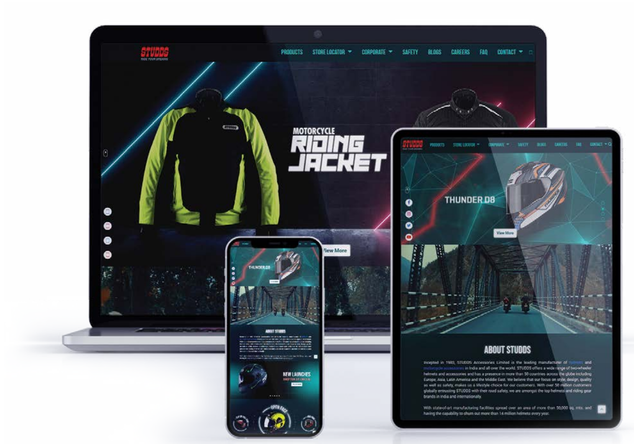
SMK HELMETS

STUDDS RIDE YOUR DREAMS

Safe. Innovative. Youthful.

Studds Accessories Limited
Annual Report 2020-21

Contents



To know more about the company, log on to
www.studds.com

Cautionary statement

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

OUR ASPIRATIONS ARE DEEPLY INTERTWINED WITH THAT OF A NEW GENERATION OF TWO-WHEELER RIDERS.

Exuding the passion and energy to deliver exceptional results, we are committed to combine excellence with quality – in every step of a rider's journey.

Keeping safety as a core concern, we continue to design innovative products that raise the benchmark higher with every passing year. While Studds is motivated to embrace opportunities and emerge as a true representation of today's youth, road safety concerns guide us to consistently improvise methods to produce an extensive array of safe and stylish products. Over the years, our ability to recognise customer demands have empowered us with the ability to keep a tab on market trends, sharpen our focus on improving business profitability and upgrade our manufacturing facilities to arm our technical teams with the expertise to create a distinct identity and sustain the legacy of a safe, innovative and youthful brand.

About **STUDDS** Accessories

As a reputed automobile accessories company, STUDDS continues to redefine the manufacturing of helmets and motorcycle luggage. Since our incorporation in 1983, we have come a long way and currently produce around 7 million helmets every year.

Our products are available in more than 45 countries around the world and our team of experts continuously takes inspiration from the brand's rich history for developing timeless, modern classics with an uncompromising blend of tradition and technology. These products are handcrafted at our Company's state-of-the-art manufacturing facilities, retaining the highest standards of quality and safety.

MISSION STATEMENT

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

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

6.41 Million

Helmets manufactured in 2020-21

45 countries

Export presence in more than

LARGEST*

Manufacturer of Helmets in the world

25.66%*

Market share in India

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

OUR BUSINESS SEGMENTS

- Helmets
- Motorcycle Accessories
- Face Shields, Face Masks
- Bicycle Helmets

Our **Global** Presence

ARGENTINA
AUSTRALIA
AUSTRIA
BANGLADESH
BELARUS
CANADA
CHILE
COSTA RICA
DENMARK
EL SALVADOR
FRANCE
GERMANY
GUATEMALA
ISRAEL
KUWAIT
MALAYSIA

MAURITIUS
MEXICO
NEPAL
NETHERLANDS
NIGERIA
PHILIPPINES
POLAND
PORTUGAL
QATAR
REPUBLIC OF KOREA
SENEGAL
SPAIN
ST KITTS
TAIWAN
TANZANIA

THAILAND
TURKEY
U.A.E.
UGANDA
UK
UNITED STATE
USA
VENEZUELA

ZAMBIA
BAHRAIN
CAMBODIA
MALDIVES
PAKISTAN
PANAMA
SRI LANKA
UKAIRINE

*Includes countries to which export was made in past.

Message from Chairman and Managing Director

Dear Shareholders,

I sincerely hope you and your family are staying safe and healthy. The last few months have been very tough, especially after the second wave of the pandemic that claimed many lives. Many of us and our loved ones have been affected by Coronavirus and we continue to undertake a cautious approach.

2020-21 has been a vacillating year for the world, as several countries battled the pandemic. While countries in Europe and the United States of America are gradually getting back to normalcy, many other parts of the world continue to be impacted by the pressures of the pandemic.

At STUDDS, our priority has been to ensure the safety and wellbeing of employees, business partners and stakeholders. We stood by our employees and their families during a difficult period. While business was affected due to the economic impact of the pandemic, we continued to remain focussed on our long-term objectives and safeguarded ourselves from near term threats. For the year ended March 31, 2021, our total revenue was INR 4842.10 million, EBITDA was INR 1151.07 million, and Profit After Tax was INR 739.96 million.

I am pleased with how quickly we were able to respond to the increased market demand in the second half of the fiscal and we managed to deliver all the orders received during the year. Even though the environment has been challenging.
We continued to invest in research and development and in FY21, we launched new products that were extremely well received by our customers.

Production and manufacturing

> **To keep employees engaged, motivated and ensure a continual learning curve, we curated targeted initiatives and learning platforms for employees to come together, collaborate, share and learn.**

operations at STUDDS were affected in FY20-21 due to the disruptions caused by the pandemic. From a shutdown in last year, we bounced back production levels. With utmost precaution, we reopened our manufacturing facilities, following SOPs for Covid-19 and gradually ramped up production capacity. While availability of parts and raw materials continued to be an issue throughout the year, our teams worked closely with partners and vendors to ensure sustained supply, and minimum disruption to operations.

