Independent & Non-Executive	Member	5	5
Shri Ashok Kumar Bhattacharya	Independent & Non-Executive	Member	5	5
Shri Udayan Banerjee	Independent & Non-Executive	Member	5	5

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprises of four Non-Executive Directors, of which all are Non-Executive Independent Directors. Composition of the Committee is as per the Companies Act, 2013 and Regulation 19 of Listing Regulations.

During the year under review, Nomination and Remuneration Committee were held on June 23, 2021, August 13, 2021, November 09, 2021, and February 09, 2022.

The Composition and attendance of Members at the meeting held during the FY 2021-22 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non-Executive Director	Chairperson	4	4
Shri Satinder Kumar Lambah*	Independent & Non-Executive Director	Member	4	3
Shri Ashok Kumar Bhattacharya	Independent & Non-Executive Director	Member	4	4
Shri Udayan Banerjee	Independent & Non-Executive Director	Member	4	4

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

The Company Secretary of the Company acts as the secretary of the Committee.

The functioning and terms of reference of the Committee are as prescribed under the Listing Regulations and under the Companies Act, 2013. A report on performance evaluation criteria is forming part of the Board's Report earlier in the Annual Report.

The Company while deciding the remuneration package of the Managing Director/Whole-Time Director(s) takes into consideration the following items:

Employment scenario:

- Remuneration package of the industry;
- Remuneration package of the managerial talent of other industries;
- The remuneration, tenure of appointment/re-appointment of the Executive Directors including their salary, commission and perquisites are paid in accordance with the terms and conditions approved by the Board of Directors (on the basis of recommendations of the Nomination and Remuneration Committee), subject to the approval of the Shareholders of the Company at the General Meeting.

The Non-Executive Directors are paid sitting fees and commission in certain cases in accordance with the provisions of Companies Act, 2013, criteria for making the payment to Non-Executive Directors is disclosed in the Remuneration policy.

EXECUTIVE DIRECTORS

(Rs. in Lacs)

Name of Director	Salary	Perks	Performance Incentive	Total
Shri Ajay Relan	285.00	48.32	255	588.32
Shri Nitin Vishnoi	32.43	10.60	3.40	46.43
Total				

NON-EXECUTIVE DIRECTOR

(Rs. in Lacs)

Name of Director	Sitting fee
Shri Kishan N Parikh	4.00
Shri Satinder Kumar Lambah	3.80
Shri Ashok Kumar Bhattacharya	3.60

Name of Director	Sitting fee
Smt. Sharda Relan	0.80
Shri Udayan Banerjee	4.40
Smt. Sarita Dhuper	1.20
TOTAL	17.80

Notes:

- i) The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
- ii) At present the Company does not have any Employee Stock Option Scheme;
- iii) Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
- iv) There is no separate provision for payment of severance fee under there solutions governing the appointment of Executive Directors;
- v) No commission was paid to non-executive directors during the year;
- vi) Performance incentive is paid to executive directors based on their individual goals related to production, sales and Company targets like profit, revenue from operations and such other criteria;
- vii) There has been no pecuniary relationship or business transaction by the Company with any Independent Non- Executive Director, other than(i) the sitting fee for attending the Board / Committee meetings(ii) the payment of dividend on the Equity Shares held by them in the Company

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met three times during the FY 2021-22 on June 23, 2021, August 13, 2021 and November 09, 2021. The necessary quorum was present for all the meetings. The Chairperson of the SRC Committee was present at the last Annual General Meeting of the Company held on August 27, 2021.

The terms of reference of Stakeholders Relationship Committee inter-alia deals with various matters relating to:-

- ➔ to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- ➔ to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;
- ➔ to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;
- ➔ to oversee and review all matters connected with the transfer of the Company's securities;
- ➔ to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent

The composition of the Committee and their attendance at the Committee meeting held during the year ended March 31, 2022 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Satinder Kumar Lambah*	Non-Executive-Independent Director	Chairperson (Head of Committee)	3	2
Smt. Sharda Relan	Non-Executive-Non-Independent Director	Member	3	1
Shri Udayan Banerjee	Non-Executive-Independent Director	Member	3	3
Shri Ajay Relan	Executive Director	Member	3	3

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

Shri Nitin Vishnoi, Company Secretary of the Company and also acts as the secretary of the committee.

Shri Divyang Jain, Assistant Company Secretary is Compliance Officer of the Company.

During the year ended March 31, 2022, status of investor grievance is tabulated hereunder:

Particular	Numbers
Complaint pending as on April 1, 2021	Nil
Complaints received during the FY 2021-22	1
Complaints disposed off up to the satisfaction of shareholder during the FY 2021-22	1
Complaints pending as on March 31, 2022	Nil

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer/ transmission received during the year under report and no such issue of duplicate Share Certificates; transfer/ transmission are pending as on March 31, 2022.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Corporate Social Responsibility Committee of the Company consists of four directors having two non-executive independent and two executive directors. the Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee are in line with the Companies Act, 2013.

During the FY 2021-22, CSR Committee Meeting was held on June 23, 2021 and March 30, 2022. The Composition of the Committee along with the attendance of its Members are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Smt. Sharda Relan	No-Executive Director	Chairperson	2	None
Shri Kishan N Parikh	Independent, Non-Executive Director	Member	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Satinder Kumar Lambah*	Independent, Non-Executive Director	Member	2	2

*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

The Corporate Social Responsibility Report for the year ended March 31, 2022 is annexed to the Director's Report.

7. RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee comprises of four Independent Directors and One Executive Directors, Chief Financial Officer of the Company is special invitee of the Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of SEBI Listing Regulation, 2015. Apart from the above the Committee also carries out such functions/ responsibility entrusted on it by the Board of Director from time to time.

The Company Secretary acts as the Secretary of the Committee. The brief description of terms of reference of the RMC are in line with the aforesaid Regulation 21 read with Schedule II, Part D Para C of the LODR Amended Regulations and are under:

- ➔ Identification of internal and external risks specifically faced by the listed entity
- ➔ Measures for risk mitigation
- ➔ Business continuity plan
- ➔ Periodically review the risk management policy, at least once in two years
- ➔ Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks
- ➔ Informing the nature and content of discussions, recommendations and actions to be taken

During the FY 2021-22, Risk Management Committee Meeting was held on November 9, 2021 and March 30, 2022. The Composition of the Committee along with the attendance of its Members are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent, Non-Executive Director	Chairperson	2	2
Shri Ajay Relan	Executive Director	Member	2	2
Shri Ashok Kumar Bhattacharya	Non-Executive Independent Director	Member	2	2
Shri Satinder Kumar Lambah*\$	Independent, Non-Executive Director	Member	1	1
Shir Udayan Banerjee*	Independent, Non-Executive Director	Member	1	1

*Shri Satinder Kumar Lambah and Shir Udayan Banerjee appointed as member w.e.f. November 9, 2021.

\$*Shri Satinder Kumar Lambah, ceased to be a director of the Company due to his sad demise on June 30, 2022

Chief Financial Officer of the Company is special invitee of the Committee.

The Company has also devised Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation and the same is also available on the Company's website at: <http://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf>

8. GENERAL BODY MEETINGS

(a) Annual General Meeting: -

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
36	2020-21	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	27.08.2021	12:00 noon	Three
35	2019-20	Video Conferencing / Other Audio Visual Means Deemed Venue – Registered Office of the Company	29.09.2020	12:00 noon	Two
34	2018-19	PHD Chamber of Commerce, New Delhi	27.09.2019	12:00 noon	None

(b) Extraordinary General Meetings

No Extraordinary General Meetings was held during the year under review.

(c) Resolutions Passed through Postal Ballot, during the year under review

During the year, the Company has not passed any resolution through postal ballot.

9. DISCLOSURES

- (a) Related Party Transactions: The material financial and commercial transactions where they and / or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Ind AS 24, “Related Party Disclosures” issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter / promoter group holding 10 Percent or more shares in the Company) of:

- ➔ Ajay Relan (Promoter / Managing Director) holding 58.43 Percent of Equity Shares in the Company are prescribed in the Related Party Disclosures forming part in the Note No. 37 of Notes to Financial Statements

There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Company has in place a policy for dealing with related party transactions, which is also on the website of the Company www.shardamotor.com.

- (b) Board has considered and accepted all the recommendations of the Committees of the Company.
- (c) During the year under review, No independent Director has resigned from the Directorship of the Company.
- (d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised.
- (e) Smt. Sharda Relan, Non-Executive Director shall retire by rotation and being eligible and offered herself for re-appointment at this 37 Annual General Meeting of the Company.
- (f) The above re-appointment is subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM). A brief resume along with information required as per applicable laws of the above Director recommended for re- appointment at the AGM are furnished in the Notice of the Annual General Meeting of the Company.
- (g) During the last two years no penalties or strictures have been imposed on the Company by the Stock Exchanges

or SEBI or any other statutory authorities on matters related to capital markets. However during the FY 2020-21, the National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") "Stock Exchanges" have levied penalty of Rs. 5.25 Lacs each regarding the delay in appointment of one independent woman director on the Board of the Company w.e.f April 1, 2020, considering which the Company made representation to the Stock Exchanges that the delay in appointment was on the Unavoidable and Uncertain grounds. Further, based on the said Representations, NSE & BSE vide. their letter / mail dated April 13, 2021 & July 5, 2021, respectively has waived of the penalty imposed in this regard.

- (h) Company has in place a Whistle Blower Policy and no person has been denied access to the audit committee. Details of the policy are placed on the Company's website at: <http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf>

In the ordinary course of business, the Company is exposed to risk resulting from exchange rate fluctuations and interest rate movements. the Company had managed the foreign exchange risk and hedged to the extent considered necessary. Details of foreign currency exposure are disclosed in notes to the financial statements. To counter the commodity price risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity and their potential effect on the performance of the Company through systematic report and charts.

The Commodity price risk and Commodity hedging activities the Company has adequate risk assessment and minimisation system in place including for commodities. Further in view of the Regulation 21 read with Schedule II, Part D Para C of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company has constituted the Risk Management Committee and have devised the Risk Management Policy for understanding of Risk factors / parameters and its process of monitoring and mitigation. Risk Management Policy is available on the Company's website at: <http://www.shardamotor.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf>. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no Disclosure to offer in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

The Company has complied with all the mandatory requirements of Listing Regulations and the non-mandatory requirements have been adopted to the extent and in the manner as stated hereunder:

- (a) The Company has appointed separate persons to the post of Chairperson and Managing Director / Chief Executive Officer.
- (b) The Company is in the regime of unqualified financial statements.
- (c) The Company has adopted a code of conduct for prevention of Insider Trading and Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015 including any statutory modification(s) / re-enactment(s) thereof for the time being in force ("Insider Trading Regulation") all directors and designated employees who could have access to the unpublished price sensitive information are required have followed the code / follow this code.
- (d) The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- (e) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. the Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

10. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming the Non-Disqualification of Directors for the FY ended

March 31, 2022 obtained from Smt. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as Annexure - IX to this Report.

11. CONFIRMATION OF INDEPENDENT DIRECTORS

The Company do hereby confirm that all the Independent Directors of the Company fulfills the conditions specified in the SEBI Listing Regulations and are Independent of the Management of the Company.

12. CREDIT RATINGS

CRISIL's has reaffirmed that the credit rating based on the Working Capital facility(ies) of Sharda Motor Industries Limited (SMIL) as for "Long Term Rating" is 'CRISIL AA- / Stable' and for "Short Term Rating" is "CRISIL A1+". Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilisation of funds are issued by the Company.

13. TOTAL FEES PAID FOR ALL SERVICES TO THE STATUTORY AUDITORS FOR ALL SUBSIDIARIES ON A CONSOLIDATED BASIS TO THE STATUTORY AUDITOR AND FOR ALL ENTITIES IN FIRM/NETWORK ENTITY

M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors of Sharda Motor Industries Limited (the Company) Audit Fees paid by the Company to M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors during the FY 2021-22 are as:

S. No.	Particular of Expenses	Total Amount (in Rs.)
Total Fees Paid by the Company for all the Services rendered by the Statutory Auditors		
1.	Audit Fees for FY 2021-22	13,35,000
2.	Certification fee	32,000
	Out of Pocket Expenses incurred for the same	15,000
	Total	13,82,000

14. DISCLOSURES WITH RESPECT TO THE COMPLAINT FOR SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the FY, the Company do hereby submit the following with respect to the Complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

- (a) number of complaints filed during the FY - NIL
- (b) number of complaints disposed of during the FY - NIL
- (c) number of complaints pending as on end of the FY - NIL

15. MEANS OF COMMUNICATION

The un-audited quarterly / half yearly financial results and audited annual financial results were announced within the stipulated time under Listing Regulations. The aforesaid financial results was reviewed by the Audit Committee and was taken on record by the Board of Directors and the same was also communicated to the concerned Stock Exchanges within the stipulated time and in the prescribed manner, in compliance with the requirement of the SEBI Listing Regulations.

Such results are generally published within the stipulated time in two Newspapers, one in English newspaper (Financial Express) and the other one in Hindi newspaper (Vir Arjun), and are also displayed on the website of the Company www.shardamotor.com.

The Company has not made any presentation to Institutional investors / Analysts during the year under review.

Detailed Section on Management Discussion and Analysis is given by means of separate annexure and is attached to the Directors' Report.

16. GENERAL SHAREHOLDERS' INFORMATION:

37 Annual General Meeting held on:

Date : September 20, 2022

Day : Tuesday, Time : 12:00 Noon

Venue : Through Video Conferencing (VC)/ Other Audio Video Means (OVAM) FY : April 1 to March 31

Date of Book Closure: Wednesday, September 14, 2022 to Tuesday, September 20, 2022 (both days inclusive)

Dividend Payment date: Dividend, if declared, will be paid/dispatched within the time prescribed under law.

Listing on Stock Exchanges: The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the FY 2022-23 has been paid in respect of both the stock exchanges.

Stock Code and ISIN No.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai- 400051	SHARDAMOTR (Symbol)
ISIN No. prior to the Split of Face Value of Equity Share (Valid upto April 15,2021)	INE597I01010
ISIN No. post the Split of Face Value of Equity Share (Activated w.e.f April 16, 2021)	INE597I01028

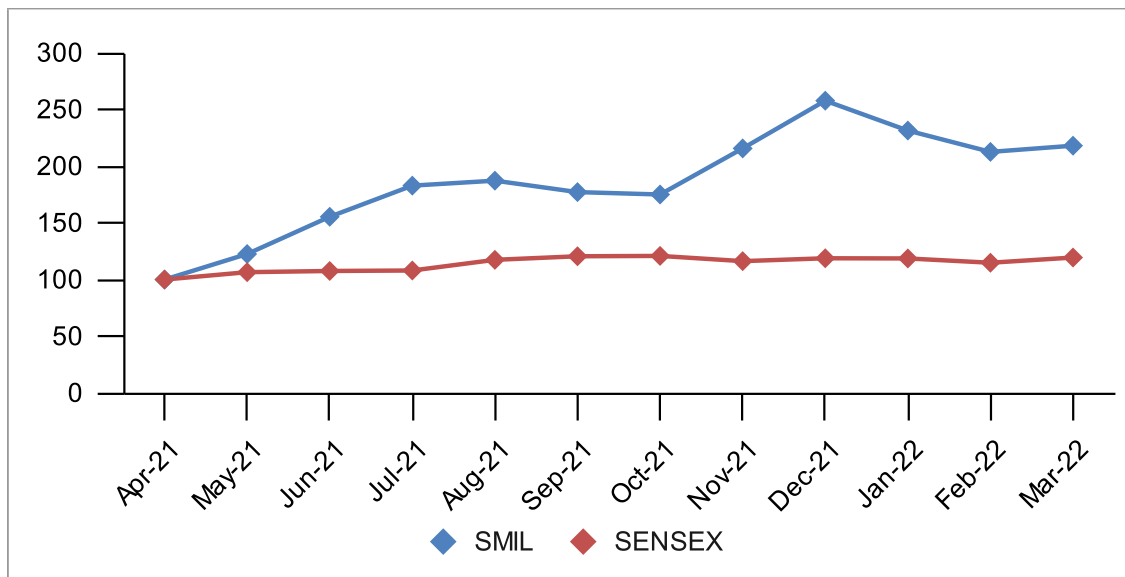
High, Low during each month of last FY:

Month	BSE		NSE	
	High	Low	High	Low
April-21	2290.00	327.00	2,299.95	327.10
May-21	433.00	323.65	429.00	324.90
June-21	543.80	382.00	544.15	392.05
July-21	753.85	535.55	755.00	543.00
August-21	690.00	573.90	688.55	574.00
September-21	659.90	588.00	655.00	590.00
October-21	715.00	575.30	713.80	585.00
November-21	858.95	580.00	860.00	586.00
December-21	950.00	736.60	954.90	735.10
January-22	944.00	749.75	942.35	748.00
February-22	827.90	675.30	813.95	672.00
March-22	821.25	698.60	823.40	703.35

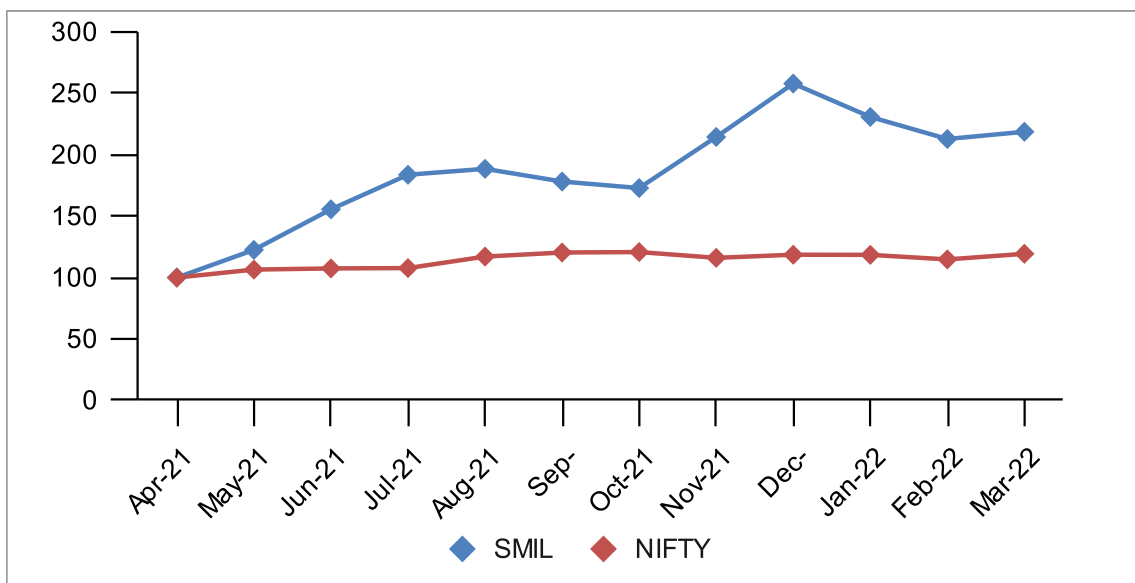
Source: www.bseindia.com, www.nseindia.com

Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE NIFTY 50.

SMIL Share Price Comparison BSE



SMIL Share Price Comparison NSE



(Closing value of SMIL share price Vs. BSE Sensex & SMIL share price Vs. NSE NIFTY 50 on the last trading of the month).

Base is considered to be 100 as at April, 2021 in both the charts. Further, during the year under review, Securities were never suspended from trading on the above said Stock Exchanges)

Registrar & Transfer Agent

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

M/s. Alankit Assignments Limited

Alankit Heights, 4E/2, Jhandewalan Extension,
New Delhi - 110055

Tel: 011-42541234, 23541234

Fax: 011-41543474

E-mail: rta@alankit.com

Share Transfer System and other related matters:

The request, if any received for transmission/ split / etc. of shares in physical form for were duly processed and dispatched within the stipulated time period. As in the past, the Company has sent intimation to the shareholders whose dividend warrants have not been en-cashed. Shareholders are requested to revert to the Company if they have not received/ en- cashed their dividend warrants. The details of dividends which are proposed to be transferred to the Investor Education and Protection Fund in respect of unclaimed / unpaid dividend for the earlier years are provided in the Notes to the Notice calling the Annual General Meeting.

The shareholders are requested to ensure that any correspondence for change of address should be signed by the first named shareholder. The Company is also requesting for supporting documents such as proof of residence, proof of identification whenever a letter requesting for change of address is received. This is being done in the interest of the shareholders. Shareholders are requested to kindly co-operate and submit the necessary documents/evidence while sending the letters for change of address.

SHAREHOLDING

Distribution of shareholding as on March 31, 2022

Category (No. of shares)	No. of shareholders	Percent of shareholders	No. of Shares	Percent of equity shares
1-5000	12075	98.70	2047478	6.89
5001-10000	53	0.43	393737	1.32
10001-20000	41	0.34	596431	2.01
20001-30000	15	0.12	403012	1.36
30001-40000	8	0.07	270099	0.91
40001-50000	3	0.02	131134	0.44
50001-100000	19	0.16	1337933	4.50
100001-999999999999	20	0.16	24551806	82.58
Total	12234	100.00	29731630	100.00

Shareholding Pattern as on March 31, 2022

Category Code	Category	Total No. of shares	Percent of total no. of Shares
(A)	Promoters and Promoter Group		
	(i) Resident Individual	21762895	73.20
(B)	Public Shareholding		
	Individuals	5657379	19.03
	Mutual Funds/ UTI	0	0

Category Code	Category	Total No. of shares	Percent of total no. of Shares
	Foreign Portfolio Investors	156953	0.53
	Bodies Corporate	1826137	6.14
	Non Resident Indians	92985	0.31
	Trust	165	0.00
	Clearing Members	52954	0.18
	Resident HUF	146662	0.49
	Central Government/ State Government(s)/ President of India	35500	0.12
	Total Shareholding	29731630	100.00

Dematerialisation of shares and liquidity

The shares of the Company are generally traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2022, 98.65 Percent shares of the Company are held in dematerialised form.

Outstanding GDRs /ADRs / Warrants: Not issued

Plant Locations:

- Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune - 411013
- G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
- Mahindra World City, Changanpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu - 603002
- Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttarakhand)
- Plot No. 112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik - 422007
- Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat

Annexure to Directors' Report

Annexure IX

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-1, New Delhi-110020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited, having CIN: L74899DL1986PLC023202 and having its Registered Office at D-188, OKHLA INDUSTRIAL AREA PHASE-I, NEW DELHI 110020 (Hereinafter referred to as the "Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Sharda Relan	00252181	29.01.1986
2	Ajay Relan	00257584	29.01.1986
3	Udayan Banerjee	00339754	13.02.2019
4	Kishan Nagin Parikh	00453209	16.12.2005
5	Ashok Kumar Bhattacharya	02804551	28.10.2009
6	Satinder Kumar Lambah	07425155	05.02.2016
7	Nitin Vishnoi	08538925	03.09.2019
8	Sarita Dhuper	08776286	29.06.2020

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

For **Jaya Yadav & Associates**
Practising Company Secretary

Jaya Yadav

FCS: 10822 CP:12070

UDIN: F010822D000714668

PR NO.: 1539/2021

July 30, 2022
Gurugram

Annexure to Directors' Report

Annexure X

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations]
For The Financial Year 2021 – 2022

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business in accordance with Regulation 34 (2) (f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015. This report provides an overview of the activities carried out by the Company under each of the nine principles.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company

L74899DL1986PLC023202

2. Name of the Company

Sharda Motor Industries Limited ("Company")

3. Registered Address

D-188, Okhla Industrial Area, Phase - I, New Delhi - 110 020, India

4. Website

www.shardamotor.com

5. E-mail id

investorrelations@shardamotor.com

6. Financial Year reported

01.04.2021 to 31.03.2022

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

NIC Code	Description
29301	Manufacture of Motor vehicles parts such as suspension, silencer, exhaust pipes
29303	Car seats frame and seats cover

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

- (a) Motor Vehicle Exhaust System
- (b) Motor Vehicle Suspension System
- (c) Motor Vehicle Sheet Metal Components

9. Total number of locations where business activity is undertaken by the Company

(a) Number of International Locations

Total Number: 0 (Zero)

(b) Number of National Locations

The Company's manufacturing base is widespread across India. The Manufacturing Plant is located at 9 (Nine) as follows:

- i) Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 411013, Maharashtra
- ii) G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
- iii) Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu - 603002
- iv) Plot No.4, Sector - 31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
- v) Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar, Uttranchal
- vi) Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- vii) Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007, Maharashtra
- viii) Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.

10. Markets served by the Company – Local/State/National/International

All Markets, except International Market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 594.63 Lakhs
2. Total Turnover (INR) : 2,28,484.93 Lakhs
3. Total profit after taxes (INR) : 16,149.49 Lakhs
4. Total Spending on
 - Corporate Social Responsibility (CSR) : 206.94 Lakhs i.e. 2% (including the amount transferred to as percentage of profit after tax (%) Unspent CSR Account to be spent on Ongoing Project)
5. List of activities in which expenditure in 4 above has been incurred :
 - i) Ambulance Support Services to the persons in need
 - ii) distribution of winter clothes and support to the poors

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

During the year under review, the Company has acquired 74% of the equity shares to the extent of Rs. 7,400 of “M/s. Udipt Mobility India Private Limited” and accordingly became Subsidiary of the Company.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

No, M/s. Udipt Mobility India Private Limited, the Subsidiary Company become subsidiary on November 22, 2021 and since then it has not participated in the BR initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The company has long lasting relationships with its suppliers. A majority of supplier base has been already covered by conducting awareness sessions on ‘sustainability’. Suppliers, distributors are critical to the Company’s

operations and supply chain sustainability issues can impact its operations. The Company is also engage with suppliers through various channels for operational issues and also focus on emerging and futuristic technologies through Technology Day events.

The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

The Company has implemented the Policies made with respect to the Business Responsibility Report and have also communicated / shared with Suppliers & Distributors as our BR initiatives. Meaningly the Company has managed to increase the BR initiatives through from less than 30% to 30-60%. Further at present 30-60% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend these initiatives to larger value chain base.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

S. No.	Particulars	Details
1.	DIN Number	08538925
2.	Name	Nitin Vishnoi
3.	Designation	Executive Director & Company Secretary
4.	Telephone	011-47334100
5.	E-mail id	investorrelations@shardamotor.com

(b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Divyang Jain
3.	Designation	Asst. Company Secretary & Compliance Officer
4.	Telephone	011-47334100
5.	E-mail id	investorrelations@shardamotor.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

(a) Details of Compliance

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalized and supported by various other policies, guidelines and manuals.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards, If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board, if yes, has it been signed by MD/ owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

The Policies are being devised with the previous consultation with all stakeholders. The Company has implemented and have also communicated / shared the Policies with Stakeholders but considering the impact of COVID-19 on the Company and nationwide lockdown which was implicated twice has resulted in the reduced efforts of the Company to implement the Policies with all the Stakeholders. However the relevant policies that are implemented have been evolved over a period of time by taking inputs from concerned stakeholders.

Principle	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	a) Whistle Blower Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf
	b) Code of Conduct - Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	a) Code of Conduct - Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) Sustainability Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	c) Quality Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Quality-Policy_Sharda-Motor.pdf
Principle 3: Businesses should promote the well-being of all employees.	a) Human Rights Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf
	b) Recruitment & Selection Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Recruitment-Policy-Selection-process.pdf
	c) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
	d) Environment, Health & Safety Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Environment-Health-Safety-Policy_Sharda-Motor.pdf
	e) NRC Policy	http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	a) Code for Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
Principle 5: Businesses should respect and promote human rights.	Human Rights Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	a) Sustainability Policy,	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	b) Environment, Health & Safety Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Environment-Health-Safety-Policy_Sharda-Motor.pdf
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code for Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

Principle	Applicable Policies	Link for policies
Principle 8: Businesses should support inclusive growth and equitable development.	a) Sustainability Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	b) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
	c) Quality Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Quality-Policy_Sharda-Motor.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	a) Code for Stakeholder	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) Whistle Blower Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Note:- All relevant Policies are being formulated and implemented by the Company and have also communicated / shared the Policies with Stakeholders. Considering the impact of COVID-19 on the company and nationwide lockdown which was implicated twice has resulted in reduced efforts of the Company to implement the Policies with all the Stakeholders. The relevant policies are formulated over a period of time by taking inputs from concerned stakeholders.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Audit Committees and the Board of Directors of the Company at their respective Meetings held on June 23, 2021 and August 10, 2022 has assessed the BR performance of the Company which was made applicable in the previous Financial Year 2020-21 & 2021-22, respectively. Further the Company has formulated, implemented and have also communicated / shared the Policies with Stakeholders of the Company. Considering the impact of COVID-19 on the company and nationwide lockdown which was implicated twice has resulted in reduced efforts of the Company to implement the Policies with all the Stakeholders and there

is a constant effort by the Company to extend these Policy initiatives to larger value chain base.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, this Report were applicable from the previous Financial Year 2020-21 and was published in the 36 Annual Report of the Company. The Business Responsibility Report for the Financial Year 2020-21 was also available at the website of the Company at: https://www.shardamotor.com/wp-content/uploads/2021/08/Sharda-Motor-Industries_AR2020-21_Final.pdf

The BR Report shall be published as part of this 36 Annual Report for this Financial Year 2020-21 and every Financial Year thereafter as applicable to the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

The Company adopts the governance standards to ensure protection of all stakeholder interests. All the employees are expected to adhere to the ethical principles detailed out in the various policies and code of the Company. The Whistle Blower Policy and code of conduct for Stakeholders encompasses aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption and is applicable on the all employees, Stakeholders including (Directors, employees, customers, vendors, traders, workers (including job-workers) and any other person, who has an interest attached to the Company's business and its functioning) of the Company.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Business Responsibility Report is made applicable to the Associate of the Company(ies). However, M/s. Udipt Mobility India Private Limited has become subsidiary of the Company w.e.f November 22, 2021, therefore the BR initiatives were not extended to the Subsidiary Company. The Company has devised the Policies with the previous consultation of all the stakeholders and are implemented have been evolved over a period of time by taking inputs from concerned stakeholders. The Company has implemented and have also communicated / shared the Policies with all the Stakeholders but considering the impact of COVID-19 on the Company and nationwide lockdown which was implicated twice has resulted in the reduced efforts of the Company to implement the Policies with all the Stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Complaints received from the Stakeholders of the Company were resolved with 100% satisfaction, by the Management within the time frame. The complaint received by the Company was not material / significant in nature which belongs to past or present Financial Years.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

- (a) Motor Vehicle Exhaust System
- (b) Motor Vehicle Suspension System
- (c) Motor Vehicle Sheet Metal Components

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain

The company always strives to achieve the highest standards of energy conservation by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

Chakan Plant

- i) Implementation of Air supply cut valve on robotic cell and SPM whenever the machine is idle for 5 min. – For Compressed Air saving
- ii) Implementation of Gas supply cut off valve on robotic cell and SPM whenever the machine is idle for 5 min.- For Compressed Air Saving
- iii) Regularly cleaning of Solar panels. – To increase contribution of solar energy.
- iv) Maintaining of Power Factor to unity by Installation of Harmonic Panel for reduce consumption of electricity.

Nasik Plant

- v) Replacement of LED lights in the plant with Standard Lightning
- vi) Use of the solar energy in the plant for savings energy cost
 - Conventional bulbs/lights have been replaced with LED lights in all the plants.
 - Protoshop Timer shave been installed to cut the idle running of the machines.
 - Air Conservation system for Air Compressor.
 - Auto stop timer for shop floor machines, exhaust fans, welding machines.
 - Installation of Solar Norikool Advance Day Light System in Nasik Plant.
 - Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
 - 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant.
 - Compressed Air Leakage reduced in plants.
 - Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without harming the environment. Your company has taken steps towards solar and wind energy in its plants.

- Solar Power plant has been initiated in the Nasik and Chakan plant.
- Company is using Wind Power as its major power source in Chennai Plant.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

The benefits derived, from efforts made towards technology absorption, like product improvement, cost reduction, product development or import substitution and water conservation;

- ➔ Product line extension, introduction of mixing devise for UI improvement;
- ➔ Improving fuel economy and consequent reduction in CO₂ through low back pressure;
- ➔ Improvement in core competencies and standardization and correlation;
- ➔ Significant improvement in meeting demand of end user;
- ➔ The Company has taken steps towards solar and wind energy in its plants. Solar Power plant has been initiated in the Nasik and Chakan plant. Further, the Company is using Wind Power as its major power source in Chennai Plant.
- ➔ The Company has established the water treatment system and water recycling plant has been established at Sipkot, Chennai Plant and some other Plants of the Company.
- ➔ The Manufacturing process / activities do not discharge any water affluent / pollutants during the process and the water utilized at the Plants are then recycled for reuse in the plant itself.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company continually works with its vendors and suppliers to reducing the environmental impacts of sourcing. The Company has Environment & Sustainability Policy to engage with its value chain partners on environmental sustainability. Significant initiatives have been taken to reduce the packaging impacts in the supply chain by using recycled / returnable packaging solutions for various components sourced. Transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts. There has been an effective communication channel with the Vendors / Suppliers and clients which lead to effective co-ordination and freely working environment in tandem with the need and requirements.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company has taken steps towards purchasing goods and services from local suppliers. The Company has multiple plants spread across West, South and North of India and the Company obtained several goods and services from local and small vendors. Small and local vendors / suppliers plays a pivot role in supporting the needs and requirements of raw materials. The Company has been procuring several raw materials / equipments from local / regional vendors / suppliers that falls under the category of Micro, Small, Medium Enterprise, considering that the Company has always aimed for the development of local and regional vendors of supplies for the ease of carrying out of Business.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has system in place to recycle the utilized water in Sipkot, Chennai Plant and other plants. The recycled water is then re-utilized for within the Plant for several uses. The exact percentage of recycling of water cannot be ascertained however on the approximate basis, we can assume that the recycled water should be raging between 10-15% of the each plant utilization of water. The scrap / waste raw materials that arise during the manufacturing process are not recycled within the plant rather send to the Recycling Plants.

Principle 3: Businesses should promote the wellbeing of all employees.

1. Please indicate the Total number of employees and Total number of employees hired on temporary/contractual/casual basis:

Employee Status	As on March 31, 2022
Regular Employees	
Staff	585
Workmen	343
Contractual	1741
Casual	452
Total Employees	3121

2. Please indicate the Number of permanent women employees.

16 (Sixteen)

3. Please indicate the Number of permanent employees with disabilities.

There are 4 (Four) permanent employees with disabilities

4. Do you have an employee association that is recognized by management.

Yes, there is employee association that is recognized by the Management.

5. What percentage of your permanent employees is members of this recognized employee association.

Yes, 25 %

6. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

7. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year

- (a) Permanent Employees - 100% (on an average)
- (b) Permanent Women Employees – 100% (on an average)
- (c) Casual/Temporary/Contractual Employees – 100% (on an average)
- (d) Employees with Disabilities - 100% (on an average)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the company has identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company is aware of the negative, disadvantaged, vulnerable of Stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.

Yes, Sharda CSR Foundation Trust ("Trust") which is a philanthropic arm of the Company, the purpose of the trust is to sponsor various projects and programmes, like Medical Clinics-purchasing of Ambulances, Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities, based on the recommendation of the CSR Committee of the Company. The Company is moving rapidly towards achieving its goal by increasing the pace of the activities at various levels.

Apart from the above the Company is committed towards making a sustainable impact on the society through its CSR projects and programmes in the long term like Building of Medical Centers, running ambulances, clinics, dispensaries and distributing winter clothes and goods to the poor residing in the state.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes, the policy of Human Rights of the Company extends to the Group / Joint Ventures / Suppliers / Contractors. The Company has devised the Human Rights Policy with the previous consultation of all the stakeholders and are implemented have been evolved over a period of time by taking inputs from concerned stakeholders. The Company has implemented and have also communicated / shared the Human Rights Policy with all the Stakeholders but considering the impact of COVID-19 on the Company and nationwide lockdown which was implicated twice has resulted in the reduced efforts of the Company to implement the Human Rights Policy with all the Stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints received by the Company specific to human rights violation, from its stakeholders.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.

Sustainability is built into the Company's business processes through well-defined Sustainability Policy. This policy reaffirms value system committed to social expenditure, environmental preservation and governance structure that engages employees and other stakeholders. The Company also has Environmental Policy which is applicable to all its vendors, contractors and service providers. Since the Business Responsibility Report was applicable from the previous Financial Year 2020-21. The Sustainability Policy and Environmental Policy are being devised with the previous consultation with all stakeholders.

The Company has implemented and have also communicated / shared the Sustainability Policy & Environmental Policy with all the Stakeholders but considering the impact of COVID-19 on the Company and nationwide lockdown which was implicated twice has resulted in the reduced efforts of the Company to implement the Sustainability Policy & Environmental Policy with all the Stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has adopted Environment policy to guide the organizational efforts towards mitigating and

adapting to environmental issues such as climate change, global warming, etc. The Company approach towards climate change mitigation and pursuing low carbon growth by develop cleaner and reduce environmental impacts of manufacturing operations and build awareness among stakeholders. The Company has also developed and implemented the technology of exhaust and related components required for reducing the emission norms through BS-VI transformation and implementation. Hyperlink for Policy is as: http://www.shardamotor.com/wp-content/uploads/2020/08/Environment-Health-Safety-Policy_Sharda-Motor.pdf

Weblink for Product Developed for BS-VI Technology to reduce emission for supporting the global environmental/ climate change: <http://www.shardamotor.com/products-services/exhaust-system/>

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has an Environmental Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance.

4. Does the company have any project related to Clean Development Mechanism. If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

No, the Company does not produce any pollution (air, water) and no such other pollutants are discharged. Accordingly the Company does not maintain any Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

(a) Energy:

Our country is going through the most degraded phase in terms of pollution in all forms either it is air, water or soil pollution. In this way, energy conservation offers a practical approach to achieve the development goals. A socially responsible organisation always keeps track of its operations being environmentally efficient. The company always strives to achieve the highest standards of energy conservation by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

- ➔ Conventional bulbs/lights have been replaced with LED lights in all the plants.
- ➔ Protoshop Timer shave been installed to cut the idle running of the machines.
- ➔ Air Conservation system for Air Compressor.
- ➔ Auto stop timer for shop floor machines, exhaust fans, welding machines.
- ➔ Installation of Solar Norikool Advance Day Light System in Nasik Plant.
- ➔ Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- ➔ 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant.
- ➔ Compressed Air Leakage reduced in plants.
- ➔ Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.

(b) Technology:

The efforts made towards technology absorption;

- ➔ Improved performance of exhaust system;

- ➔ BS VI Advanced technology orientation through workshop and internship programmes;
- ➔ Managing extended enterprises for quality supply for better warranty Management Emphasis on absorption of design and manufacturing technology such as controlled canning, micro mig welding; Expansion and modernization programme such robo welding uniform across plants.;

The benefits derived like product improvement, cost reduction, product development or import substitution;

- ➔ Import substitution and less dependence on technical collaborators;
- ➔ Product line extension, introduction of mixing devise for UI improvement;
- ➔ Improving fuel economy and consequent reduction in CO2 through low back pressure;
- ➔ Improvement in core competencies and standardization and correlation;
- ➔ Significant improvement in meeting demand of end user;

(c) Renewable Energy:

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without harming the environment. The company has taken steps towards solar and wind energy in its plants.

- ➔ Solar Power plant has been initiated in the Nasik and Chakan plant.
- ➔ Company is using Wind Power as its major power source in Chennai Plant.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company is in compliance within the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal. Also that no such emissions / pollutants of water, air and other fluids are discharged into air, water which affects the health and environment. Whereas fumes that are emitted are within the within the prescribed permissible limits as per CPCB/SPCB for air emissions.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There is no such material/ significant show cause/ legal notices received from CPCB/SPCB which affects the Health, Safety and Environment of the employees.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

No, the company is not a member of any trade and chamber or association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good

No.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8, If yes details thereof.

Yes, Sharda CSR Foundation Trust ("Trust") which is a philanthropic arm of the Company, the purpose of the trust is to sponsor various projects and programmes, like Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities, based on the recommendation of the CSR Committee of the Company. The Company is moving rapidly towards achieving its goal by increasing the pace of the activities at various levels.

CSR Committee of the Company has identified certain long term projects and programmes which will be focused in the coming years in the area of education & healthcare. These can be implemented through Sharda CSR Foundation Trust or any other implementing agency in the most effective way to reach the society at large.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Programmes and Projects are deployed by Company through its own company promoted Trust i.e. Sharda CSR Foundation Trust which undertakes several projects for carrying out the CSR Activities.

3. Have you done any impact assessment of your initiative?

Yes, the Company carries out impact assessment for all of its programmes.

Please refer the Company's 'Annual CSR Report 2021-22' for details on community impacts created and assessed.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the Financial Year 2021-22, Company has spent the entire required amount of 2% of the Average net profit for last three years i.e. an amount of Rs. 10347.14 and the two percent of average net profit of the Company as per section 135(5) is Rs. 206.94 Lacs which includes Rs. 199.94 Lacks that has been transferred to Unspent CSR Account on account of the Ongoing Projects.

For more details regarding with the community development projects / programmes, kindly refer Annexure II (Annual Report on CSR) in the Director's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community.

The Company continuously assesses and monitors the impact of its initiatives. The Company ensures that the projects that it undertakes have complete participation and support from the community, thus ensuring that they are sustainable and generate the necessary impact.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints/consumer cases are pending as on the end of financial year

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes, the Company display all the requisite product information on the product label, over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

There is no case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company conducts regular surveys to measure and analyse the satisfaction levels of customers with respect to its products and services at all Plant level.

DECLARATIONS

COMPLIANCE WITH CODE OF CONDUCT

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, Ajay Relan, Managing Director of Sharda Motor Industries Limited, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the FY 2021-22.

For **Sharda Motor Industries Limited**

Ajay Relan
Managing Director
(DIN:00257584)

CEO/CFO Certification

CERTIFICATE FOR THE YEAR ENDED 31.03.2022

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Aashim Relan, Chief Executive Officer and Shri Srinivasan Narasimhan, Chief Financial Officer of M/s. Sharda Motor Industries Limited do hereby certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the FY 2021-22 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the auditors and the Audit Committee:
 - i) that there are no significant changes in internal control over financial reporting during the FY 2021-22;
 - ii) that there are no significant changes in accounting policies during the FY 2021-22; and
 - iii) that there are no instances of significant fraud of which we have become aware.

For **Sharda Motor Industries Limited**

Srinivasan Narasimhan
Chief Financial Officer

Aashim Relan
Chief Executive Officer

New Delhi

AUDITORS' CERTIFICATE ON CGR

To

The Members of
Sharda Motor Industries Limited

1. We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Gupta Vigg & Co.**
Chartered Accountants
Firm Registration No. 001393N

Ankur Parika
Partner

Membership No. 549410
UDIN: 22549410APHCXG6213

Place : New Delhi
Date : August 10, 2022

Annexure to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Investors are cautioned that statements in this management discussion and analysis describing SMIL's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect SMIL's operations include a downtrend in the automobile industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relation etc.

Industry Structure & Developments

Global Automobile Ancillary Market: The worst of the epidemic and the economic turmoil caused in 2020 are now behind us, but the global automotive industry is still rebuilding, albeit more slowly than many had anticipated. The scale of the disruption to economies and supply chains, as well as the complexities for governments and corporations in dealing with an unprecedented public health crisis, have been a barrier. In the Global automotive sector, the rebound in overall sales and output, experienced in 2021 as economies opened up again continued into CY 2022, until a number of bumps in the recovery path became evident and depressed vehicle markets – particularly in the second half of the year. The semiconductor shortage and subsequent supply-side impacts was compounded by the uneven progress – looked at globally – of vaccination strategies and the emergence of new Covid-19 variants that hit some regions (notably southeast Asia) more severely than others.

India's Automobile Ancillary Market: The Indian Auto Component Industry registered a growth of around 23% in FY 2021-22. The healthy volume growth, however, came on a low base of FY 2020-21. Due to high development prospects in all segments of the vehicle industry, the auto component sector is also expected to grow by double digits in FY 2022-23 as well. The medium term and long-term prospects also remain very promising with higher localisation, improved exports potential and new EV opportunities, resulting in higher content per vehicle, would translate to healthy growth for auto component suppliers. As per Automobile Component Manufacturers Association (ACMA), the Indian auto component industry aims to achieve US\$ 200 Billion in revenue by 2026 which is almost 4-fold growth from current levels and automobile component export from India is expected to reach US\$ 80 billion by 2026.

Source: <https://www.ibef.org/>

Strengths

Auto is a term used to describe development all around the world. Automobiles have been increasing the quality of life for the past century by giving mobility, comfort and safety. It's giving facilities in every aspect of today's civilized society.

The development of the Asian market is becoming the new attention of this industry. Asian countries are attracting attention because of changing



lifestyles, and stable economic conditions. For example, in 2019 India became the 4th largest automobile market in the world, surpassing Germany in terms of sales. Also, several companies are making manufacturing facilities in Asian countries because of their high resource and cheap workforce which is also one of the reasons for the growing Asian market.

R&D investment by automakers is driven by consumer demands. For more product diversity, better performance, increased safety, higher emission requirements, and reduced prices, auto businesses spend the third most on R&D of any industry. And it's on an increasing trend with the advancement of technology in alternative fuels such as CNG and strengthening of Electric Vehicles ecosystem.

Weakness

The competition between the companies is increasing rapidly due to the widening of the market. Consumers are more benefitted from the opportunity to bargain in their way as the companies have tough competition among themselves. This brings benefits for customers but makes it hard to get a good profit for the companies.

The government controls over several factors, like the length of the registration period, access for outside vehicles, and fuel prices, have an impact on the industry's expansion.

Opportunities

Technological advancements and developments are becoming more careful about efficiency levels. Over the next ten years, there will be an increase of automobiles with cost- and fuel-efficient features. This might create a sizable market for industries with matured technologies. Increasing market success through the use of renewable resources is another possibility.

Companies might provide the consumer a range of options by fusing several specialised strategic talents, which could result in successful business partnerships. This might have positive effects on the intensely competitive market.

The entire world is witnessing economic development and change in lifestyle is becoming increasingly noticeable. The demand for autos is rising along with the number of nuclear households. A lot of growing families are interested in private vehicles for a variety of factors, including comfort and safety. Demand for two-wheelers and small cars will increase as a result of these changes.

Threats

The market is growing more competitive as more businesses engage in the automobile sector. The more players resulting in more shares of the fortune the market has to offer resulting in difficulties to get a big scoop of fortune.

The cost of fuel is a major consideration from the customer's perspective. It has a significant commercial impact, particularly for developing nations where cars are frequently utilised for daily mobility. Inventories may also be impacted by various government laws surrounding alternate fuels. Also the increase in input prices — primarily of steel and aluminum have impacted the operating profitability and to somewhat the bulk of the input cost increase has been passed on to OEMs. Higher operating leverage and moderation in steel prices due to the recent imposition of export duty on many steel products (including automotive grade steel) will help buttress the impact of rising freight costs.



Numerous economic circumstances, including rapid unemployment, pandemics (such as the current COVID-19 issue), etc., are some variables that can cause the automobile industry to collapse. The industry is already going through such difficulties as covid-19 bringing vehicles to minimize its mobility.

Due to an intensely competitive industry, businesses are attempting to increase their R&D center investments. Building facilities is part of their attempt to get traction in the industry. However, it will be difficult to make a return off of this investment. It is necessary to capitalise ROI. But given the unpredictability of the globe and the future, it could pose a hazard.

Motor vehicle manufacturers and suppliers are facing a dramatic shortage of microchips globally. This shortage was caused by a massive increase in demand for computers, mobile phones and other consumer electronics during the COVID-19 pandemic that surpassed the current supply of semiconductors.

The war in Ukraine dealt a hammer blow to international confidence and economic stability, forcing us all to, once again, identify risks and focus on contingency planning and resilience. It exposes the fragility of the world's economy and the automotive supply chains. The damaging war and severe sanctions against Russia have already impacted the energy prices, logistics and raw material costs.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company is operating under single segment since Company's primary business segment involves manufacturing, assembling and trading of automobile component.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against any loss from unauthorized use and ensure proper authorization of financial transactions. The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances. The Company takes abundant care in designing, reviewing and monitoring regularly the working of inter control systems and their compliances for all important financial internal control processes. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director. The Company has a robust ERP system based on Microsoft Dynamics platform. This ensures high degree of system-based checks and controls. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of applicable Corporate Laws of India. The management of SMIL accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'Financial Summary' of Board Report.

HUMAN RESOURCES AND DEVELOPMENT

At SMIL, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organisation. SMIL always strives to achieve maximum employee satisfaction and has initiated many programs on up-skilling/ training and empowerment of its employees. the Company has criteria for hiring of best talent in the Company who can provide quality of work and add to the Company's growth. The Company had 928 permanent employees as on March 31, 2022. The industrial relations remained peaceful and cordial throughout the year.

STATUTORY COMPLIANCE

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a Statutory Compliance Certificate on quarterly basis regarding compliance with the provisions of the various statutes duly signed by respective functional heads and countersigned by Managing Director of the Company is placed at every

Audit Committee Meeting. Further pursuant to Listing Regulations, the Company regularly obtains CEO declaration in respect of compliance of Code of Conduct adopted by the Company. A certificate from CEO and CFO is also obtained on yearly basis certifying the compliances as stipulated in Listing Regulations.

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

In pursuant to Schedule V to the Listing Regulations read with Regulation 34(3) of the SEBI Listing Regulations, The details of significant changes in Key Financial Ratios and Return on Net Worth are enclosed:

Ratios	Unit of Measurement	2020-21	2021-22	Change in Percent	Remarks
(i) Debtors Turnover	Times	7.87	7.51	-5%	
(ii) Inventory Turnover	Times	14.15	16.71	18%	
(iii) Current Ratio	Times	1.44	1.84	28%	Movement in current ratio is majorly due to increase in current assets (cash & cash equivalent) and reduction in current liabilities (trade payables).
(iv) Operating Profit Margin (Percent)	Percent	7.31	10.10%	38%	Due to increase in non-value added sale
(v) Net Profit Margin (Percent)	Percent	4.5	7.16	58%	Net profit ratio has increased due to increase in revenue from operation during the year.
(vi) Return on Net Worth (Percent)	Percent	17.6	26.9	53%	Return on Net Worth ratio has increased due to increase in revenue from operation during the year.
(vii) Debt Equity Ratio*	Times	0.03	0.02	22%	Only lease Liability (debt)
(viii) Interest Coverage Ratio*	Times	73	145	99%	Increase mainly due to increase in profit and the same is mainly on lease

***Note:** Pursuant to the Guidance Note issued by the ICAI on January 2022, company had considered lease liability as debt and the ratio has been calculated accordingly

CAUTIONARY STATEMENT

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

* Source

<https://www.crisil.com>

<https://www.ibef.org/>

<https://www.siam.in/>

INDEPENDENT AUDITORS' REPORT

To The Members of Sharda Motor Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sharda Motor Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 44 of the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

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

Key Audit Matters

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

Key Audit Matter	Auditors' Response
<p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters</p> <p>In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1 to the financial statements for the year ended 31.03.2022. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> → We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. → Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. → In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. → In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- ➔ Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ➔ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ➔ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ➔ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ➔ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial - refer Note 20.1 to the standalone financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall,

whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material mis-statement.
- v) The dividend declared or paid during the year and subsequent to the year-end by the Company is in compliance with section 123 of the Act.

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

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHHQ5900

Place of Signature: New Delhi
Date: May 27, 2022

Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 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 the proper records showing full particulars of intangible assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verifying them over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. Company has a regular programme of verification of property, plant and equipment.
- (c) According to the information and explanation given to us, the title deeds of all the immovable properties as disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanation given to us, No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder and accordingly reporting under paragraph 3(i)(e) of the Order is not applicable to the Company.
- ii) (a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except for stock-in-transit and stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of current assets; according to the information and explanations given to us and on the basis of records examined by us, the quarterly returns and statements comprising stock and creditors statements, book debt statements and other stipulated financial information filed by the Company with such bank are not having material difference with the unaudited books of account of the Company, of the respective quarters and those differences are of explainable items and in nature. (Refer Note 43 to the standalone financial statements).
- iii) In our opinion and according to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under paragraph 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under section 185. The Company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans and has not provided any guarantees or securities to parties covered under Section 186 of the Act.
- v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. However, we have not made a detailed examination of the records.

vii) (a) According to the information and explanations given to us and the records of the Company examined by us in respect of undisputed statutory dues, the Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other applicable statutory dues with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other applicable statutory dues in arrears as at March 31, 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, except as stated below, there are no dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs and duty of excise, which have not been deposited by the Company with the appropriate authorities on account of any dispute.

S. No.	Nature of Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
1.	Maharashtra Sales Tax Act	VAT	23.69	FY 10-11	Sales Tax Tribunal, Nashik
			9.39	FY 11-12	Joint Commissioner, Nashik
2.	Tamil Nadu Sales Tax Act	VAT	29.72	FY 2005-06 & 2006-07	High Court of Judicature at Madras
3.	Gujarat VAT Act	VAT	38.65	FY 2016-17	Ld. Assistant commissioner of Sales Tax (2), Unit- 11, Ahmedabad
			4.20	FY 2017-18	Ld. Assistant commissioner of Sales Tax (2), Unit- 11, Ahmedabad
4.	Central Excise Act	Cenvat Credit	440.00	FY 2008-09 & FY2009-10	Hon'ble Supreme Court of India
5.	Income Tax Act	Income Tax	1.03	AY 2013-14	Commissioner of Income Tax, Appeal
			308.15	AY 2017-18	Commissioner of Income Tax, Appeal
			5.85	AY 2018-19	National e-Assessment Centre, New Delhi
6.	Maharashtra Goods and Service Tax Act	Transitional Credit	21.94	FY 2017-18	Deputy Commissioner of State Tax, Nashik
7.	Tamil Nadu Sales Tax Act	VAT	556.85	FY 2010-11, FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 & FY 2015-16	High Court of Judicature at Madras

viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessment of

the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Accordingly, reporting under paragraph 3(viii) of the order is not applicable to the Company.

- ix) (a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loan or other borrowings or payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there were no term loans taken by the Company and hence the question of the amount of loan so diverted and the purpose for which it is used does not arise. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and the records of the Company examined by us, we report that no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associates.
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised loans on the pledge of securities held during the year. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) In our opinion and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.
- xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), clause 3(xii)(b) and clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

- xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, reporting under paragraph (xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company does not have any Core Investment Companies (CICs) as a part of its Group. Accordingly, reporting under paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting under paragraph 3(xvii) of the Order is not applicable to the Company.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of financial ratios as disclosed in Note 42, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) According to the information and explanations given to us, In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has also been disclosed in note 31(b) to the financial statements.
- (b) According to the information and explanations given to us, the Company has transferred the unspent CSR amount, as stated below, for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act. This matter has also been disclosed in note 31(b) to the financial statements.

(Amount Rs. In Lacs)

Financial Year	Amount identified for spending on CSR activities for "Ongoing Projects"	Unspent amount	Amount Transferred to special account under section 135(6)	Due date of transfer to the account	Actual date of transfer to the account	Number of days of delay, if any
2021-22	206.94	199.94	199.94	30.04.2022	27.04.2022	NA

xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHHQ5900

Place of Signature: New Delhi
Date: May 27, 2022

Annexure 'B' to the Independent Auditors' Report

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

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

We have audited the internal financial controls with reference to financial statements of Sharda Motor Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

CA. Ankur Parika
Partner

Membership Number: 549410
UDIN: 22549410AJUHHQ5900

Place of Signature: New Delhi
Date: May 27, 2022

STANDALONE BALANCE SHEET

As at March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	14,545.49	16,796.27
(b) Capital work in progress	5	5.00	10.65
(c) Right-of-use assets	6	1,016.82	1,046.09
(d) Intangible assets	7	68.39	90.36
(e) Financial assets			
(i) Investment in associate & joint venture	8A	4,799.07	3,799.00
(ii) Other investments	8B	3.85	3.85
(iii) Other financial assets	9A	199.72	400.60
(f) Non-current tax asset (net)	10	617.38	448.86
(g) Other non-current assets	11A	287.62	301.68
(h) Deferred tax assets (net)	34	519.50	371.72
Total non-current assets		22,062.84	23,269.08
Current assets			
(a) Inventories	12	13,141.20	13,856.79
(b) Financial assets			
(i) Investments	8C	5,645.72	1,713.99
(ii) Trade receivables	13	27,604.91	32,432.56
(iii) Cash and cash equivalents	14	19,340.22	7,300.30
(iv) Bank balances other than (iii) above	15	20,415.76	19,002.57
(v) Other financial assets	9B	409.80	595.34
(c) Other current assets	11B	539.70	544.15
(d) Asset held for sale	16	100.66	18.00
Total current assets		87,197.97	75,463.70
Total assets		1,09,260.81	98,732.78
II. Equity and liabilities			
Equity			
(a) Equity share capital	17	594.63	594.63
(b) Other equity	18	59,382.29	43,949.96
Total equity		59,976.92	44,544.59
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19A	1,184.55	1,128.17
(ii) Other financial liabilities	19A	22.79	27.79
(b) Provisions	20A	780.61	520.21
Total non-current liabilities		1,987.95	1,676.17
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21		
- Total outstanding dues of micro and small enterprises		384.77	1,023.12
- Total outstanding dues of creditors other than micro and small enterprises		41,158.75	46,105.82
(ii) Lease liabilities	19B	61.10	62.04
(iii) Other financial liabilities	19B	671.97	920.32
(b) Other current liabilities	22	4,393.25	3,656.11
(c) Provisions	20B	626.10	744.61
Total current liabilities		47,295.94	52,512.02
Total liabilities		49,283.89	54,188.19
Total equity and liabilities		1,09,260.81	98,732.78
Summary of Significant Accounting Policies	3		

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

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHHQ5900

For & on behalf of **Board of Directors of**
Sharda Motor Industries Limited

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

May 27, 2022

New Delhi

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	23	225,531.32	173,653.60
II Other income	24	2,953.61	2,145.03
III Total income (I+II)		228,484.93	175,798.63
IV Expenses			
(a) Cost of materials consumed	25	177,135.53	139,305.35
(b) Purchases of stock-in-trade	26	4,721.37	3,386.07
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	27	(1,247.54)	(745.72)
(d) Employee benefits expense	28	9,236.64	8,162.05
(e) Finance costs	29	147.50	142.70
(f) Depreciation and amortization expense	30	4,065.09	4,398.46
(g) Other expenses	31	12,906.55	10,621.73
Total expenses		206,965.14	165,270.64
V Profit before exceptional items and tax (III-IV)		21,519.79	10,527.99
VI Exceptional items		-	-
VII Profit before tax (V-VI)		21,519.79	10,527.99
VIII Tax expense:			
(a) Current tax	32	5,539.88	3,050.00
(b) Deferred tax	32	(169.58)	(381.04)
Total tax expense		5,370.30	2,668.96
IX Profit for the year (VII-VIII)		16,149.49	7,859.03
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		86.57	(49.63)
- Income tax on items that will not be reclassified to profit or loss	33	(21.79)	12.49
Total other comprehensive income for the year, net of tax		64.78	(37.14)
XI Total comprehensive income for the year, net of tax (IX+X)		16,214.27	7,821.89
XII Earnings per share: (Face value Rs. 2 per share)	35		
1) Basic (amount in Rs.)		54.32	26.43
2) Diluted (amount in Rs.)		54.32	26.43
Summary of Significant Accounting Policies	3		

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

As per our Report of even date attached
For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number : 001393N

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHHQ5900

May 27, 2022
New Delhi

For & on behalf of **Board of Directors of**
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Srinivasan Narasimhan)
Chief Financial Officer
M.No. 214036

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

A. Equity Share Capital*

	Amount
Balance as at March 31, 2020	594.63
Changes during the year	-
Balance as at March 31, 2021	594.63
Changes during the year	-
Balance as at March 31, 2022	594.63

B. Other Equity**

	Reserve & Surplus			
	Capital Reserve	General Reserve	Retained earnings	Total
Balance as at March 31, 2020	0.20	21,025.68	15,102.19	36,128.07
Profit for the year	-	-	7,859.03	7,859.03
Other comprehensive income for the year, net of tax	-	-	(37.14)	(37.14)
Balance as at March 31, 2021	0.20	21,025.68	22,924.08	43,949.96
Profit for the year	-	-	16,149.49	16,149.49
Other comprehensive income for the year, net of tax	-	-	64.78	64.78
Total Comprehensive Income	-	-	16,214.28	16,214.28
Payment of Dividend	-	-	(781.94)	(781.94)
Balance as at March 31, 2022	0.20	21,025.68	38,356.41	59,382.29

* For details, refer note no. 17

** For details, refer note no. 18

Summary of Significant Accounting Policies 3

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

As per our Report of even date attached
For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number : 001393N

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHHQ5900

May 27, 2022
New Delhi

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Srinivasan Narasimhan)
Chief Financial Officer
M.No. 214036

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

STANDALONE STATEMENT OF CASH FLOW

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	21,519.79	10,527.99
Adjustments for:		
Depreciation and amortization expense	4,065.09	4,398.46
Finance cost	147.50	142.70
Interest income	(1,323.90)	(1,002.18)
Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	34.03	-
Provision for doubtful debts	87.11	-
Loss / (Gain) on disposal of property, plant and equipment (net)	(911.54)	(455.90)
Fair value gain on investment in mutual fund designated at FVTPL	7.43	(37.94)
Unrealized loss/(gain) on reinstatement of foreign exchange (net)	(84.62)	(88.71)
Operating profit / (loss) before adjustments	23,540.89	13,484.42
Movement in working capital:		
Decrease/(increase) in inventories	715.59	(3,163.37)
Decrease/(increase) in trade receivables	4,882.37	(20,727.23)
Decrease/(increase) in other financial assets	193.23	69.74
Decrease/(increase) in other assets	2.50	(57.73)
Increase/(decrease) in trade payables	(5,473.49)	26,565.99
Increase/(decrease) in other liabilities	737.14	1,898.25
Increase/(decrease) in other financial liabilities	10.02	(177.39)
Increase/(decrease) in provisions	278.09	139.22
Cash generated from operating activities	24,886.34	18,031.90
Income Tax (paid)/ refund	(5,708.40)	(3,220.64)
Net cash from operating activities - (A)	19,177.94	14,811.26
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(3,545.79)	(4,055.33)
Acquisition of intangible assets including intangible assets under development	(23.97)	(72.24)
Proceeds from disposal of property, plant and equipment	2,199.19	1,726.11
Payments for purchase of investments	(22,363.00)	(1,250.39)
Proceeds from sale of investments	17,389.74	-
Bank deposits (made)/realised	(1,413.19)	(12,232.06)
Interest received	1,548.44	659.11
Net cash used in investing activities - (B)	(6,208.58)	(15,224.80)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(46.78)	(50.48)
Cash payments for the Interest portion of the lease liability	(100.72)	(92.22)
Dividend paid (including corporate dividend tax)	(781.94)	(3.63)
Net cash used in financing activities - (C)	(929.44)	(146.33)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	12,039.92	(559.87)
Cash and cash equivalents at the beginning of the year	7,300.30	7,860.17
Cash and cash equivalents at the end of the year [refer note 14]	19,340.22	7,300.30

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

Note:

- The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".
- Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).
- For components of cash and cash equivalents refer note no.14.
- Cash flows from operating activities include Rs. 206.94 Lacs (March 31, 2021: Rs. 210.56 Lacs) being expenses towards Corporate Social Responsibility initiatives.

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHHQ5900

May 27, 2022

New Delhi

For & on behalf of **Board of Directors of**

Sharda Motor Industries Limited

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Company") is primarily engaged in the manufacturing and assembly of Auto Components. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across seven locations in five states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

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

The financial statements were authorized for issue by the Company's Board of Directors on May 27, 2022.

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2022 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments:

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

Judgements

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

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities

- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

2.6 Operating cycle:

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

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Government authorities. Sale includes revision in prices received from customers with retrospective effect.

Revenue arises mainly from the sale of manufactured and traded goods.

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

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

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Impairment of Financial Assets:

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

3.3 Impairment of Non-Financial Assets:

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

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

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

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable

amount and is recognised in statement of profit and loss.

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

3.4 Recognition of interest expense:

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

3.5 Property, Plant and Equipment (PPE):

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

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

Assets purchased during the year costing Rs. 5,000 or less are depreciated at the rate of 100%.

3.6 Intangible assets:

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

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

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.7 Research & Development Costs:

- a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.
- b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.8 Borrowing costs:

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

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

3.9 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

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

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

of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.10 Inventories:

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

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

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

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

3.11 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the

lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

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

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

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

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

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

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

Other Long Term Employee Benefits

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

3.13 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

3.14 Financial instruments:

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

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities

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

(a) Financial Assets

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

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

Classification of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

Equity investment in associate and joint venture

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

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

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

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

Trade receivables

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

Impairment of financial assets

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

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 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.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and

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

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

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

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

Trade and other payables

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

Borrowings

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

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

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

Derecognition of financial liabilities

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

3.15 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 Taxes:

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

Current tax

The tax currently payable is based on taxable profit for the 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 Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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

3.17 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments'

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

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

3.18 Cash and cash equivalents:

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

3.19 Dividends:

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.20 Assets Held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.21 Earnings per share (EPS):

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

3.22 New and amended standards adopted by the Company

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

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

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

(a) New amendments issued but not effective

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

Ind AS 16, Property, Plant and Equipment	<p>Proceeds before intended use of property, plant and equipment</p> <p>The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).</p>
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	<p>Onerous Contracts - Cost of fulfilling a contract</p> <p>The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.</p>
Ind AS 103, Business combinations	<p>References to the conceptual framework</p> <p>The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.</p>
Ind AS 109, Financial Instruments	<p>Fees included in the 10% test for derecognition of financial liabilities</p> <p>The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.</p>
Ind AS 101, First-time adoption	<p>Subsidiary as a first-time adopter</p> <p>Simplifies the application of Ind AS 101 by a subsidiary that becomes a first time adopter after its parent in relation to the measurement of cumulative translation differences.</p>
Ind AS 41, Agriculture	<p>Taxation in fair value measurements</p> <p>The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.</p>

Note 4 : Property, Plant and Equipment

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Freehold land	Leasehold land (Right of Use)	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2020	650.47	642.22	21,792.81	3,773.42	200.67	201.59	74.96	823.77	793.08	28,952.99
Add: Additions made during the year	-	-	4,470.68	193.34	18.22	62.55	1.92	18.55	-	4,765.26
Less: Disposals / adjustments during the year	-	111.59	1,383.42	-	-	-	-	-	0.22	1,495.23
As at March 31, 2021	650.47	530.63	24,880.07	3,966.76	218.89	264.14	76.88	842.32	792.86	32,223.02
Add: Additions made during the year	-	-	2,391.66	15.45	14.21	77.30	2.96	56.62	367.43	2,925.62
Less: Disposals / adjustments during the year	-	-	2,169.94	58.17	6.40	6.88	0.70	55.98	30.10	2,328.16
As at March 31, 2022	650.47	530.63	25,101.79	3,924.04	226.70	334.56	79.15	842.97	1,130.19	32,820.49
Accumulated depreciation and impairment										
As at March 31, 2020	-	34.68	10,072.77	1,560.32	155.55	143.70	58.50	531.57	421.42	12,978.51
Add: Depreciation charge for the year	-	7.89	3,517.27	238.78	17.59	42.37	4.50	52.93	109.37	3,990.70
Less: On disposals / adjustments during the year	-	5.84	219.18	-	-	-	-	-	-	225.02
As at March 31, 2021	-	36.73	13,370.86	1,799.10	173.14	186.08	63.00	584.50	530.78	16,744.19
Add: Depreciation charge for the year	-	6.25	3,266.86	231.20	18.06	56.29	3.08	44.78	73.24	3,699.76
Less: On disposals / adjustments during the year	-	-	944.85	25.21	5.09	3.97	0.44	41.39	21.11	1,042.05
As at March 31, 2022	-	42.96	15,692.88	2,005.10	186.11	238.41	65.64	587.90	582.91	19,401.89
Research & Development										
Gross carrying amount										
As at March 31, 2020	-	-	2,348.28	599.63	35.51	60.35	11.41	139.67	28.66	3,223.51
Add: Additions made during the year	-	-	13.05	-	0.28	25.62	0.27	-	-	39.22
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	2,361.33	599.63	35.79	85.97	11.68	139.67	28.66	3,262.73

Particulars	Freehold land	Leasehold land (Right of Use)	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Add: Additions made during the year	-	-	10.00	-	1.17	23.09	-	-	-	34.25
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	4.28	4.28
As at March 31, 2022	-	-	2,371.32	599.63	36.96	109.06	11.68	139.67	24.38	3,292.70
Accumulated depreciation and impairment										
As at March 31, 2020	-	-	1,383.54	106.65	26.70	36.69	7.45	76.90	16.00	1,653.92
Add: Depreciation charge for the year	-	-	222.43	23.55	2.34	26.95	1.29	11.38	3.43	291.37
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	1,605.97	130.20	29.04	63.64	8.75	88.28	19.42	1,945.30
Add: Depreciation charge for the year	-	-	172.10	22.43	1.85	14.59	0.75	9.31	2.20	223.24
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	2.74	2.74
As at March 31, 2022	-	-	1,778.07	152.63	30.89	78.25	9.50	97.59	18.88	2,165.80
Net carrying amount										
As at March 31, 2022	650.47	487.67	10,002.16	2,365.94	46.66	126.97	15.68	297.15	552.78	14,545.49
As at March 31, 2021	650.47	493.90	12,264.57	2,637.10	52.50	100.39	16.82	309.21	271.30	16,796.27

Notes:

1. Details of assets charged to Banks:

- Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.
- Refer note no. 11, for disclosure of capital commitment for acquisition of property, plant and equipment.

Note 5 : Capital work in progress

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Plant & Machinery *	5.00	10.65
	5.00	10.65

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	3.48	1.52	-	-	5.00
	(6.55)	(3.76)	(0.33)	(-)	(10.65)
(ii) Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

* Rs. 9.13 Lacs has been capitalised and transferred to property, plant & equipments during the year ended March 31, 2022 (March 31, 2021 : Rs. 327.20 Lacs)

** Figures in bracket represents figures for the year ended March 31, 2021.

Note 6 : Right-of-use assets

(Currency: Rs. in Lacs except otherwise specified)

	Factory Building	Cars	Total
<u>Gross Carrying Amount</u>			
As at March 31, 2020	1,065.79	-	1,065.79
Add: Additions made during the year	-	119.03	119.03
Less: Disposals / adjustments during the year	15.95	-	15.95
As at March 31, 2021	1,049.84	119.03	1,168.87
Add: Additions made during the year	-	66.88	66.88
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	1,049.84	185.91	1,235.75
<u>Accumulated depreciation and impairment</u>			
As at March 31, 2020	56.15	-	56.15
Add: Depreciation charge for the year	54.73	11.90	66.63
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2021	110.88	11.90	122.78
Add: Depreciation charge for the year	55.36	40.79	96.15
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	166.24	52.69	218.93
<u>Net carrying amount</u>			
As at March 31, 2022	883.60	133.22	1,016.82
As at March 31, 2021	938.96	107.13	1,046.09

Note 7 : Other intangible assets

(Currency: Rs. in Lacs except otherwise specified)

	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross Carrying Amount</u>			
As at March 31, 2020	103.97	1,179.20	1,283.17
Add: Additions made during the year	3.03	-	3.03
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2021	107.00	1,179.20	1,286.20
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	107.00	1,179.20	1,286.20
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2020	57.05	1,179.20	1,236.25
Add: Amortisation for the year	25.96	-	25.96
As at March 31, 2021	83.01	1,179.20	1,262.21
Add: Amortisation for the year	16.17	-	16.17
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	99.18	1,179.20	1,278.38

CORPORATE
OVERVIEW

STATUTORY
REPORTS

STANDALONE
FINANCIAL
SECTIONS

Research & Development

(Currency: Rs. in Lacs except otherwise specified)

	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross carrying amount</u>			
As at March 31, 2020	183.09	22.54	205.63
Add: Additions made during the year	69.21	-	69.21
As at March 31, 2021	252.30	22.54	274.84
Add: Additions made during the year	23.97	-	23.97
As at March 31, 2022	276.27	22.54	298.81
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2020	162.13	22.54	184.67
Add: Amortisation for the year	23.80	-	23.80
As at March 31, 2021	185.93	22.54	208.47
Add: Amortisation for the year	29.77	-	29.77
As at March 31, 2022	215.70	22.54	238.24
<u>Net carrying amount</u>			
As at March 31, 2022	68.39	-	68.39
As at March 31, 2021	90.36	-	90.36

Note 8 : Investments

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
A - Investment in Associate		
Investments measured at cost		
In equity shares of Associate		
Unquoted, fully paid up		
490,000 (March 31, 2021: 490,000) Equity shares of Rs. 10 each of Relan Industrial Finance Limited	49.00	49.00
Total - A	49.00	49.00
B - Investment in Joint Venture		
Investments measured at cost		
In equity shares of Joint Venture		
i.) Unquoted, fully paid up		
47,500,000 (March 31, 2021: 37,500,000) Equity shares of Rs. 10 each of Exhaust Technology Private Limited	4,750.00	3,750.00
ii.) Unquoted, fully paid up		
740 (March 31, 2021: Nil) Equity shares of Rs. 10 each of Uddipt Mobility India Private Limited	0.07	-
Total - B	4,750.07	3,750.00
Total (A+B)	4,799.07	3,799.00
C - Other Investments		
In equity shares of Other		
Unquoted, fully paid up		
38,500 (March 31, 2021: 38,500) Equity shares of Rs. 10 each of Windage Power Company Private Limited	3.85	3.85
Total - C	3.85	3.85
Total (A+B+C)	4,802.92	3,802.85
Information about Associate & Joint Ventures		
Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As at March 31, 2022	As at March 31, 2021
Associate		
Relan Industrial Finance Limited, India, Service provider of investments	47.12	47.12
Joint Ventures		
Exhaust Technology India Private Limited, India, Manufacturing of exhaust systems	50.00	50.00
Uddipt Mobility India Private Limited, India, Manufacturing of batteries	74.00	-

	As at March 31, 2022	As at March 31, 2021
CURRENT		
Investment measured at fair value through profit or loss		
D. Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2021: 50) units NHAI 2030 - Tax free Bond	623.30	635.02
- Nil (March 31,2021: 50,000) units REC 2022 - Tax free Bond	-	545.00
- Nil (March 31,2021: 50,000) units IRFC 2022 - Tax free Bond	-	533.97
E. Investment In Mutual Fund (Quoted)		
- 4,492,582.847 units (March 31,2021: Nil) units ICICI Pru Equity Arbitrage Fund Reg (G)	1,000.65	-
- 4,969,913.962 units (March 31,2021: Nil) units Kotak Equity Arbitrage Fund (G)	1,501.40	-
- 3,668,275.907 units (March 31,2021: Nil) units SBI Arbitrage Opp Fund Reg (G)	1,000.65	-
- 14,975,355.700 units (March 31,2021: Nil) units TATA Arbitrage Fund (G)	1,501.31	-
- 98,966.537 units (March 31,2021: Nil) units Kotak equity Saving Fund Reg (G)	18.41	-
Total (D+E)	5,645.72	1,713.99
Total Investment (A+B+C+D+E)	10,448.64	5,516.84
Aggregate value of unquoted investments	4,802.92	3,802.85
Aggregate value of quoted investments	5,567.99	1,606.91
Market value of quoted investments	5,645.72	1,713.99
Aggregate value of impairment in the value of investment	-	-

Note 9 : Other financial assets

(Unsecured and considered good, unless otherwise stated)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non- current		
Security deposits (Refer to note 'a' below)	199.72	205.43
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months	-	195.17
Total (A)	199.72	400.60
B - Current		
Staff Advance	29.99	24.30
Interest accrued on fixed deposits	367.47	561.87
Interest accrued others	3.28	2.07
Receivable from related parties (Refer to note 'b' below)	9.06	7.10
Total (B)	409.80	595.34
Total (A+B)	609.52	995.94

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

b) For detailed related party disclosures, refer note no. 37.

Note 10 : Non-current tax asset

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Advance Income Tax [Net of provision for income tax of Rs. 19,398.95 Lacs (March 31, 2021 : Rs. 15,880.40 Lacs)]	617.38	448.86
	617.38	448.86

Note 11 : Other assets

(Unsecured and considered good, unless otherwise stated)

(Currency: Rs. in Lacs except otherwise specified)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Capital advances (refer note below)	273.16	289.17
Prepaid Expenses	14.46	12.51
Total (A)	287.62	301.68
Current		
Balance with Statutory Authorities	184.07	38.59
Advances to Suppliers	59.63	261.75
Prepaid Expenses	288.90	237.00
Other Receivable*	7.10	6.81
Total (B)	539.70	544.15
Total (A+B)	827.32	845.83

* Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	1,874.42	337.33
	1,874.42	337.33

Note 12: Inventories

(Valued at lower of cost or net realizable value)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	8,930.99	10,890.29
Raw Materials - In Transit	194.80	290.14
Work In Progress	3,646.75	2,399.21
Consumable Stores and Spares	368.66	277.15
	13,141.20	13,856.79

Note:

- The mode of valuation of inventories has been stated in note 3.10.
- Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 13 : Trade receivables

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Secured, Considered Good	-	-
Unsecured, Considered Good	27,604.91	32,432.56
Unsecured, Considered credit impaired	87.11	32.40
	<u>27,692.02</u>	<u>32,464.96</u>
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	87.11	32.40
	<u>27,604.91</u>	<u>32,432.56</u>

Trade receivables ageing

Particulars	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	26,074.89 (28,859.18)	630.28 (3,335.60)	907.85 (221.77)	(8.61) (16.12)	(1.72) 17.66	2.22 (17.55)	27,604.91 (32,432.56)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(iii) Undisputed Trade Receivables – credit impaired	- (-)	- (-)	31.34 (-)	32.62 (14.20)	22.61 (17.66)	0.54 (0.54)	87.11 (32.40)
(iv) Disputed Trade Receivables– considered good	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(v) Disputed Trade Receivables – which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(vi) Disputed Trade Receivables – credit impaired	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

- a) Figures in bracket represents figures for the year ended March 31, 2021.
- b) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
- c) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 14 : Cash and cash equivalents

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- on current accounts	1,759.54	2,426.97
- on EEFC accounts	0.55	372.49
- deposits with original maturity of less than 3 months	17,580.00	4,500.00
Cash on hand	0.13	0.84
	19,340.22	7,300.30

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 15 : Bank balances other than cash and cash equivalents

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
Unclaimed dividend account	31.04	28.58
Deposits with original maturity of more than 3 months but less than 12 months	10,239.72	3,120.16
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	10,145.00	15,853.83
	20,415.76	19,002.57

Note 16 : Asset held for sale

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Assets held for sale	100.66	18.00
	100.66	18.00

Note 17 : Equity Share Capital

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
250,000,000* (March 31, 2021:50,000,000) equity shares of Rs. 2 each	5000.00	5000.00
Issued, subscribed and fully paid up		
29,731,630* (March 31, 2021: 29,731,630) equity shares of Rs. 2 each	594.63	594.63
	594.63	594.63

*Note: Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

Balance as at the beginning of the year

Issue/buy back during the year

Balance as at March 31, 2021

Issue/buy back during the year

Balance as at the end of the year

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	29,731,630	594.63	5,946,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2021	29,731,630	594.63	5,946,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	29,731,630	594.63	5,946,326	594.63

b) Terms/ rights attached to equity shares:

- (i) The Company has only one class of equity shares having a par value of Rs. 2 * per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. Dividend of Rs. 8.15/- per equity share was proposed by the Board of Directors during the year (March 31, 2021: Rs. 2.63/- per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* The board of directors of the company at its meeting held on March 30, 2021, has considered & approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each.

- (ii) During the year, no interim dividend (March 31, 2021: Rs. Nil per share) has been recognized as distributions to equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of Party	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Holding %	No. of shares	Holding %
Ajay Relan	17,371,380	58.43%	3,474,276	58.43%
Mala Relan	2,604,130	8.76%	520,826	8.76%
Aashim Relan	1,522,200	5.12%	304,440	5.12%

d) Disclosure of shareholdings of Promoters as on March 31, 2022

Name of Party	No. of shares	Holding %	% Change during the year*
Ajay Relan	1,73,71,380	58.43%	-
	(34,74,276)	(58.43%)	(-)
Mala Relan	26,04,130	8.76%	-
	(5,20,826)	(8.76%)	(-)
Aashim Relan	15,22,200	5.12%	-
	(3,04,440)	(5.12%)	(-)
Indira Chowdhry	2,65,185	0.89%	-
	(53,037)	(0.89%)	(-)

- Figures in bracket represents figures for the year ended March 31, 2021.

* The board of directors of the company at its meeting held on March 30, 2021, has considered & approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each. Hence there were no % change during the year.

Note 18 : Other Equity

(Currency: Rs. in Lacs except otherwise specified)

	Amount
a) General Reserve	
Balance as at March 31, 2020	21,025.68
Movement during the year	-
Balance as at March 31, 2021	21,025.68
Movement during the year	-
Balance as at March 31, 2022	21,025.68
The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.	
b) Capital Reserve	
Balance as at March 31, 2020	0.20
Movement during the year	-
Balance as at March 31, 2021	0.20
Movement during the year	-
Balance as at March 31, 2022	0.20
c) Retained Earnings	
Balance as at March 31, 2020	15,102.19
Add:- Profit for the year	7,821.89
Balance as at March 31, 2021	22,924.08
Add:- Profit for the year	16,214.27
Less: Dividend Paid	781.94
Balance as at March 31, 2022	38,356.41
Notes:	
1. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.	
2. Capital Reserve : The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.	
3. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.	
Total Other Equity:	
As at March 31, 2021	43,949.96
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	22,924.08
As at March 31, 2022	59,382.29
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	38,356.41

Note 19 : Other Financial Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non Current		
Security deposit	22.79	27.79
Lease liabilities	1,184.55	1,128.17
Total (A)	1,207.34	1,155.96
B - Current		
Lease liabilities	61.10	62.04
Unclaimed dividends (refer note (a) below)	31.04	28.58
Creditors for capital goods-micro and small enterprises	38.11	28.09
Creditors for capital goods- Other than micro and small enterprises	602.82	863.65
Total (B)	733.07	982.36
Total (A+B)	1,940.41	2,138.32

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2022 (March 31, 2021 : Nil)

Note 20 : Provisions

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non- current		
Provision for employee benefits :		
Provision for compensated absences (refer note 36)	285.40	175.10
Others :		
Provision for warranty	495.21	345.11
Total (A)	780.61	520.21
B - Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 36)	155.14	255.61
Provision for gratuity (refer note 36)	85.76	210.16
Others :		
Provision for warranty	385.20	278.84
Total (B)	626.10	744.61
Total (A+B)	1,406.71	1,264.82
Disclosure for warranty claim payable	As at March 31, 2022	As at March 31, 2021
Provision for warranty claim		
Opening Balance	623.95	422.49
Add : Provision made during the year	535.30	413.76
Less : Paid/reversed during the year	278.84	212.30
Balance at the end of the year	880.41	623.95

Note 20.1 : Contingent Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
(a) Claims against the Company not acknowledged as debts		
i) Disputed State Tax Matters	665.38	129.83
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	24.37	24.37
iv) Disputed Income Tax Matters	397.61	397.61
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	2,773.57	2,331.60
vii) Dispute with Vendor	6.96	6.96
viii) Others	6.86	12.11
(b) Letter of Credit		
i) Foreign	1,635.89	4,507.77
ii) Inland	2,504.30	4,121.16

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 21 : Trade payables

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro and small enterprises	384.77	1,023.12
- Outstanding dues of creditors other than micro and small enterprises	41,158.75	46,105.82
	41,543.52	47,128.94

Trade payables ageing

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	384.77	-	-	-	384.77
	(1,023.12)	(-)	(-)	(-)	(1,023.12)
(ii) Others	36,019.25	347.95	3,845.19	946.36	41,158.75
	(38,901.36)	(949.85)	(6,238.65)	(15.95)	(46,105.82)
(iii) Disputed dues MSME	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
(iv) Disputed dues - Others	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

- Figures in bracket represents figures for the year ended March 31, 2021.

a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41.

b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2022 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006	As at March 31, 2022	As at March 31, 2021
- Principal amount due	349.72	988.85
- Interest accrued and due on above	35.05	34.27
	384.77	1,023.12
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	71.33	36.28
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

i. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 22 : Other Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Current		
Advance from customers	967.94	1,395.95
Statutory dues	3,016.78	2,066.02
Others *	408.53	194.14
Total	4,393.25	3,656.11

* Other comprises of custom duty, earnest money received and staff payable etc.

Note 23 : Revenue from operations

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Product		
- Finished goods	218,122.33	168,779.31
- Traded goods	4,993.08	3,621.58
	<u>223,115.41</u>	<u>172,400.89</u>
Sale of services	228.69	519.33
Other Operating Revenues		
- Sale of scrap	2,187.22	733.38
Revenue from operations	225,531.32	173,653.60

Note 24 : Other Income

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
- Fixed deposits with banks	1,132.92	878.12
- Income tax refund	27.81	-
- Interest on tax free bond	159.63	116.15
- Others *	3.54	7.91
Net gain on disposal of property, plant and equipments	911.54	455.90
Fair value gain on current investments designated at FVTPL	-	37.94
Net profit on foreign exchange fluctuation	84.60	88.48
Miscellaneous income	633.57	560.53
	<u>2,953.61</u>	<u>2,145.03</u>

* Others comprises of interest received on deposits with electricity boards etc.

Note 25 : Cost of Raw Material Consumed

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Material		
Balance at the beginning of the year	10,890.29	8,604.20
Add:- Purchases during the year	175,176.23	141,591.44
Less:- Balances of raw material at the end of the year	8,930.99	10,890.29
Total cost of raw material consumption	177,135.53	139,305.35

Note 26 : Purchase of Stock in Trade

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of stock in trade	4,721.37	3,386.07
	4,721.37	3,386.07

Note 27 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	-	-
Work- in- progress	2,399.21	1,653.49
(A)	2,399.21	1,653.49
Inventories at the end of the year		
Finished goods	-	-
Work- in- progress	3,646.75	2,399.21
(B)	3,646.75	2,399.21
(Increase) / Decrease		
Finished goods	-	-
Work- in- progress	(1,247.54)	(745.72)
(Increase) / Decrease in Inventories (A-B)	(1,247.54)	(745.72)

Note 28 : Employee benefits expense

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages & other benefits	8075.69	7,130.08
Contribution to provident and other funds	420.62	394.48
Gratuity (refer note 36)	172.58	148.00
Staff welfare expenses	567.75	489.49
	9236.64	8,162.05
* Defined contribution plans		
Amount recognised in statement of profit & loss		
Employee state insurance	26.83	29.98
Provident fund	393.46	364.10
Welfare fund	0.33	0.40
	420.62	394.48

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 29 : Finance cost

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense	46.78	50.48
Interest on lease liabilities	100.72	92.22
	147.50	142.70

Note 30 : Depreciation and amortization expense

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	3,923.00	4,282.07
Amortization of intangible assets	45.94	49.76
Depreciation on right-of-use assets	96.15	66.63
	4,065.09	4,398.46

Note 31 : Other expenses

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumable tools	156.49	134.38
Power & fuel	861.41	737.33
Hire labour charges	4,437.69	3,475.12
Manufacturing expenses	428.83	412.07
Rent, rates & taxes	160.21	125.71
Repair & maintenance		
- Repair to building	99.09	34.90
- Repair to plant & equipments	499.06	295.86
- Repair others	168.44	173.40
Loss/(gain) on sale of current investments designated at FVTPL	34.03	-
Fair value loss/(gain) on current investments designated at FVTPL	7.43	-
Royalty fees	165.98	167.06
Research & development expenses (refer details 'c' below)	1908.55	1,684.05
Travelling & conveyance	575.48	397.13
Insurance	158.62	123.37
Communication cost	58.45	58.48
Director's sitting fee & commission	17.80	15.40
Legal & professional expenses	448.19	326.19
Corporate Social Responsibility expenses (refer details 'b' below)	206.94	210.56
Warranty claim	535.30	413.76
Selling expenses	1.97	15.07
Packing material	328.69	326.33
Freight outward	687.14	497.07
Auditor's remuneration (refer details 'a' below)	19.82	19.35
Miscellaneous expenses	940.94	979.14
Total	12,906.55	10,621.73

(Currency: Rs. in Lacs except otherwise specified)

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
- Statutory audit fee	13.35	13.35
- Tax audit fee *	6.00	5.50
In Other Capacity:		
- Reimbursement of expenses	0.32	0.45
- Other services	0.15	0.05
	19.82	19.35

* Tax audit fee has been provided for auditors other than Statutory Auditor for current year as well as previous year.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): Rs. 206.94 Lacs (March 31, 2021: Rs. 210.56 Lacs)
- Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2022	For the year ended March 31, 2021
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	7.00	72.98
Amount transferred to unspent account *		199.94	137.58
Amount yet to be spent		-	-
Total		206.94	210.56

* The Company has created a provision for unspent amount of Rs. 199.94 Lacs in FY 2021-22 (March 31, 2021: Rs. 137.58 Lacs) and transferred the same in separate bank account as per notification no. G.S.R. 40(E) dated January 22, 2021 issued by the ministry of corporate affairs (MCA).

c) Research & Development Expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Research & development expenses include:		
- Purchases	167.47	39.16
- Salary, wages and other allowance	1097.76	1,030.47
- Travelling expenses	37.26	21.60
- Design, development and other expenses	606.06	592.82
	1,908.55	1,684.05

Note 32 : Income Tax

(Currency: Rs. in Lacs except otherwise specified)

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as below:

Income tax recognised in profit or loss

	As at March 31, 2022	As at March 31, 2021
Current tax		
In respect of current year	5,672.00	3,050.00
Adjustments in respect of current income tax of previous year	(132.12)	-
	5,539.88	3,050.00
Deferred tax		
In respect of current year	(169.58)	(381.04)
	(169.58)	(381.04)
Income tax expense recognised in the current year	5,370.30	2,668.96

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As at March 31, 2022	As at March 31, 2021
Profit before tax	21,519.79	10,527.99
Tax at the Indian tax rate of 25.168% (March 31, 2021: 25.168%)	5,416.10	2,649.68
Effect of expenses that are not deductible in determining taxable profit	66.85	65.84
Others	19.47	(46.56)
Tax expenses recognised in statement of profit or loss	5,370.30	2,668.96

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

Note 33 : Income tax recognised in other comprehensive income

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(21.79)	12.49
Total tax recognised in other comprehensive income	(21.79)	12.49

Note 34 : Deferred tax balances

(Currency: Rs. in Lacs except otherwise specified)

The following is the analysis of deferred tax (assets) / liabilities presented in the standalone balance sheet

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	348.56	348.96
Deferred tax liabilities/(reversal of deferred tax liabilities)	(170.94)	(22.76)
Net deferred tax liabilities/(assets)	(519.50)	(371.72)

	As at March 31, 2020	Recognised in Profit or loss	Recognised in OCI	As at March 31, 2021
Deferred tax assets				
Defined benefit obligation	166.06	(6.38)	12.49	172.17
Expenses deductible in future years	103.79	(5.82)	-	97.97
Others	35.83	42.99	-	78.82
Total deferred tax assets	305.68	30.79	12.49	348.96
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	3.48	6.06	-	9.54
Property, plant and equipment and intangible assets	493.05	(375.33)	-	117.72
Others	(169.04)	19.02	-	(150.02)
	327.49	(350.25)	-	(22.76)
Net deferred tax liabilities/(assets)	21.81	(381.04)	(12.49)	(371.72)

	As at March 31, 2021	Recognised in Profit or loss	Recognised in OCI	As at March 31, 2022
Deferred tax assets				
Defined benefit obligation	172.17	(16.24)	(21.79)	134.14
Expenses deductible in future years	97.97	(9.62)	-	88.35
Others	78.82	47.26	-	126.08
Total deferred tax assets	348.96	21.40	(21.79)	348.56
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	9.54	(5.43)	-	4.11
Property, plant and equipment and intangible assets	117.72	(172.98)	-	(55.26)
Others	(150.02)	30.23	-	(119.79)
	(22.76)	(148.18)	-	(170.94)
Net deferred tax liabilities/(assets)	(371.72)	(169.58)	21.79	(519.50)

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 35 : Earnings per share (EPS)

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share (A)	16,149.49	7,859.03
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) (B)	297.32	297.32
Basic earnings per share (in Rs.) - (A/B)	54.32	26.43
Diluted earnings per share (in Rs.) - (A/B)	54.32	26.43

The board of directors of the company at its meeting held on March 30, 2021, has considered and approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each.

Note 36 : Gratuity and other post-employment benefit plans**(a) Defined contribution plans**

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund/ Pension Fund	393.46	364.10
Employer's Contribution to Employee State Insurance	26.83	29.98
Employer's Contribution to Employee Welfare Fund	0.33	0.40
Total	420.62	394.48

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

(b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 45 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

- (c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,481.51	430.71	1,300.50	354.21
Add: Interest cost	89.24	23.18	82.60	20.30
Add: Current service cost	162.08	61.45	142.28	82.73
Add: Past service cost	-	-	-	-
Less: Benefits paid	(93.50)	(71.47)	(97.42)	(22.78)
Add: Actuarial (gain) / loss	(29.65)	(3.33)	53.55	(3.75)
Present value of obligation as at the end of the year	1,609.68	440.54	1,481.51	430.71

(d) Components of expenses recognised in the statement of profit or loss in respect of:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Current service cost	162.08	61.45	142.28	82.73
Past service cost	-	-	-	-
Interest cost	10.42	23.18	19.33	20.30
Remeasurements	-	(3.33)	-	(3.75)
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Expenses recognised in profit/loss (Refer Note Below)	172.50	81.30	161.61	99.28

Note : Gratuity expense of Rs. 172.58 Lacs (March 31, 2021 : Rs. 160.53 Lacs) has been recognised in Statement of Profit & Loss and Rs. 5.67 Lacs (March 31, 2021 : Rs. 12.53 Lacs) in R&D expenditure.

(e) Components of expenses recognised in the other comprehensive income in respect of:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Actuarial (gains) / losses	-	-	-	-
- changes in demographic assumptions				
- changes in financial assumptions	(28.93)	-	14.33	-
- experience variance	(0.73)	-	39.22	-
Return on plan assets, excluding amount recognised in net interest expense	(56.92)	-	(3.92)	-
Component of defined benefit costs recognised in other comprehensive income	(86.58)	-	49.63	-

Note:

- The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	1,271.34	-	988.55	-
Acquisition adjustment	-	-	-	-
Add: Investment income	78.82	-	63.27	-
Add: Expected return on plan assets	56.92	-	3.92	-
Add: Employer's contribution	210.33	-	313.02	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(93.50)	-	(97.42)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	1,523.91	-	1,271.34	-

(g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

(Currency: Rs. in Lacs except otherwise specified)

		As at March 31, 2022		As at March 31, 2021	
		Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	6.58%	6.58%	6.20%	6.20%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	22.29	22.75	22.29	22.22
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

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

(h) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation	1,609.68	440.54	1,481.51	430.71
Fair value of plan assets	1,523.91	-	1,271.34	-
Net (assets) / liability	85.77	440.54	210.17	430.71
Classification into long term and short term:				
- Classified as long term	-	285.40	-	175.09
- Classified as short term	85.77	155.14	210.17	255.62
Total	85.77	440.54	210.17	430.71

(i) **A quantitative sensitivity analysis for significant assumption is as shown below:**

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(71.67)	(10.27)	(69.45)	(9.41)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	78.29	10.96	73.75	10.01
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	67.71	13.10	67.64	9.57
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(67.00)	(12.51)	(61.96)	(9.17)
C. Mortality rate				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

(j) **Maturity profile of defined benefit obligation is as follows:**

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
1 year	253.88	160.17	253.88	176.85
2 to 5 years	879.49	129.80	794.84	185.18
More than 5 years	1,171.81	150.57	1,105.77	68.66

- (k) Enterprise best estimate of contribution during next year is Rs. 147.07 Lacs.
- (l) The change in assumption of withdrawal rate, retirement age and expected average remaining working lives of employees is not considered significant.
- (m) There is no change in the method used in the preparing the sensitive analysis from prior years.

Note 37 : List of related parties where control exists and related parties with whom transactions have taken place and relationships

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
a) Exhaust Technology Private Limited	Joint Venture Company
b) Uddipt Mobility India Private Limited	
a) Shri Kishan N Parikh (Chairman)	Key Managerial Personnel
b) Smt Sharda Relan (Co-Chairperson)	
c) Shri Ajay Relan (Managing Director)	
d) Shri Aashim Relan (Chief Executive Officer)	
e) Shri Ashok Kumar Bhattacharya (Director)	
f) Shri Satindar Kumar Lambah (Director)	
g) Shri Udayan Banerjee (Director)	
h) Shri Nitin Vishnoi (Executive Director & Company Secretary)	
i) Smt Sarita Dhuper (Director)	
j) Shri Srinivasan Narasimhan (CFO)	
k) Shri Vivek Bhatia (President & Group CFO) (up to 30/03/2021)	
a) Smt Mala Relan (spouse of Managing Director)	Relatives of Key Managerial Personnel
b) Smt Aashita Relan (Daughter of Managing Director)	
c) Smt Indira Chowdhry	
a) Sharda Enterprises	Entities where Directors/Close family members of Directors having control
b) Sharda Auto Solutions Private Limited	
c) A.N.I Hospitality LLP	
d) Sharda CSR Foundation Trust	
e) AMR AI Digital Private Limited	

(Rs. in Lacs)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
i.	Sale of goods during the Year					
	- Exhaust Technology Private Limited	3,437.99	-	-	-	-
		(1,811.01)	(-)	(-)	(-)	(-)
ii.	Remuneration paid					
	- Ajay Relan	-	-	-	588.32	-
		(-)	(-)	(-)	(508.73)	(-)
	- Sharda Relan	-	-	-	0.72	-
		(-)	(-)	(-)	(261.81)	(-)
	- Aashim Relan	-	-	-	144.60	-
		(-)	(-)	(-)	(72.30)	(-)
	- Nitin Vishnoi	-	-	-	46.43	-
		(-)	(-)	(-)	(39.17)	(-)
iii.	Salary Paid					
	- Srinivasan Narasimhan	-	-	-	78.22	-
		(-)	(-)	(-)	(7.68)	(-)
	- Mala Relan	-	-	-	-	15.36
		(-)	(-)	(-)	-	(7.68)
	- Vivek Bhatia	-	-	-	42.36	-
		(-)	(-)	(-)	(157.17)	-
iv.	Reimbursement of Expenses - paid / received					
	- Srinivasan Narasimhan	-	-	-	8.62	-
		(-)	(-)	(-)	(14.14)	(-)
	- Vivek Bhatia	-	-	-	15.04	-
		(-)	(-)	(-)	(6.89)	(-)
v.	Sitting Fee Paid					
	- Kishan N Parikh	-	-	-	4.00	-
		(-)	(-)	(-)	(2.95)	(-)
	- Sharda Relan	-	-	-	0.80	-
		(-)	(-)	(-)	-	(-)
	- Ashok Kumar Bhattacharya	-	-	-	3.80	-
		(-)	(-)	(-)	(3.20)	(-)
	- Satinder Kumar Lambah	-	-	-	3.60	-
		(-)	(-)	(-)	(4.25)	(-)
	- Udayan Banerjee	-	-	-	4.40	-
		(-)	(-)	(-)	(3.90)	(-)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
	- Sarita Dhuper	-	-	-	1.20	-
		(-)	(-)	(-)	(1.10)	(-)
vi.	Sale of Fixed Assets					
	- Exhaust Technology Private Limited	-	-	-	-	-
		(913.10)	(-)	(-)	(-)	(-)
vii.	Purchase of goods during the year					
	- Exhaust Technology Private Limited	233.36	-	-	-	-
		(40.34)	(-)	(-)	(-)	(-)
viii.	CSR Expenditure paid					
	- Sharda CSR Foundation Trust	-	-	7.00	-	-
		(-)	(-)	(70.70)	(-)	(-)
ix.	Investment in Equity Shares					
	- Exhaust Technology Private Limited	1,000.00	-	-	-	-
		(1,250.00)	(-)	(-)	(-)	(-)
	- Uddipt Mobility India Private Limited	0.07	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
x.	Dividend Paid					
	- Ajay Relan	-	-	-	456.87	-
		(-)	(-)	(-)	(-)	(-)
	- Aashim Relan	-	-	-	40.04	-
		(-)	(-)	(-)	(-)	(-)
	- Mala Relan	-	-	-	-	68.49
		(-)	(-)	(-)	(-)	(-)
	- Aashita Relan	-	-	-	-	2.47
		(-)	(-)	(-)	(-)	(-)
	- Indira Chowdhry	-	-	-	-	6.97
		(-)	(-)	(-)	(-)	(-)
xi.	Balance payable as at March 31, 2022					
	- Ajay Relan	-	-	-	25.17	-
		(-)	(-)	(-)	(250.08)	(-)
	- Srinivasan Narasimhan	-	-	-	13.36	-
		(-)	(-)	(-)	(1.50)	(-)
	- Nitin Vishnoi	-	-	-	3.89	-
		(-)	(-)	(-)	(8.36)	(-)
	- Vivek Bhatia	-	-	-	-	-
		(-)	(-)	(-)	(15.91)	(-)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
	- Sharda Relan	-	-	-	-	-
		(-)	(-)	(-)	(0.08)	(-)
	- Mala Relan	-	-	-	-	0.17
		(-)	(-)	(-)	(-)	(0.08)
	- Aashim Relan	-	-	-	0.17	
		(-)	(-)	(-)	(0.08)	
	- Exhaust Technology Private Limited	273.23	-	-	-	-
		(39.87)	(-)	(-)	(-)	(-)
xii.	Balance Receivable as at March 31, 2022					
	- Exhaust Technology Private Limited	276.67	-	-	-	-
		(1,005.99)	(-)	(-)	(-)	(-)
	- Uddipt Mobility India Private Limited	0.91	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

- 1) Figures in bracket represents figures for the year ended March 31, 2021.
- 2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 38 : Leases

Lease related disclosures

The Company has taken factory building and car on leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. 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.

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.

(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:

(Currency: Rs. in Lacs except otherwise specified)

Particulars	March 31, 2022	March 31, 2021
Short-term leases	-	16.06

- (b) Total cash outflow for leases for the year ended 31 March 2022 : Rs. 121.55 Lacs (March 31, 2021 : Rs. 77 Lacs)
- (c) The Company has total commitment for short-term leases as at 31 March 2022 : Rs. 146.87 Lacs (March 31, 2021 : Rs. 109.25 Lacs).

(d) Maturity of lease liabilities

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

(Currency: Rs. in Lacs except otherwise specified)

Particulars	As at March 31, 2022	As at March 31, 2021
Maturity analysis – contractual undiscounted cash flows		
Less than one year	146.87	109.25
One to five years	653.86	608.61
More than five years	1,743.71	1,718.58
Total undiscounted lease liabilities at year ended March 31, 2022	2,544.44	2,436.44
Lease liabilities included in the statement of financial position at year ended March 31, 2022	1,245.65	1,190.21
Current	61.10	62.04
Non-Current	1,184.55	1,128.17

(e) Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Factory Building in Sanand, Gujarat	1	22 years	23 years	1	0	1
Factory Building in Chakan, Maharashtra	1	8 years	9 years	1	0	1
Car Lease	3	3.5 years	3.5 years	0	3	3
Car Lease	2	4.5 years	4.5 years	0	2	2

Note 39: Financial and Derivative Instruments

(Currency: Rs. in Lacs except otherwise specified)

Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date	As at March 31, 2022		As at March 31, 2021	
Foreign Currency Exposure not hedged (Sell)	US\$ 18.62 Lacs	1,405.97	US\$ 30.83 Lacs	2,265.95
		1,405.97		2,265.95
Foreign Currency Exposure not hedged (Buy)	US\$ 45.96 Lacs	3,471.14	US\$ 70.26 Lacs	5,164.59
	EURO 0.07 Lacs	5.97	EURO 0.35 Lacs	30.06
	JPY 0.25 Lacs	0.16	JPY 26.75 Lacs	17.75
		3,477.27		5,212.40

Note 40 : Segment Information

- In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
- Major Customer: Revenue from 3 customers (March 31, 2021, 3 customers) of the Company's manufacturing & trading business are Rs. 176,418 Lacs (March 31, 2021 Rs. 140,352 Lacs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2022 and March 31, 2021.

Note 41 : Financial instruments - fair values and risk management**41.1 : Financial instruments by category and fair values**

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	3.85	-	-	3.85
Other financial assets						
- Security deposits	-	-	199.72	-	-	205.43
- Deposits with original maturity of more than 12 months	-	-	-	-	-	195.17
Current						
Investments in tax free bonds and mutual funds	5,645.72	-	-	1,713.99	-	-
Trade receivables	-	-	27,604.91	-	-	32,432.56

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Cash and cash equivalents	-	-	19,340.22	-	-	7,300.30
Bank balances other than above	-	-	20,415.76	-	-	19,002.57
- Staff advance	-	-	29.99	-	-	24.30
- Interest accrued on fixed deposits	-	-	367.47	-	-	561.87
- Interest accrued on others	-	-	3.28	-	-	2.07
- Receivable from related parties	-	-	9.06	-	-	7.10
Total	5,645.72	-	67,974.26	1,713.99	-	59,735.22
Financial liabilities						
Non-current						
Other financial liabilities						
- Security deposit	-	-	22.79	-	-	27.79
- Lease liabilities	-	-	1,184.55	-	-	1,128.17
Current						
Trade payables	-	-	41,543.52	-	-	47,128.94
Other financial liabilities						
- Lease liabilities	-	-	61.10	-	-	62.04
- Payable to related parties	-	-	-	-	-	-
- Unclaimed dividend	-	-	31.04	-	-	28.58
- Creditors for capital goods - Other than micro and small enterprises	-	-	602.82	-	-	863.65
Total	-	-	43,445.82	-	-	49,239.17

* Investment value excludes investment in associate of Rs. 49 Lacs (March 31, 2021 : Rs. 49 Lacs), investment in joint ventures of Rs. 4,750.07 Lacs (March 31, 2021 : Rs. 3,750 Lacs), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.14)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in tax free bonds and mutual fund	5,645.72	1,713.99
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	5,645.72	1,713.99

41.2 : Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.
- ii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.
- iii) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.
- iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.
- v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

41.3 : Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

During the year, Company had paid Rs. 2.63/- per equity share as final dividend for the year ended March 31, 2021. In addition to the above dividend, subsequent to year end the Directors have recommended the payment of a final dividend of Rs. 8.15/- per equity share. The propose dividend is subject to the approval of share holders in the ensuring annual general meeting.

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

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

(Currency: Rs. in Lacs except otherwise specified)

	March 31, 2022	March 31, 2021
Total liabilities	49,283.89	54,188.19
Less: Cash and cash equivalents	19,340.22	7,300.30
Adjusted net debt	29,943.67	46,887.89
Total equity	59,976.92	44,544.59
Equity & net debt	89,920.59	91,432.48
Adjusted net debt to equity ratio	0.33	0.51

41.4 : Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

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

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

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

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

(a) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's

financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (Rs.). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

(Currency: Rs. in Lacs except otherwise specified)

Exposure to currency risk: (Amount in Lacs except otherwise specified)				
March 31, 2022	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	18.62	-	-	-
Foreign currency exposure not hedged (Buy)	19.57	0.003	0.25	-
Derivative contract outstanding	-	-	-	-
March 31, 2021	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	30.83	-	-	-
Foreign currency exposure not hedged (Buy)	70.26	0.35	26.75	-
Derivative contract outstanding	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of US\$ against INR (Rs.) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

(Currency: Rs. in Lacs except otherwise specified)

(Profit) / Loss		
March 31, 2022	Strengthening	Weakening
US\$ (5% movement)	(173.56)	173.56
EUR (5% movement)	(0.30)	0.30
JPY (5% movement)	(0.01)	0.01
March 31, 2021		
US\$ (5% movement)	(258.23)	258.23
EUR (5% movement)	(1.50)	1.50
JPY (5% movement)	(0.89)	0.89

US\$: US Dollar, EUR: Euro, JPY: Japan Yen and GBP: Great British Pound.

(b) Credit risk

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

i) Trade receivables

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

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

- Original equipment manufacturers (OEMs)

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

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

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

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2021	32.40	32,194.78	237.78	32,464.96
Trade Receivables as of March 31, 2022	87.11	26,705.17	899.74	27,692.02

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

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

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Investments	10,448.64	5,516.84
Security deposits	199.72	205.43
Deposit with original maturity of more than 12 months	-	195.17
Interest accrued	367.47	561.87
Staff Advance	29.99	24.30
Interest accrued others	3.28	2.07
Receivable from related parties	9.06	7.10
Total	11,058.16	6,512.78

(c) Liquidity risk

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

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

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

As on March 31, 2022, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

(Currency: Rs. in Lacs except otherwise specified)

March 31, 2022			Contractual cash flow		
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	640.93	640.93	640.93	-	-
Trade payables	41,543.52	41,543.52	41,543.52	-	-
Unclaimed dividends	31.04	31.04	31.04	-	-
Security deposit	22.79	22.79	-	22.79	-
	42,238.28	42,238.28	42,215.49	22.79	-
March 31, 2021			Contractual cash flow		
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	891.74	891.74	891.74	-	-
Trade payables	47,128.94	47,128.94	47,128.94	-	-
Unclaimed dividends	28.58	28.58	28.58	-	-
Security deposit	27.79	27.79	-	27.79	-
	48,077.05	48,077.05	48,049.26	27.79	-

Note 42 : Analytical ratios

(Currency: Rs. in Lacs except otherwise specified)

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2022	As at March 31, 2021		
1	Current ratio	Current Assets	Current Liabilities	Times	1.84	1.44	28%	Movement in current ratio is majorly due to increase in current assets (cash & cash equivalent) and reduction in current liabilities (trade payables).
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.02	0.03	-22%	

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2022	As at March 31, 2021		
3	Debt service coverage ratio	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization - Profit on sale of PPE	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	Times	0.00	0.00	-20%	
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	30.90%	19.34%	60%	Return on equity ratio has increase due to increase in profits.
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	16.71	14.15	18%	
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	7.51	7.87	-5%	
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.06	4.28	-5%	
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	5.65	7.57	-25%	Movement in net capital turnover ratio is due to improvement in working capital, increase in current assets (cash & cash equivalent) and reduction in current liabilities (trade payables).
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	7.16%	4.53%	58%	Net profit ratio has increased due to increase in revenue from operation during the year.
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible net worth + Total Debts (Including lease liability) + Deferred tax liability	Percentage	36.44%	24.16%	51%	Movement in return on capital employed is due to increase in earnings.
11	Return on investment	Interest (Finance Income)	Investment	Percentage	2.11%	3.84%	-45%	Reduction mainly on account of Fair value loss on current investments

Note 43 : Sanctioned Working Capital Limits

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(Currency: Rs. in Lacs except otherwise specified)

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2021	14,854.50	14,733.68	-120.82	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit.
September 30, 2021	16,426.61	16,256.29	-170.32	
December 31, 2021	14,812.00	14,615.92	-196.08	
March 31, 2022	13,141.80	12,946.40	-195.40	
Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2021	28,186.62	23,961.96	-4,224.66	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as bills discounting, etc.
September 30, 2021	28,616.13	27,063.46	-1,552.67	
December 31, 2021	31,538.67	30,529.19	-1,009.48	
March 31, 2022	27,692.02	28,997.82	1,305.80	
Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				
June 30, 2021	35,122.29	35,122.29	-	
September 30, 2021	37,242.17	37,242.17	-	
December 31, 2021	39,298.18	39,298.18	-	
March 31, 2022	40,380.81	40,380.81	-	

Note 44 : The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on 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.

Note 45 : In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 46 : Other regulatory information

i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami

Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial Institutions on the basis of security of current assets.

iii) Wilful defaulter

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

iv) Relationship with struck off companies

The Company do not have any transaction with struck off companies.

v) Compliance with number of layers of companies

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

vi) Compliance with approved scheme(s) of arrangements

The Company has complied all approved scheme of arrangement which has an accounting impact on current or previous financial year

vii) 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 group (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 person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

xi) Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charge or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

xii) Loans or advances to specified persons

The Company has not provided any loans or advances to specified persons being promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the current or previous year.

Note 47 : Figures have been rounded off to the nearest Lacs upto two decimal place, except otherwise stated.

Note 48 : Figures of the previous year have been re-grouped, re-arranged wherever required.

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHHQ5900

May 27, 2022

New Delhi

For & on behalf of **Board of Directors of
Sharda Motor Industries Limited**

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive

Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director &

Company Secretary

M.No. F3632

INDEPENDENT AUDITORS' REPORT

To The Members of Sharda Motor Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as the "Parent Company"), its associate company and joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2022 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Parent Company, its associates company and joint ventures as at March 31, 2022, and its consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 45 of the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management.

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

Key Audit Matters

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

Key Audit Matter	Auditors' Response
<p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters</p> <p>In the consolidated financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1 to the financial statements for the year ended 31.03.2022. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> → We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the consolidated financial statements. → Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. → In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. → In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the consolidated financial statements.

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

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

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

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

Management Responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group and its associate company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the parent company, its associate company and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company, its associate company and joint ventures are responsible for assessing the ability of the Parent company, its associate company and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent company, its associate company and joint ventures are responsible for overseeing the financial reporting process of the Parent company, its associate company and joint venture.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- ➔ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ➔ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent company, its associate company and Joint ventures, which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- ➔ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ➔ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parent company, its associate company and joint venture to cease to continue as a going concern.
- ➔ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ➔ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements/financial information of an associate company whose financial statements/financial information reflect total assets of Rs.774.59 lakhs as at March 31, 2022, total revenues of Rs.8.67 lakhs and net cash Inflows/(outflows) amounting to Rs.(108.13 lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the parent company's share of net loss after tax of Rs.17.85 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate company, whose financial statements/financial information have not been audited by us. These financial statements/financial information of an associate company has been audited by the other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid an associate, is based solely on the reports of the other auditor.

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

- (b) We did not audit the financial statements/financial information of two joint ventures, whose financial statements/financial information reflect total assets of Rs. 22,586.44 lakhs as at March 31, 2022, total revenues of Rs. 25,749 lakhs and net cash Inflows/(outflows) amounting to Rs. (434.83) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the parent company's share of net loss after tax of Rs.1,210.13 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/financial information of two joint ventures are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of two joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to two joint ventures, is based solely on such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

- 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the an associate and two joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a

statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of an associate and two joint ventures, as noted in the 'other matters' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of associate company and two joint ventures, which are companies incorporated in India, none of the directors of the Group and its associate company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls with reference to the financial statements of the Parent company, an associate company and two joint ventures, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) As required by Section 197(16) of the Act, based on our audit and on the basis of the representation received from the management in respect of an associate company, we report that the Parent Company and its associate company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. The requirements of Section 197(16) of the Act are not applicable on the two joint ventures company, as it are registered as private limited companies.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent Company, its associate company and two joint ventures – refer Note 20.1 to the consolidated financial statements.
 - ii) The Parent company, its associate company and two joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Parent company, its associate company and two joint ventures incorporated in India.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The dividend declared or paid during the year and subsequent to the year-end by the Parent company is in compliance with section 123 of the Act.

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

CA. Ankur Parika
Partner

Membership Number: 549410
UDIN: 22549410AJUHOY8450

Place of Signature: New Delhi
Date: May 27, 2022

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the Members of Sharda Motor Industries Limited)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, as required by paragraph 3(xxi) of the CARO 2020, we state that:

- ➔ There is no qualification or adverse remark by the auditor in the Companies (Auditors Report) Order (CARO) reports of an associate company included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order for the said associate company is not applicable to the Parent Company.
- ➔ The statutory audit report on the financial statements for the year ended March 31, 2022 of the following two joint ventures of the Parent Company has not been issued until the date of this report-

S. No.	Name of the Entity	Relationship
1.	Exhaust Technology Private Limited	Joint Venture
2.	Uddipt Mobility India Private Limited	Joint Venture

Accordingly, no comments for the said joint ventures have been included for the purpose of reporting under clause 3(xxi) of the Order.

Annexure 'B' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Sharda Motor Industries Limited)

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Parent company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Sharda Motor Industries Limited (hereinafter referred to as "the Company" or the "Parent Company") and its associate company and two joint ventures, which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of

In our opinion, the Parent Company, its associate company and its two joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on "the internal controls with reference to the financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its associate company and two joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to an associate company and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the other auditors. Our opinion is not modified in respect of this matter.

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

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHOY8450

Place of Signature: New Delhi
Date: May 27, 2022

CONSOLIDATED BALANCE SHEET

As at March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	14,545.49	16,796.27
(b) Capital work in progress	5	5.00	10.65
(c) Right-of-use assets	6	1,016.82	1,046.09
(d) Intangible assets	7	68.39	90.36
(e) Financial assets			
(i) Investment in associate & joint venture	8A	2,111.52	2,339.43
(ii) Other investments	8B	3.85	3.85
(iii) Other financial assets	9A	199.72	400.60
(f) Non-current tax asset (net)	10	617.38	448.86
(g) Other non-current assets	11A	287.62	301.68
(h) Deferred tax assets (net)	34	519.50	371.72
Total non-current assets		19,375.29	21,809.51
Current assets			
(a) Inventories	12	13,141.20	13,856.79
(b) Financial assets			
(i) Investments	8C	5,645.72	1,713.99
(ii) Trade receivables	13	27,604.91	32,432.56
(iii) Cash and cash equivalents	14	19,340.22	7,300.30
(iv) Bank balances other than (iii) above	15	20,415.76	19,002.57
(v) Other financial assets	9B	409.80	595.34
(c) Other current assets	11B	539.70	544.15
(d) Asset held for sale	16	100.66	18.00
Total current assets		87,197.97	75,463.70
Total assets		1,06,573.26	97,273.21
II. Equity and liabilities			
Equity			
(a) Equity share capital	17	594.63	594.63
(b) Other equity	18	56,694.74	42,490.39
Total equity		57,289.37	43,085.02
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19A	1,184.55	1,128.17
(ii) Other financial liabilities	19A	22.79	27.79
(b) Provisions	20A	780.61	520.21
Total non-current liabilities		1,987.95	1,676.17
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21		
- Total outstanding dues of micro and small enterprises		384.77	1,023.12
- Total outstanding dues of creditors other than micro and small enterprises		41,158.75	46,105.82
(ii) Lease liabilities	19B	61.10	62.04
(iii) Other financial liabilities	19B	671.97	920.32
(b) Other current liabilities	22	4,393.25	3,656.11
(c) Provisions	20B	626.10	744.61
Total current liabilities		47,295.94	52,512.02
Total liabilities		49,283.89	54,188.19
Total equity and liabilities		1,06,573.26	97,273.21
Summary of Significant Accounting Policies	3		

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

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHOY8450

May 27, 2022

New Delhi

For & on behalf of **Board of Directors of**
Sharda Motor Industries Limited

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	23	225,531.32	173,653.60
II Other income	24	2,953.61	2,145.03
III Total income (I+II)		228,484.93	175,798.63
IV Expenses			
(a) Cost of materials consumed	25	177,135.53	139,305.35
(b) Purchases of stock-in-trade	26	4,721.37	3,386.07
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	27	(1,247.54)	(745.72)
(d) Employee benefits expense	28	9,236.64	8,162.05
(e) Finance costs	29	147.50	142.70
(f) Depreciation and amortization expense	30	4,065.09	4,398.46
(g) Other expenses	31	12,906.55	10,621.73
Total expenses		206,965.14	165,270.64
V Profit before exceptional items and tax (III-IV)		21,519.79	10,527.99
VI Exceptional items		-	-
VII Profit before tax (V-VI)		21,519.79	10,527.99
VIII Tax expense:			
(a) Current tax	32	5,539.88	3,050.00
(b) Deferred tax	32	(169.58)	(381.04)
Total tax expense		5,370.30	2,668.96
IX Profit for the year (VII-VIII)		16,149.49	7,859.03
X Share of profit/(loss) of associate (net of tax)		(17.85)	(35.82)
XI Share of profit/(loss) of joint venture (net of tax)		(1,210.13)	(1,158.31)
XII Profit for the year (IX+X+XI)		14,921.51	6,664.90
XIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		86.57	(49.63)
- Income tax on items that will not be reclassified to profit or loss	33	(21.79)	12.49
Total other comprehensive income for the year, net of tax		64.78	(37.14)
XIV Total comprehensive income for the year, net of tax (XII+XIII)		14,986.29	6,627.76
XV Earnings per share: (Face value Rs. 2 per share)	35		
1) Basic (amount in Rs.)		50.19	22.42
2) Diluted (amount in Rs.)		50.19	22.42
Summary of Significant Accounting Policies	3		

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

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHOY8450

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

May 27, 2022

New Delhi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

A. Equity Share Capital*

	Amount
Balance as at March 31, 2020	594.63
Changes during the year	-
Balance as at March 31, 2021	594.63
Changes during the year	-
Balance as at March 31, 2022	594.63

B. Other Equity**

	Reserve & Surplus			
	Capital Reserve	General Reserve	Retained earnings	Total
Balance as at March 31, 2020	0.20	21,025.68	14,836.75	35,862.63
Profit for the year	-	-	6,664.90	6,664.90
Other comprehensive income for the year, net of tax	-	-	(37.14)	(37.14)
Balance as at March 31, 2021	0.20	21,025.68	21,464.51	42,490.39
Profit for the year	-	-	14,921.51	14,921.51
Other comprehensive income for the year, net of tax	-	-	64.78	64.78
Total Comprehensive Income	-	-	14,986.29	14,986.29
Payment of Dividend	-	-	(781.94)	(781.94)
Balance as at March 31, 2022	0.20	21,025.68	35,668.86	56,694.74

* For details, refer note no. 17

** For details, refer note no. 18

Summary of Significant Accounting Policies 3

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

As per our Report of even date attached
For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number : 001393N

CA. Ankur Parika
Partner
Membership Number: 549410
UDIN: 22549410AJUHOY8450

May 27, 2022
New Delhi

For & on behalf of **Board of Directors of**
Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

(Srinivasan Narasimhan)
Chief Financial Officer
M.No. 214036

(Nitin Vishnoi)
Executive Director & Company Secretary
M.No. F3632

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended March 31, 2022

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	21,519.79	10,527.99
Adjustments for:		
Depreciation and amortization expense	4,065.09	4,398.46
Finance cost	147.50	142.70
Interest income	(1,323.90)	(1,002.18)
Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	34.03	-
Provision for doubtful debts	87.11	-
Loss / (Gain) on disposal of property, plant and equipment (net)	(911.54)	(455.90)
Fair value gain on investment in mutual fund designated at FVTPL	7.43	(37.94)
Unrealized loss/(gain) on reinstatement of foreign exchange (net)	(84.62)	(88.71)
Operating profit / (loss) before adjustments	23,540.89	13,484.42
Movement in working capital:		
Decrease/(increase) in inventories	715.59	(3,163.37)
Decrease/(increase) in trade receivables	4,882.37	(20,727.23)
Decrease/(increase) in other financial assets	193.23	69.74
Decrease/(increase) in other assets	2.50	(57.73)
Increase/(decrease) in trade payables	(5,473.49)	26,565.99
Increase/(decrease) in other liabilities	737.14	1,898.25
Increase/(decrease) in other financial liabilities	10.02	(177.39)
Increase/(decrease) in provisions	278.09	139.22
Cash generated from operating activities	24,886.34	18,031.90
Income Tax (paid)/ refund	(5,708.40)	(3,220.64)
Net cash from operating activities - (A)	19,177.94	14,811.26
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(3,545.79)	(4,055.33)
Acquisition of intangible assets including intangible assets under development	(23.97)	(72.24)
Proceeds from disposal of property, plant and equipment	2,199.19	1,726.11
Payments for purchase of investments	(22,363.00)	(1,250.39)
Proceeds from sale of investments	17,389.74	-
Bank deposits (made)/realised	(1,413.19)	(12,232.06)
Interest received	1,548.44	659.11
Net cash used in investing activities - (B)	(6,208.58)	(15,224.80)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(46.78)	(50.48)
Cash payments for the Interest portion of the lease liability	(100.72)	(92.22)
Dividend paid (including corporate dividend tax)	(781.94)	(3.63)
Net cash used in financing activities - (C)	(929.44)	(146.33)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	12,039.92	(559.87)
Cash and cash equivalents at the beginning of the year	7,300.30	7,860.17
Cash and cash equivalents at the end of the year [refer note 14]	19,340.22	7,300.30

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

Note:

- The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow".
- Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).
- For components of cash and cash equivalents refer note no.14.
- Cash flows from operating activities include Rs. 206.94 Lacs (March 31, 2021: Rs. 210.56 Lacs) being expenses towards Corporate Social Responsibility initiatives.

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHOY8450

May 27, 2022

New Delhi

For & on behalf of **Board of Directors of**
Sharda Motor Industries Limited

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director & Company Secretary

M.No. F3632

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 1: Group Information

Sharda Motor Industries Limited ("the Company") is primarily engaged in the manufacturing and assembly of Auto Components. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across seven locations in five states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

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

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on May 27, 2022.

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Basis of consolidation and equity accounting:

- i) **Associate:** An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.
- ii) **Joint Venture:** A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.
- iii) **Equity method:** Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

- iv) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2022 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgments:

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

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.6 Measurement of fair values:

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

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

2.7 Operating cycle:

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

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Government authorities. Sale includes revision in prices received from customers with retrospective effect.

Revenue arises mainly from the sale of manufactured and traded goods.

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

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

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Impairment of Financial Assets:

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

3.3 Impairment of Non-Financial Assets:

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

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

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

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

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

3.4 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to

the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.5 Property, Plant and Equipment (PPE):

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

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

Assets purchased during the year costing Rs. 5,000 or less are depreciated at the rate of 100%.

3.6 Intangible assets:

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

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

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.7 Research & Development Costs:

- a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.
- b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.8 Borrowing costs:

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

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

3.9 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

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

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

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.10 Inventories:

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

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

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

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

3.11 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

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

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

Other Long Term Employee Benefits

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

3.13 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

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

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

The unwinding of discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

3.14 Financial instruments:

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

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

(a) Financial Assets

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

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

Classification of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

Equity investment in associate and joint venture

Investments representing equity interest in associate and joint venture are carried at cost less any provision for

impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

Trade receivables

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

Impairment of financial assets

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 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.

Foreign exchange gains and losses:

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

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

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

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

Trade and other payables

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

Borrowings

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

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

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

Derecognition of financial liabilities

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

3.15 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as

financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 Taxes:

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

Current tax

The tax currently payable is based on taxable profit for the 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 Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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

3.17 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

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

3.18 Cash and cash equivalents:

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

3.19 Dividends:

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.20 Assets Held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.21 Earnings per share (EPS):

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

3.22 New and amended standards adopted by the Company

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

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

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

a) New amendments issued but not effective

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

Ind AS 16, Property, Plant and Equipment	<p>Proceeds before intended use of property, plant and equipment</p> <p>The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).</p>
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Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	<p>Onerous Contracts - Cost of fulfilling a contract</p> <p>The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.</p>
Ind AS 103, Business combinations	<p>References to the conceptual framework</p> <p>The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.</p>
Ind AS 109, Financial Instruments	<p>Fees included in the 10% test for derecognition of financial liabilities</p> <p>The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.</p>
Ind AS 101, First-time adoption	<p>Subsidiary as a first-time adopter</p> <p>Simplifies the application of Ind AS 101 by a subsidiary that becomes a first time adopter after its parent in relation to the measurement of cumulative translation differences.</p>
Ind AS 41, Agriculture	<p>Taxation in fair value measurements</p> <p>The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.</p>

Note 4 : Property, Plant and Equipment

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Freehold land	Leasehold land (Right of Use)	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2020	650.47	642.22	21,792.81	3,773.42	200.67	201.59	74.96	823.77	793.08	28,952.99
Add: Additions made during the year	-	-	4,470.68	193.34	18.22	62.55	1.92	18.55	-	4,765.26
Less: Disposals / adjustments during the year	-	111.59	1,383.42	-	-	-	-	-	0.22	1,495.23
As at March 31, 2021	650.47	530.63	24,880.07	3,966.76	218.89	264.14	76.88	842.32	792.86	32,223.02
Add: Additions made during the year	-	-	2,391.66	15.45	14.21	77.30	2.96	56.62	367.43	2,925.62
Less: Disposals / adjustments during the year	-	-	2,169.94	58.17	6.40	6.88	0.70	55.98	30.10	2,328.16
As at March 31, 2022	650.47	530.63	25,101.79	3,924.04	226.70	334.56	79.15	842.97	1,130.19	32,820.49
Accumulated depreciation and impairment										
As at March 31, 2020	-	34.68	10,072.77	1,560.32	155.55	143.70	58.50	531.57	421.42	12,978.51
Add: Depreciation charge for the year	-	7.89	3,517.27	238.78	17.59	42.37	4.50	52.93	109.37	3,990.70
Less: On disposals / adjustments during the year	-	5.84	219.18	-	-	-	-	-	-	225.02
As at March 31, 2021	-	36.73	13,370.86	1,799.10	173.14	186.08	63.00	584.50	530.78	16,744.19
Add: Depreciation charge for the year	-	6.25	3,266.86	231.20	18.06	56.29	3.08	44.78	73.24	3,699.76
Less: On disposals / adjustments during the year	-	-	944.85	25.21	5.09	3.97	0.44	41.39	21.11	1,042.05
As at March 31, 2022	-	42.96	15,692.88	2,005.10	186.11	238.41	65.64	587.90	582.91	19,401.89
Research & Development										
Gross carrying amount										
As at March 31, 2020	-	-	2,348.28	599.63	35.51	60.35	11.41	139.67	28.66	3,223.51
Add: Additions made during the year	-	-	13.05	-	0.28	25.62	0.27	-	-	39.22
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	2,361.33	599.63	35.79	85.97	11.68	139.67	28.66	3,262.73

Particulars	Freehold land	Leasehold land (Right of Use)	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Add: Additions made during the year	-	-	10.00	-	1.17	23.09	-	-	-	34.25
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	4.28	4.28
As at March 31, 2022	-	-	2,371.32	599.63	36.96	109.06	11.68	139.67	24.38	3,292.70
Accumulated depreciation and impairment										
As at March 31, 2020	-	-	1,383.54	106.65	26.70	36.69	7.45	76.90	16.00	1,653.92
Add: Depreciation charge for the year	-	-	222.43	23.55	2.34	26.95	1.29	11.38	3.43	291.37
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	1,605.97	130.20	29.04	63.64	8.75	88.28	19.42	1,945.30
Add: Depreciation charge for the year	-	-	172.10	22.43	1.85	14.59	0.75	9.31	2.20	223.24
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	2.74	2.74
As at March 31, 2022	-	-	1,778.07	152.63	30.89	78.25	9.50	97.59	18.88	2,165.80
Net carrying amount										
As at March 31, 2022	650.47	487.67	10,002.16	2,365.94	46.66	126.97	15.68	297.15	552.78	14,545.49
As at March 31, 2021	650.47	493.90	12,264.57	2,637.10	52.50	100.39	16.82	309.21	271.30	16,796.27

Notes:

1. Details of assets charged to Banks:

- Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital facilities.
- Refer note no. 11, for disclosure of capital commitment for acquisition of property, plant and equipment.

Note 5 : Capital work in progress

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Plant & Machinery *	5.00	10.65
	5.00	10.65

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	3.48	1.52	-	-	5.00
	(6.55)	(3.76)	(0.33)	(-)	(10.65)
(ii) Projects temporarily suspended	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

* Rs. 9.13 Lacs has been capitalised and transferred to property, plant & equipments during the year ended March 31, 2022 (March 31, 2021 : Rs. 327.20 Lacs)

** Figures in bracket represents figures for the year ended March 31, 2021.

Note 6 : Right-of-use assets

(Currency: Rs. in Lacs except otherwise specified)

	Factory Building	Cars	Total
Gross Carrying Amount			
As at March 31, 2020	1,065.79	-	1,065.79
Add: Additions made during the year	-	119.03	119.03
Less: Disposals / adjustments during the year	15.95	-	15.95
As at March 31, 2021	1,049.84	119.03	1,168.87
Add: Additions made during the year	-	66.88	66.88
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	1,049.84	185.91	1,235.75
Accumulated depreciation and impairment			
As at March 31, 2020	56.15	-	56.15
Add: Depreciation charge for the year	54.73	11.90	66.63
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2021	110.88	11.90	122.78
Add: Depreciation charge for the year	55.36	40.79	96.15
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	166.24	52.69	218.93
Net carrying amount			
As at March 31, 2022	883.60	133.22	1,016.82
As at March 31, 2021	938.96	107.13	1,046.09

Note 7 : Other intangible assets

(Currency: Rs. in Lacs except otherwise specified)

	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross Carrying Amount</u>			
As at March 31, 2020	103.97	1,179.20	1,283.17
Add: Additions made during the year	3.03	-	3.03
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2021	107.00	1,179.20	1,286.20
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2022	107.00	1,179.20	1,286.20
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2020	57.05	1,179.20	1,236.25
Add: Amortisation for the year	25.96	-	25.96
As at March 31, 2021	83.01	1,179.20	1,262.21
Add: Amortisation for the year	16.17	-	16.17
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2022	99.18	1,179.20	1,278.38

CORPORATE
OVERVIEW

STATUTORY
REPORTS

CONSOLIDATED
FINANCIAL
SECTIONS

Research & Development

(Currency: Rs. in Lacs except otherwise specified)

	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross carrying amount</u>			
As at March 31, 2020	183.09	22.54	205.63
Add: Additions made during the year	69.21	-	69.21
As at March 31, 2021	252.30	22.54	274.84
Add: Additions made during the year	23.97	-	23.97
As at March 31, 2022	276.27	22.54	298.81
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2020	162.13	22.54	184.67
Add: Amortisation for the year	23.80	-	23.80
As at March 31, 2021	185.93	22.54	208.47
Add: Amortisation for the year	29.77	-	29.77
As at March 31, 2022	215.71	22.54	238.25
<u>Net carrying amount</u>			
As at March 31, 2022	68.39	-	68.39
As at March 31, 2021	90.36	-	90.36

Note 8 : Investments

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
NON-CURRENT		
A - Investment in Associate		
Investments measured at cost		
In equity shares of Associate		
Unquoted, fully paid up		
490,000 (March 31, 2021: 490,000) Equity shares of Rs. 10 each of Relan Industrial Finance Limited	313.02	330.87
Total - A	313.02	330.87
B - Investment in Joint Venture		
Investments measured at cost		
In equity shares of Joint Venture		
i.) Unquoted, fully paid up		
47,500,000 (March 31, 2021: 37,500,000) Equity shares of Rs. 10 each of Exhaust Technology Private Limited	1,798.50	2,008.56
ii.) Unquoted, fully paid up		
740 (March 31, 2021: Nil) Equity shares of Rs. 10 each of Uddipt Mobility India Private Limited	-	-
Total - B	1,798.50	2,008.56
Total (A+B)	2,111.52	2,339.43
C - Other Investments		
In equity shares of Other		
Unquoted, fully paid up		
38,500 (March 31, 2021: 38,500) Equity shares of Rs. 10 each of Windage Power Company Private Limited	3.85	3.85
Total - C	3.85	3.85
Total (A+B+C)	2,115.37	2,343.28
Information about Associate & Joint Ventures		
Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As at March 31, 2022	As at March 31, 2021
Associate		
Relan Industrial Finance Limited, India, Service provider of investments	47.12	47.12
Joint Ventures		
Exhaust Technology India Private Limited, India, Manufacturing of exhaust systems	50.00	50.00
Uddipt Mobility India Private Limited, India, Manufacturing of batteries	74.00	-

	As at March 31, 2022	As at March 31, 2021
CURRENT		
Investment measured at fair value through profit or loss		
D. Investment In Tax Free Bond (Quoted)		
- 50 (March 31,2021: 50) units NHAI 2030 - Tax free Bond	623.30	635.02
- Nil (March 31,2021: 50,000) units REC 2022 - Tax free Bond	-	545.00
- Nil (March 31,2021: 50,000) units IRFC 2022 - Tax free Bond	-	533.97
E. Investment In Mutual Fund (Quoted)		
- 4,492,582.847 units (March 31,2021: Nil) units ICICI Pru Equity Arbitrage Fund Reg (G)	1,000.65	-
- 4,969,913.962 units (March 31,2021: Nil) units Kotak Equity Arbitrage Fund (G)	1,501.40	-
- 3,668,275.907 units (March 31,2021: Nil) units SBI Arbitrage Opp Fund Reg (G)	1,000.65	-
- 14,975,355.700 units (March 31,2021: Nil) units TATA Arbitrage Fund (G)	1,501.31	-
- 98,966.537 units (March 31,2021: Nil) units Kotak equity Saving Fund Reg (G)	18.41	-
Total (D+E)	5,645.72	1,713.99
Total Investment (A+B+C+D+E)	7,761.09	4,057.27
Aggregate value of unquoted investments	2,115.37	2,343.28
Aggregate value of quoted investments	5,567.99	1,606.91
Market value of quoted investments	5,645.72	1,713.99
Aggregate value of impairment in the value of investment	-	-

Note 9 : Other financial assets

(Unsecured and considered good, unless otherwise stated)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non-current		
Security deposits (Refer to note 'a' below)	199.72	205.43
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months	-	195.17
Total (A)	199.72	400.60
B - Current		
Staff Advance	29.99	24.30
Interest accrued on fixed deposits	367.47	561.87
Interest accrued others	3.28	2.07
Receivable from related parties (Refer to note 'b' below)	9.06	7.10
Total (B)	409.80	595.34
Total (A+B)	609.52	995.94

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

b) For detailed related party disclosures, refer note no. 37.

Note 10 : Non-current tax asset

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Advance Income Tax [Net of provision for income tax of Rs. 19,398.95 Lacs (March 31, 2021 : Rs. 15,880.40 Lacs)]	617.38	448.86
	617.38	448.86

Note 11 : Other assets

(Unsecured and considered good, unless otherwise stated)

(Currency: Rs. in Lacs except otherwise specified)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Capital advances (refer note below)	273.16	289.17
Prepaid Expenses	14.46	12.51
Total (A)	287.62	301.68
Current		
Balance with Statutory Authorities	184.07	38.59
Advances to Suppliers	59.63	261.75
Prepaid Expenses	288.90	237.00
Other Receivable*	7.10	6.81
Total (B)	539.70	544.15
Total (A+B)	827.32	845.83

* Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	1,874.42	337.33
	1,874.42	337.33

Note 12: Inventories

(Valued at lower of cost or net realizable value)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	8,930.99	10,890.29
Raw Materials - In Transit	194.80	290.14
Work In Progress	3,646.75	2,399.21
Consumable Stores and Spares	368.66	277.15
	13,141.20	13,856.79

Note:

- The mode of valuation of inventories has been stated in note 3.10.
- Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 13 : Trade receivables

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Secured, Considered Good	-	-
Unsecured, Considered Good	27,604.91	32,432.56
Unsecured, Considered credit impaired	87.11	32.40
	<u>27,692.02</u>	<u>32,464.96</u>
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	87.11	32.40
	<u>27,604.91</u>	<u>32,432.56</u>

Trade receivables ageing

Particulars	Outstanding but not due	Less than 6 months	6 months - to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	26,074.89 (28,859.18)	630.28 (3,335.60)	907.85 (221.77)	(8.61) (16.12)	(1.72) 17.66	2.22 (17.55)	27,604.91 (32,432.56)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(iii) Undisputed Trade Receivables – credit impaired	- (-)	- (-)	31.34 (-)	32.62 (14.20)	22.61 (17.66)	0.54 (0.54)	87.11 (32.40)
(iv) Disputed Trade Receivables – considered good	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(v) Disputed Trade Receivables – which have significant increase in credit risk	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
(vi) Disputed Trade Receivables – credit impaired	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

- a) Figures in bracket represents figures for the year ended March 31, 2021.
- b) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
- c) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 14 : Cash and cash equivalents

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- on current accounts	1,759.94	2,426.97
- on EEFC accounts	0.55	372.49
- deposits with original maturity of less than 3 months	17,580.00	4,500.00
Cash on hand	0.13	0.84
	19,340.22	7,300.30

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 15 : Bank balances other than cash and cash equivalents

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
Unclaimed dividend account	31.04	28.58
Deposits with original maturity of more than 3 months but less than 12 months	10,239.72	3,120.16
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	10,145.00	15,853.83
	20,415.76	19,002.57

Note 16 : Asset held for sale

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Assets held for sale	100.66	18.00
	100.66	18.00

Note 17 : Equity Share Capital

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
250,000,000* (March 31, 2021: 50,000,000) equity shares of Rs. 2 each	5000.00	5000.00
Issued, subscribed and fully paid up		
29,731,630* (March 31, 2021: 29,731,630) equity shares of Rs. 2 each	594.63	594.63
	594.63	594.63

*Note: Number of Shares are given in absolute numbers

	As at March 31, 2022		As at March 31, 2021	
a) Reconciliation of share capital:	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	2,97,31,630	594.63	59,46,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2021	2,97,31,630	594.63	59,46,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	2,97,31,630	594.63	59,46,326	594.63

b) Terms/ rights attached to equity shares:

- (i) The Company has only one class of equity shares having a par value of Rs. 2 * per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. Dividend of Rs. 8.15/- per equity share was proposed by the Board of Directors during the year (March 31, 2021: Rs. 2.63/- per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* The board of directors of the company at its meeting held on March 30, 2021, has considered & approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each. The impact of the same is not considered in determining current year EPS.

- (ii) During the year, no interim dividend (March 31, 2021: Rs. Nil per share) has been recognized as distributions to equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
Name of Party	No. of shares	Holding %	No. of shares	Holding %
Ajay Relan	1,73,71,380	58.43%	34,74,276	58.43%
Mala Relan	26,04,130	8.76%	5,20,826	8.76%
Aashim Relan	15,22,200	5.12%	3,04,440	5.12%

d) Disclosure of shareholdings of Promoters as on March 31, 2022

Name of Party	No. of shares	Holding %	% Change during the year*
Ajay Relan	1,73,71,380	58.43%	-
	(34,74,276)	(58.43%)	(-)
Mala Relan	26,04,130	8.76%	-
	(5,20,826)	(8.76%)	(-)
Aashim Relan	15,22,200	5.12%	-
	(3,04,440)	(5.12%)	(-)
Indira Chowdhry	2,65,185	0.89%	-
	(53,037)	(0.89%)	(-)

- Figures in bracket represents figures for the year ended March 31, 2021.

* The board of directors of the company at its meeting held on March 30, 2021, has considered & approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each. Hence there were no % change during the year.

Note 18 : Other Equity

(Currency: Rs. in Lacs except otherwise specified)

	Amount
a) General Reserve	
Balance as at March 31, 2020	21,025.68
Movement during the year	-
Balance as at March 31, 2021	21,025.68
Movement during the year	-
Balance as at March 31, 2022	21,025.68
The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.	
b) Capital Reserve	
Balance as at March 31, 2020	0.20
Movement during the year	-
Balance as at March 31, 2021	0.20
Movement during the year	-
Balance as at March 31, 2022	0.20
c) Retained Earnings	
Balance as at March 31, 2020	14,836.75
Add:- Profit for the year	6,627.76
Balance as at March 31, 2021	21,464.51
Add:- Profit for the year	14,986.29
Less: Dividend Paid	781.94
Balance as at March 31, 2022	35,668.86
Notes:	
1. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.	
2. Capital Reserve : The company recognise profit & loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.	
3. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.	
Total Other Equity:	
As at March 31, 2021	42,490.39
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	21,464.51
As at March 31, 2022	56,694.74
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	35,668.86

Note 19 : Other Financial Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non Current		
Security deposit	22.79	27.79
Lease liabilities	1,184.55	1,128.17
Total (A)	1,207.34	1,155.96
B - Current		
Lease liabilities	61.10	62.04
Unclaimed dividends (refer note (a) below)	31.04	28.58
Creditors for capital goods-micro and small enterprises	38.11	28.09
Creditors for capital goods- Other than micro and small enterprises	602.82	863.65
Total (B)	733.07	982.36
Total (A+B)	1,940.41	2,138.32

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2022 (March 31, 2021 : Nil)

Note 20 : Provisions

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
A - Non- current		
Provision for employee benefits :		
Provision for compensated absences (refer note 36)	285.40	175.10
Others :		
Provision for warranty	495.21	345.11
Total (A)	780.61	520.21
B - Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 36)	155.14	255.61
Provision for gratuity (refer note 36)	85.76	210.16
Others :		
Provision for warranty	385.20	278.84
Total (B)	626.10	744.61
Total (A+B)	1,406.71	1,264.82
Disclosure for warranty claim payable	As at March 31, 2022	As at March 31, 2021
Provision for warranty claim		
Opening Balance	623.95	422.49
Add : Provision made during the year	535.30	413.76
Less : Paid/reversed during the year	278.84	212.30
Balance at the end of the year	880.41	623.95

Note 20.1 : Contingent Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
(a) Claims against the Company not acknowledged as debts		
i) Disputed State Tax Matters	665.38	129.83
ii) Disputed Service Tax Matters	16.96	16.96
iii) Disputed GST Matters	24.37	24.37
iv) Disputed Income Tax Matters	397.61	397.61
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	2,773.57	2,331.60
vii) Dispute with Vendor	6.96	6.96
viii) Others	6.86	12.11
(b) Letter of Credit		
i) Foreign	1,635.89	4,507.77
ii) Inland	2,504.30	4,121.16

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 21 : Trade payables

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro and small enterprises	384.77	1,023.12
- Outstanding dues of creditors other than micro and small enterprises	41,158.75	46,105.82
	41,543.52	47,128.94

Trade payables ageing

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	384.77	-	-	-	384.77
	(1,023.12)	(-)	(-)	(-)	(1,023.12)
(ii) Others	36,019.25	347.95	3,845.19	946.36	41,158.75
	(38,901.36)	(949.85)	(6,238.65)	(15.95)	(46,105.82)
(iii) Disputed dues MSME	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
(iv) Disputed dues - Others	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

- Figures in bracket represents figures for the year ended March 31, 2021.

a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 41.

b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2022 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006	As at March 31, 2022	As at March 31, 2021
- Principal amount due	349.72	988.85
- Interest accrued and due on above	35.05	34.27
	384.77	1,023.12
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	71.33	36.28
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

i. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 22 : Other Liabilities

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Current		
Advance from customers	967.94	1,395.95
Statutory dues	3,016.78	2,066.02
Others *	408.53	194.14
Total	4,393.25	3,656.11

* Other comprises of custom duty, earnest money received and staff payable etc.

Note 23 : Revenue from operations

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Product		
- Finished goods	2,18,122.33	1,68,779.31
- Traded goods	4,993.08	3,621.58
	<u>2,23,115.41</u>	<u>1,72,400.89</u>
Sale of services	228.69	519.33
Other Operating Revenues		
- Sale of scrap	2,187.22	733.38
Revenue from operations	225,531.32	173,653.60

Note 24 : Other Income

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
- Fixed deposits with banks	1,132.92	878.12
- Income tax refund	27.81	-
- Interest on tax free bond	159.63	116.15
- Others *	3.54	7.91
Net gain on disposal of property, plant and equipments	911.54	455.90
Fair value gain on current investments designated at FVTPL	-	37.94
Net profit on foreign exchange fluctuation	84.60	88.48
Miscellaneous income	633.57	560.53
	2,953.61	2,145.03

* Others comprises of interest received on deposits with electricity boards etc.

Note 25 : Cost of Raw Material Consumed

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Material		
Balance at the beginning of the year	10,890.29	8,604.20
Add:- Purchases during the year	1,75,176.23	1,41,591.44
Less:- Balances of raw material at the end of the year	8,930.99	10,890.29
Total cost of raw material consumption	1,77,135.53	1,39,305.35

Note 26 : Purchase of Stock in Trade

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of stock in trade	4,721.37	3,386.07
	4,721.37	3,386.07

Note 27 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	-	-
Work- in- progress	2,399.21	1,653.49
(A)	2,399.21	1,653.49
Inventories at the end of the year		
Finished goods	-	-
Work- in- progress	3,646.75	2,399.21
(B)	3,646.75	2,399.21
(Increase) / Decrease		
Finished goods	-	-
Work- in- progress	(1,247.54)	(745.72)
(Increase) / Decrease in Inventories (A-B)	(1,247.54)	(745.72)

Note 28 : Employee benefits expense

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages & other benefits	8,075.69	7,130.08
Contribution to provident and other funds	420.62	394.48
Gratuity (refer note 36)	172.58	148.00
Staff welfare expenses	567.75	489.49
	9,236.64	8,162.05
* Defined contribution plans		
Amount recognised in statement of profit & loss		
Employee state insurance	26.83	29.98
Provident fund	393.46	364.10
Welfare fund	0.33	0.40
	420.62	394.48

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Note 29 : Finance cost

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense	46.78	50.48
Interest on lease liabilities	100.72	92.22
	147.50	142.70

Note 30 : Depreciation and amortization expense

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	3,923.00	4,282.07
Amortization of intangible assets	45.94	49.76
Depreciation on right-of-use assets	96.15	66.63
	4,065.09	4,398.46

Note 31 : Other expenses

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumable tools	156.49	134.38
Power & fuel	861.41	737.33
Hire labour charges	4,437.69	3,475.12
Manufacturing expenses	428.83	412.07
Rent, rates & taxes	160.21	125.71
Repair & maintenance		
- Repair to building	99.09	34.90
- Repair to plant & equipments	499.06	295.86
- Repair others	168.44	173.40
Loss/(gain) on sale of current investments designated at FVTPL	34.03	-
Fair value loss/(gain) on current investments designated at FVTPL	7.43	-
Royalty fees	165.98	167.06
Research & development expenses (refer details 'c' below)	1,908.55	1,684.05
Travelling & conveyance	575.48	397.13
Insurance	158.62	123.37
Communication cost	58.45	58.48
Director's sitting fee & commission	17.80	15.40
Legal & professional expenses	448.66	326.19
Corporate Social Responsibility expenses (refer details 'b' below)	206.94	210.56
Warranty claim	535.30	413.76
Selling expenses	1.97	15.07
Packing material	328.69	326.33
Freight outward	687.14	497.07
Auditor's remuneration (refer details 'a' below)	19.35	19.35
Miscellaneous expenses	940.94	979.14
Total	12,906.55	10,621.73

(Currency: Rs. in Lacs except otherwise specified)

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
- Statutory audit fee	13.35	13.35
- Tax audit fee *	6.00	5.50
In Other Capacity:		
- Reimbursement of expenses	0.32	0.45
- Other services	0.15	0.05
	19.82	19.35

* Tax audit fee has been provided for auditors other than Statutory Auditor for current year as well as previous year.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): Rs. 206.94 Lacs (March 31, 2021: Rs. 210.56 Lacs)
- Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2022	For the year ended March 31, 2021
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	7.00	72.98
Amount transferred to unspent account *		199.94	137.58
Amount yet to be spent		-	-
Total		206.94	210.56

* The Company has created a provision for unspent amount of Rs. 199.94 Lacs in FY 2021-22 (March 31, 2021: Rs. 137.58 Lacs) and transferred the same in separate bank account as per notification no. G.S.R. 40(E) dated January 22, 2021 issued by the ministry of corporate affairs (MCA).

c) Research & Development Expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Research & development expenses include:		
- Purchases	167.47	39.16
- Salary, wages and other allowance	1,097.76	1,030.47
- Travelling expenses	37.26	21.60
- Design, development and other expenses	606.06	592.82
	1,908.55	1,684.05

Note 32: Income Tax

(Currency: Rs. in Lacs except otherwise specified)

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are as below:

Income tax recognised in profit or loss

	As at March 31, 2022	As at March 31, 2021
Current tax		
In respect of current year	5,672.00	3,050.00
Adjustments in respect of current income tax of previous year	(132.12)	
	5,539.88	3,050.00
Deferred tax		
In respect of current year	(169.58)	(381.04)
	(169.58)	(381.04)
Income tax expense recognised in the current year	5,370.30	2,668.96

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As at March 31, 2022	As at March 31, 2021
Profit before tax	21,519.79	10,527.99
Tax at the Indian tax rate of 25.168% (March 31, 2021: 25.168%)	5,416.10	2,649.68
Effect of expenses that are not deductible in determining taxable profit	66.85	65.84
Others	(112.65)	(46.56)
Tax expenses recognised in statement of profit or loss	5,370.30	2,668.96

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

Note 33 : Income tax recognised in other comprehensive income

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(21.79)	12.49
Total tax recognised in other comprehensive income	(21.79)	12.49

Note 34: Deferred tax balances

(Currency: Rs. in Lacs except otherwise specified)

The following is the analysis of deferred tax (assets) / liabilities presented in the consolidated balance sheet

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	348.56	348.96
Deferred tax liabilities/(reversal of deferred tax liabilities)	(170.94)	(22.76)
Net deferred tax liabilities/(assets)	(519.50)	(371.72)

	As at March 31, 2020	Recognised in Profit or loss	Recognised in OCI	As at March 31, 2021
Deferred tax assets				
Defined benefit obligation	166.06	(6.38)	12.49	172.17
Expenses deductible in future years	103.79	(5.82)	-	97.97
Others	35.83	42.99	-	78.82
Total deferred tax assets	305.68	30.79	12.49	348.96
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	3.48	6.06	-	9.54
Property, plant and equipment and intangible assets	493.05	(375.33)	-	117.72
Others	(169.04)	19.02	-	(150.02)
	327.49	(350.25)	-	(22.76)
Net deferred tax liabilities/(assets)	21.81	(381.04)	(12.49)	(371.72)

	As at March 31, 2021	Recognised in Profit or loss	Recognised in OCI	As at March 31, 2022
Deferred tax assets				
Defined benefit obligation	172.17	(16.24)	(21.79)	134.14
Expenses deductible in future years	97.97	(9.62)	-	88.33
Others	78.82	47.26	-	126.08
Total deferred tax assets	348.96	21.40	(21.79)	348.56
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	9.54	(5.43)	-	4.12
Property, plant and equipment and intangible assets	117.72	(172.98)	-	(55.26)
Others	(150.02)	30.23	-	119.79
	(22.76)	(148.18)	-	(170.94)
Net deferred tax liabilities/(assets)	(371.72)	(169.58)	21.79	(519.50)

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 35: Earnings per share (EPS)

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share (A)	14,921.51	6,664.90
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) (B)	297.32	297.32
Basic earnings per share (in Rs.) - (A/B)	50.19	22.42
Diluted earnings per share (in Rs.) - (A/B)	50.19	22.42

The board of directors of the company at its meeting held on March 30, 2021, has considered and approved April 19, 2021 as the record date for determining eligibility of members for the purpose of sub division of each equity shares of face value of Rs. 10/- each as 5 equity share of face value of Rs. 2/- each.

Note 36 : Gratuity and other post-employment benefit plans**(a) Defined contribution plans**

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

(Currency: Rs. in Lacs except otherwise specified)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund/ Pension Fund	393.46	364.10
Employer's Contribution to Employee State Insurance	26.83	29.97
Employer's Contribution to Employee Welfare Fund	0.33	0.40
Total	420.62	394.47

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

(b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built

up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 45 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

- (c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,481.51	430.71	1,300.50	354.21
Acquisition adjustment	-	-	-	-
Add: Interest cost	89.24	23.18	82.60	20.30
Add: Current service cost	162.08	61.45	142.28	82.73
Add: Past service cost	-	-	-	-
Less: Benefits paid	(93.50)	(71.47)	(97.42)	(22.78)
Add: Actuarial (gain) / loss	(29.65)	(3.33)	53.55	(3.75)
Present value of obligation as at the end of the year	1,609.68	440.54	1,481.51	430.71

(d) Components of expenses recognised in the statement of profit or loss in respect of:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Current service cost	162.08	61.45	142.28	82.73
Past service cost	-	-	-	-
Interest cost	10.42	23.18	19.33	20.30
Remeasurements	-	(3.33)	-	(3.75)
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Expenses recognised in profit/loss (Refer Note Below)	172.50	81.31	161.61	99.28

Note : Gratuity expense of Rs. 172.58 Lacs (March 31, 2021 : Rs. 160.53 Lacs) has been recognised in Statement of Profit & Loss and Rs. 5.67 Lacs (March 31, 2021 : Rs. 12.53 Lacs) in R&D expenditure.

(e) Components of expenses recognised in the other comprehensive income in respect of:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Actuarial (gains) / losses	-	-	-	-
- changes in demographic assumptions				
- changes in financial assumptions	(28.93)	-	14.33	-
- experience variance	(0.73)	-	39.22	-
Return on plan assets, excluding amount recognised in net interest expense	(56.92)	-	(3.92)	-
Component of defined benefit costs recognised in other comprehensive income	(86.58)	-	49.63	-

Note:

- The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	1,271.34	-	988.55	-
Acquisition adjustment	-	-	-	-
Add: Investment income	78.82	-	63.27	-
Add: Expected return on plan assets	56.92	-	3.92	-
Add: Employer's contribution	210.33	-	313.02	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(93.50)	-	(97.42)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	1,523.91	-	1,271.34	-

(g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

(Currency: Rs. in Lacs except otherwise specified)

		As at March 31, 2022		As at March 31, 2021	
		Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	6.58%	6.58%	6.20%	6.20%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	22.29	22.75	22.29	22.22
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

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

(h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation	1,609.68	440.54	1,481.51	430.71
Fair value of plan assets	1,523.91	-	1,271.34	-
Net (assets) / liability	85.77	440.54	210.17	430.71
Classification into long term and short term:				
- Classified as long term	-	285.40	-	175.09
- Classified as short term	85.77	155.14	210.17	255.62
Total	85.77	440.54	210.17	430.71

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(71.67)	(10.27)	(69.45)	(9.41)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	78.29	10.96	73.75	10.01
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	67.71	13.10	67.64	9.57
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(67.00)	(12.51)	(61.96)	(9.17)
C. Mortality rate				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

(j) **Maturity profile of defined benefit obligation is as follows:**

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022		As at March 31, 2021	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
1 year	253.88	160.17	253.88	176.85
2 to 5 years	879.49	129.80	794.84	185.18
More than 5 years	1,171.81	150.57	1,105.77	68.66

- (k) Enterprise best estimate of contribution during next year is Rs. 147.07 Lacs.
- (l) The change in assumption of withdrawal rate, retirement age and expected average remaining working lives of employees is not considered significant.
- (m) There is no change in the method used in the preparing the sensitive analysis from prior years.

Note 37 : List of related parties where control exists and related parties with whom transactions have taken place and relationships

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
a) Exhaust Technology Private Limited	Joint Venture Company
b) Uddipt Mobility India Private Limited	
a) Shri Kishan N Parikh (Chairman)	Key Managerial Personnel
b) Smt Sharda Relan (Co-Chairperson)	
c) Shri Ajay Relan (Managing Director)	
d) Shri Aashim Relan (Chief Executive Officer)	
e) Shri Ashok Kumar Bhattacharya (Director)	
f) Shri Satindar Kumar Lambah (Director)	
g) Shri Udayan Banerjee (Director)	
h) Shri Nitin Vishnoi (Executive Director & Company Secretary)	
i) Smt Sarita Dhuper (Director)	
j) Shri Srinivasan Narasimhan (CFO)	
k) Shri Vivek Bhatia (President & Group CFO) (up to 30/03/2021)	
a) Smt Mala Relan (spouse of Managing Director)	Relatives of Key Managerial Personnel
b) Smt Aashita Relan (Daughter of Managing Director)	
c) Smt Indira Chowdhry	
a) Sharda Enterprises	Entities where Directors/Close family members of Directors having control
b) Sharda Auto Solutions Private Limited	
c) A.N.I Hospitality LLP	
d) Sharda CSR Foundation Trust	
e) AMR AI Digital Private Limited	

(Rs. in Lacs)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
i.	Sale of goods during the Year					
	- Exhaust Technology Private Limited	1,811.01 (539.63)	- (-)	- (-)	- (-)	- (-)
ii.	Remuneration paid					
	- Ajay Relan	- (-)	- (-)	- (-)	588.32 (508.73)	- (-)
	- Sharda Relan	- (-)	- (-)	- (-)	0.72 (261.81)	- (-)
	- Aashim Relan	- (-)	- (-)	- (-)	144.60 (72.30)	- (-)
	- Nitin Vishnoi	- (-)	- (-)	- (-)	46.43 (39.17)	- (-)
iii.	Salary Paid					
	- Srinivasan Narasimhan	- (-)	- (-)	- (-)	78.22 (7.68)	- (-)
	- Mala Relan	- (-)	- (-)	- (-)	- (7.68)	15.36 (7.68)
	- Vivek Bhatia	- (-)	- (-)	- (-)	42.36 (157.17)	- (-)
iv.	Reimbursement of Expenses - paid / received					
	- Srinivasan Narasimhan	- (-)	- (-)	- (-)	8.62 (14.14)	- (-)
	- Vivek Bhatia	- (-)	- (-)	- (-)	15.04 (6.89)	- (-)
v.	Sitting Fee Paid					
	- Kishan N Parikh	- (-)	- (-)	- (-)	4.00 (2.95)	- (-)
	- Sharda Relan	- (-)	- (-)	- (-)	0.80 (-)	- (-)
	- Ashok Kumar Bhattacharya	- (-)	- (-)	- (-)	3.80 (3.20)	- (-)
	- Satinder Kumar Lambah	- (-)	- (-)	- (-)	3.60 (4.25)	- (-)
	- Udayan Banerjee	- (-)	- (-)	- (-)	4.40 (3.90)	- (-)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
	- Sarita Dhuper	-	-	-	1.20	-
		(-)	(-)	(-)	(1.10)	(-)
vi.	Sale of Fixed Assets					
	- Exhaust Technology Private Limited	-	-	-	-	-
		(913.10)	(-)	(-)	(-)	(-)
vii.	Purchase of goods during the year					
	- Exhaust Technology Private Limited	233.36	-	-	-	-
		(40.34)	(-)	(-)	(-)	(-)
viii.	CSR Expenditure paid					
	- Sharda CSR Foundation Trust	-	-	7.00	-	-
		(-)	(-)	(70.70)	(-)	(-)
ix.	Investment in Equity Shares					
	- Exhaust Technology Private Limited	1,000.00	-	-	-	-
		(1,250.00)	(-)	(-)	(-)	(-)
	- Uddipt Mobility India Private Limited	0.07	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
x.	Dividend Paid					
	- Ajay Relan	-	-	-	456.87	-
		(-)	(-)	(-)	(-)	(-)
	- Aashim Relan	-	-	-	40.04	-
		(-)	(-)	(-)	(-)	(-)
	- Mala Relan	-	-	-	-	68.49
		(-)	(-)	(-)	(-)	(-)
	- Aashita Relan	-	-	-	-	2.47
		(-)	(-)	(-)	(-)	(-)
	- Indira Chowdhry	-	-	-	-	6.97
		(-)	(-)	(-)	(-)	(-)
xi.	Balance payable as at March 31, 2022					
	- Ajay Relan	-	-	-	25.17	-
		(-)	(-)	(-)	(250.08)	(-)
	- Srinivasan Narasimhan	-	-	-	13.36	-
		(-)	(-)	(-)	(1.50)	(-)
	- Nitin Vishnoi	-	-	-	3.89	-
		(-)	(-)	(-)	(8.36)	(-)
	- Vivek Bhatia	-	-	-	-	-
		(-)	(-)	(-)	(15.91)	(-)

S. No.	Nature of Transactions	Joint Venture Company	Associate Company	Entities where Directors /Close family members of Directors having control	Key Management Personnel	Relative of Key Management Personnel
	- Sharda Relan	-	-	-	-	-
		(-)	(-)	(-)	(0.08)	(-)
	- Mala Relan	-	-	-	-	0.17
		(-)	(-)	(-)	(-)	(0.08)
	- Aashim Relan	-	-	-	0.17	-
		(-)	(-)	(-)	(0.08)	-
	- Exhaust Technology Private Limited	273.23	-	-	-	-
		(39.87)	(-)	(-)	(-)	(-)
xii.	Balance Receivable as at March 31, 2022					
	- Exhaust Technology Private Limited	276.67	-	-	-	-
		(1,005.99)	(-)	(-)	(-)	(-)
	- Uddipt Mobility India Private Limited	0.91	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

1) Figures in bracket represents figures for the year ended March 31, 2021.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 38 : Leases

Lease related disclosures

The Company has taken factory building and car on leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. 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.

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.

(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:

(Currency: Rs. in Lacs except otherwise specified)

Particulars	March 31, 2022	March 31, 2021
Short-term leases	-	16.06

- (b) Total cash outflow for leases for the year ended 31 March 2022 : Rs. 121.55 Lacs (March 31, 2021 : Rs. 77 Lacs)
- (c) The Company has total commitment for short-term leases as at 31 March 2022 : Rs. 146.87 Lacs (March 31, 2021 : Rs. 109.25 Lacs).

(d) Maturity of lease liabilities

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

(Currency: Rs. in Lacs except otherwise specified)

Particulars	As at March 31, 2022	As at March 31, 2021
Maturity analysis – contractual undiscounted cash flows		
Less than one year	146.87	109.25
One to five years	653.86	608.61
More than five years	1,743.71	1,718.58
Total undiscounted lease liabilities at year ended March 31, 2022	2,544.44	2,436.44
Lease liabilities included in the statement of financial position at year ended March 31, 2022	1,245.65	1,190.21
Current	61.10	62.04
Non-Current	1,184.55	1,128.17

(e) Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Factory Building in Sanand, Gujarat	1	22 years	23 years	1	0	1
Factory Building in Chakan, Maharashtra	1	8 years	9 years	1	0	1
Car Lease	3	3.5 years	3.5 years	0	3	3
Car Lease	2	4.5 years	4.5 years	0	2	2

Note 39: Financial and Derivative Instruments

(Currency: Rs. in Lacs except otherwise specified)

Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date	As at March 31, 2022		As at March 31, 2021	
Foreign Currency Exposure not hedged (Sell)	US\$ 18.62 Lacs	1,405.97	US\$ 30.83 Lacs	2,265.95
		1,405.97		2,265.95
Foreign Currency Exposure not hedged (Buy)	US\$ 45.96 Lacs	3,471.14	US\$ 70.26 Lacs	5,164.59
	EURO 0.07 Lacs	5.97	EURO 0.35 Lacs	30.06
	JPY 0.25 Lacs	0.16	JPY 26.75 Lacs	17.75
		3,477.27		5,212.40

Note 40 : Segment Information

- In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
- Major Customer: Revenue from 3 customers (March 31, 2021, 3 customers) of the Company's manufacturing & trading business are Rs. 176,418 Lacs (March 31, 2021 Rs. 140,352 Lacs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2022 and March 31, 2021.

Note 41 : Financial instruments - fair values and risk management**41.1 : Financial instruments by category and fair values**

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	3.85	-	-	3.85
Other financial assets						
- Security deposits	-	-	199.72	-	-	205.43
- Deposits with original maturity of more than 12 months	-	-	-	-	-	195.17
Current						
Investments in tax free bonds and mutual funds	5,645.72	-	-	1,713.99	-	-
Trade receivables	-	-	27,604.91	-	-	32,432.56

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Cash and cash equivalents	-	-	19,340.22	-	-	7,300.30
Bank balances other than above	-	-	20,415.76	-	-	19,002.57
- Staff advance	-	-	29.99	-	-	24.30
- Interest accrued on fixed deposits	-	-	367.47	-	-	561.87
- Interest accrued on others	-	-	3.28	-	-	2.07
- Receivable from related parties	-	-	9.06	-	-	7.10
Total	5,645.72	-	67,974.26	1,713.99	-	59,735.22
Financial liabilities						
Non-current						
Other financial liabilities						
- Security deposit	-	-	22.79	-	-	27.79
- Lease liabilities	-	-	1,184.55	-	-	1,128.17
Current						
Trade payables	-	-	41,543.52	-	-	47,128.94
Other financial liabilities						
- Lease liabilities	-	-	61.10	-	-	62.04
- Payable to related parties	-	-	-	-	-	-
- Unclaimed dividend	-	-	31.04	-	-	28.58
- Creditors for capital goods - Other than micro and small enterprises	-	-	602.82	-	-	863.65
Total	-	-	43,445.82	-	-	49,239.17

* Investment value excludes investment in associate of Rs. 49 Lacs (March 31, 2021 : Rs. 49 Lacs), investment in joint ventures of Rs. 4,750.07 Lacs (March 31, 2021 : Rs. 3,750 Lacs), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.14)

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in tax free bonds and mutual fund	5,645.72	1,713.99
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	5,645.72	1,713.99

41.2 : Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.
- ii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.
- iii) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.
- iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.
- v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

41.3 : Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

During the year, Company had paid Rs. 2.63/- per equity share as final dividend for the year ended March 31, 2021. In addition to the above dividend, subsequent to year end the Directors have recommended the payment of a final dividend of Rs. 8.15/- per equity share. The propose dividend is subject to the approval of share holders in the ensuring annual general meeting.

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

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

(Currency: Rs. in Lacs except otherwise specified)

	March 31, 2022	March 31, 2021
Total liabilities	49,283.89	54,188.19
Less: Cash and cash equivalents	19,340.22	7,300.30
Adjusted net debt	29,943.67	46,887.89
Total equity	57,289.37	43,085.02
Equity & net debt	87,233.04	89,972.91
Adjusted net debt to equity ratio	0.34	0.52

41.4 : Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

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

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

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

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

(a) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's

financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (Rs.). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

(Currency: Rs. in Lacs except otherwise specified)

Exposure to currency risk: (Amount in Lacs except otherwise specified)				
March 31, 2022	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	18.62	-	-	-
Foreign currency exposure not hedged (Buy)	19.57	0.003	0.25	-
Derivative contract outstanding	-	-	-	-
March 31, 2021	US\$	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	30.83	-	-	-
Foreign currency exposure not hedged (Buy)	70.26	0.35	26.75	-
Derivative contract outstanding	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of US\$ against INR (Rs.) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

(Currency: Rs. in Lacs except otherwise specified)

(Profit) / Loss		
March 31, 2022	Strengthening	Weakening
US\$ (5% movement)	(173.56)	173.56
EUR (5% movement)	(0.30)	0.30
JPY (5% movement)	(0.01)	0.01
March 31, 2021		
US\$ (5% movement)	(258.23)	258.23
EUR (5% movement)	(1.50)	1.50
JPY (5% movement)	(0.89)	0.89

US\$: US Dollar, EUR: Euro, JPY: Japan Yen and GBP: Great British Pound.

(b) Credit risk

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

i) Trade receivables

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

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

- Original equipment manufacturers (OEMs)

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

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

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

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2021	32.40	32,194.78	237.78	32,464.96
Trade Receivables as of March 31, 2022	87.11	26,705.17	899.74	27,692.02

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

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

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

(Currency: Rs. in Lacs except otherwise specified)

	As at March 31, 2022	As at March 31, 2021
Investments	7,761.09	4,057.27
Security deposits	199.72	205.43
Deposit with original maturity of more than 12 months	-	195.17
Interest accrued	367.47	561.87
Staff Advance	29.99	24.30
Interest accrued others	3.28	2.07
Receivable from related parties	9.06	7.10
Total	8,370.61	5,053.21

(c) Liquidity risk

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

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

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

As on March 31, 2022, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

(Currency: Rs. in Lacs except otherwise specified)

March 31, 2022			Contractual cash flow		
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	640.93	640.93	640.93	-	-
Trade payables	41,543.52	41,543.52	41,543.52	-	-
Unclaimed dividends	31.04	31.04	31.04	-	-
Security deposit	22.79	22.79	-	22.79	-
	42,238.28	42,238.28	42,215.49	22.79	-

March 31, 2021			Contractual cash flow		
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	891.74	891.74	891.74	-	-
Trade payables	47,128.94	47,128.94	47,128.94	-	-
Unclaimed dividends	28.58	28.58	28.58	-	-
Security deposit	27.79	27.79	-	27.79	-
	48,077.05	48,077.05	48,049.26	27.79	-

Note 42 : Investments in Associate & Joint Venture

(Currency: Rs. in Lacs except otherwise specified)

S. No.	Name of Company	Relationship	Ownership Interest*	Country of Residence
1	Relan Industrial Finance Limited	Associate	47.12% (47.12%)	India
2	Exhaust Technology Private Limited	Joint Venture	50.00% (50.00%)	India
3	Uddipt Mobility India Private Limited	Joint Venture	74.00% (-)	India

*Figures in bracket represents figures for the year ended March 31, 2021.

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Associate/Joint Venture.

(Currency: Rs. in Lacs except otherwise specified)

Particulars	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2022		As at March 31, 2021		FY 2021-22		FY 2020-21	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	96.20%	55,116.22	94.44%	40,687.80	108.19%	16,214.20	118.02%	7,821.89
Associates								
Relan Industrial Finance Limited	0.64%	364.04	0.89%	381.89	-0.12%	(17.85)	-0.54%	(35.82)

Particulars	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2022		As at March 31, 2021		FY 2021-22		FY 2020-21	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Joint Venture								
Exhaust Technology Private Limited	3.16%	1,809.64	4.68%	2,015.33	-8.07%	(1,210.06)	-17.48%	(1,158.31)
Uddipt Mobility India Private Limited	0.00%	(0.53)		-	0.00%	(0.07)		-
Total	100.00%	57,289.37	100.00%	43,085.02	100.00%	14,986.29	100.00%	6,627.76

Note 43 : Analytical ratios

(Currency: Rs. in Lacs except otherwise specified)

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2022	As at March 31, 2021		
1	Current ratio	Current Assets	Current Liabilities	Times	1.84	1.44	28%	Movement in current ratio is majorly due to increase in current assets (cash & cash equivalent) and reduction in current liabilities (trade payables).
2	Debt-equity ratio	Total Debt (represent lease liability)	Total Equity	Times	0.02	0.03	-21%	
3	Debt service coverage ratio	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	Times	0.00	0.00	-20%	
4	Return on equity ratio	Profit after Tax	Average Total Equity	Percentage	29.73%	19.76%	50%	Return on equity ratio has increase due to increase in profits.
5	Inventory turnover ratio	Revenue from operation	Average Inventory	Times	16.71	14.15	18%	

S. No.	Particulars	Numerator	Denominator	Times/ Percentage	Ratios		% Change	Remarks
					As at March 31, 2022	As at March 31, 2021		
6	Trade receivables turnover ratio	Revenue from operation	Average Trade Receivables	Times	7.51	7.87	-5%	
7	Trade payables turnover ratio	Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	Times	4.06	4.28	-5%	
8	Net capital turnover ratio	Revenue from operation	Working Capital (i.e. Current Assets - Current Liabilities)	Times	5.65	7.57	-25%	Movement in net capital turnover ratio is due to improvement in working capital, increase in current assets (cash & cash equivalent) and reduction in current liabilities (trade payables).
9	Net profit ratio	Profit after Tax	Revenue from Operation	Percentage	6.62%	3.84%	72%	Net profit ratio has increased due to increase in revenue from operation during the year.
10	Return on capital employed	Profit before Tax + Finance Cost	Capital employed = Tangible network + Total Debts (Including lease liability) + Deferred tax liability	Percentage	38.17%	24.98%	53%	Movement in return on capital employed is due to increase in earnings.
11	Return on investment	Interest (Finance Income)	Investment	Percentage	2.11%	3.84%	-45%	Reduction mainly on account of Fair value loss on current investments

Note 44 : Sanctioned Working Capital Limits

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(Currency: Rs. in Lacs except otherwise specified)

Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Inventories				
June 30, 2021	14,854.50	14,733.68	-120.82	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of Goods in Transit.
September 30, 2021	16,426.61	16,256.29	-170.32	
December 31, 2021	14,812.00	14,615.92	-196.08	
March 31, 2022	13,141.80	12,946.40	-195.40	
Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade receivables (Net of related party receivables)				
June 30, 2021	28,186.62	23,961.96	-4,224.66	Quarterly statements filed with the bank were on provisional numbers and the difference is mainly on account of transactions not reported such as bills discounting, etc.
September 30, 2021	28,616.13	27,063.46	-1,552.67	
December 31, 2021	31,538.67	30,529.19	-1,009.48	
March 31, 2022	27,692.02	28,997.82	1,305.80	
Quarter ended	Value per books of account	Value as per quarterly return/statement	Discrepancy	Discrepancy details
Trade Payables (Net of related party payables)				
June 30, 2021	35,122.29	35,122.29	-	
September 30, 2021	37,242.17	37,242.17	-	
December 31, 2021	39,298.18	39,298.18	-	
March 31, 2022	40,380.81	40,380.81	-	

Note 45 : The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on 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.

Note 46 : In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 47 : Other regulatory information

i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial Institutions on the basis of security of current assets.

iii) Wilful defaulter

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

iv) Relationship with struck off companies

The Company do not have any transaction with struck off companies.

v) Compliance with number of layers of companies

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

vi) Compliance with approved scheme(s) of arrangements

The Company has complied all approved scheme of arrangement which has an accounting impact on current or previous financial year

vii) 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 group (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 person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

xi) Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charge or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

xii) Loans or advances to specified persons

The Company has not provided any loans or advances to specified persons being promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the current or previous year.

Note 48 : Figures have been rounded off to the nearest Lacs upto two decimal place, except otherwise stated.

Note 49 : Figures of the previous year have been re-grouped, re-arranged wherever required.

As per our Report of even date attached

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number : 001393N

CA. Ankur Parika

Partner

Membership Number: 549410

UDIN: 22549410AJUHOY8450

For & on behalf of **Board of Directors of
Sharda Motor Industries Limited**

(Sharda Relan)

Co-Chairperson

DIN 00252181

(Ajay Relan)

Managing Director

DIN 00257584

(Aashim Relan)

Chief Executive

Officer

(Srinivasan Narasimhan)

Chief Financial Officer

M.No. 214036

(Nitin Vishnoi)

Executive Director &

Company Secretary

M.No. F3632

May 27, 2022

New Delhi





**SHARDA MOTOR
INDUSTRIES LIMITED**

(CIN: L74899DL1986PLC023202)

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