Innovation was a key factor that helped us to tide through crisis and enabled us to cushion the impact on our operations. The focus was primarily on digital innovation, as consumers stayed at home and relied on technology and e-solutions for fulfilling various requirements. At STUDDS, we took this opportunity to expedite several new digital projects to swiftly respond to consumer needs.

Further, in FY21, most companies were forced to change the way they work. Remote work became the 'new normal'. Many STUDDS projects require on-site development and testing. But, logistics bottlenecks posed challenges and it could have drastically reduced the pace of our operations. However, that was not the case for STUDDS. All our employees have taken great responsibility to overcome the challenges associated with the pandemic. Additionally, to keep employees engaged, motivated and ensure a continual learning curve, we curated targeted initiatives and learning platforms for employees to come together, collaborate, share and learn.

LOOKING AHEAD

While we maintain a strategic focus on our long-term business plans and goals, we strongly believe in developing an overarching CSR vision with renewed commitments, targets and directions – that will be extended to our business partners as well. We strive to build trust among stakeholders and aspire to create a positive impact on our manufacturing units as well as the entire product value chain with our thrust on sustainable practices.

I am proud of the determination and courage demonstrated by our organisation and its ability to handle extensive fluctuations in the external environment. Not only have we overcome difficulties, we have launched new solutions for future growth. Despite changing circumstances, everyone at STUDDS has assumed considerable responsibility and helped to strengthen our position. We have continued to invest in our strategic initiatives during the year and with steady demand for our products, I look forward to a rewarding journey that will prepare us to accomplish long-term goals.

Regards,

Madhu Bhushan Khurana
Chairman and Managing Director

Our Approach to Value Creation

INPUTS

Financial Capital

₹ 2,898.91 million
Net Worth as on March 31, 2021

₹ 270 million
Term Loan from Bank

Manufacturing Capital

4
Number of Manufacturing facilities

Human Capital

2,722
Total no. of employees

1,778
On-roll

944
Off-roll

OUR PROCESSES

OUTPUT

- ₹ **739.96** PAT
- **15.26** % PAT margin
- ₹ **1151.07** EBITDA
- ₹ **37.61** EPS
- **29.22** % Return on net worth

OUTCOMES

- Deploy financial resources for sustainable economic growth
- Ensure business continuity, agility and resilience

- **64,18,136** Helmets produced
- **64,76,783** Two-wheeler Helmets sold
- **25.66** % Domestic market share in: Two-wheeler helmets*

- Maintain highest standards of quality while reducing environmental and social impact
- Focus on innovation, improved efficiency, enhanced productivity and increased safety and reliability of operations

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- **12.9** % Staff Attrition rate
- **5%** Gender diversity ratio (on-roll staff & workman)

- Fostering a happy and healthy working environment for our employees
- Nurturing employee ability and skills to achieve shared organisational goals

*Source: Frost & Sullivan report dated August, 2018

Financial Performance
Resiliently Defying Challenges

Revenue
(₹ in millions)

EBITDA
(₹ in millions)

PAT
(₹ in millions)

Net worth
(₹ in millions)

EPS
(₹)


SMK
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HELMETS
SMK

Success Pivoted on Innovation

At STUDDS, we are determined to stay true to our vision of providing safety to every two-wheeler rider. It inspires us to design and develop products that set new standards of excellence in the global arena. Our R&D efforts bolster the ability to combine style, convenience and safety, enabling us to innovate solutions that lend us a competitive advantage.

We are continuously ramping up our R&D capabilities, leveraging latest technology and our industry expertise to fulfil customer expectations. Studds has 4 state-of-the-art manufacturing facilities, equipped with world-class infrastructure and a team of trained experts that can transform novel ideas into realistic solutions that are designed to meet the demands of the future.

Identifying Opportunities

With growing safety concerns, governments around the world have mandated the use of helmets for riders. It has added impetus to a largely fragmented helmet market and continues to open newer opportunities in domestic as well as international markets.

Studds continues to retain its market leadership as a leading helmet and biking accessories manufacturer. Over the years, we have delivered products for biking enthusiasts as well as the regular rider, supplying a wide range of products for diverse user segments. We continue to leverage our innovative capacities and our expertise to experiment with new ideas and explore emerging opportunities in the market.

Our consistent efforts to identify market requirements have enabled us to grow our footprint in India and abroad, improving brand loyalty and customer satisfaction.

New Launches – FY2020-21

Building an Engaged Team

At STUDDS, we believe our people are the cornerstone of our success. We, therefore, strive to create a safe, inclusive and fair working environment that offers ample opportunities for professional as well as personal growth.

We realise the invaluable role of our people in the growth and development of the company. At Studds, we emphasise the importance of skill development and training, creating multiple opportunities for our workforce to excel and succeed. We also endeavour to develop a committed and engaged workforce that is dedicated to fulfil organisational objectives. It motivates us to indulge in activities that foster employee welfare and well-being.

2,722

(on roll employee: 1,778 and off roll employee: 944) Total number of employees

377

Hours of training imparted in FY 2020-21

Corporate Information

DIRECTORS

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

Mr. Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Mr. Shanker Dev Choudhry
Independent Director
DIN: 07094705

Ms. Pallavi Saluja
Independent Director
DIN: 07006557

Mr. Pankaj Duhan
Independent Director
DIN: 08093989

CHIEF FINANCIAL OFFICER

Mr. Manish Mehta

COMPANY SECRETARY

Hitesh Wadhera

BANKERS

HDFC Bank

AUDITORS

M/s Rajan Chhabra & Co.

Management Discussion and Analysis

GLOBAL ECONOMY OVERVIEW

As the COVID-19 pandemic wears on, its impact is obviously felt in every region, every industry, and indeed every aspect of life. In addition to substantially changing the economic landscape of India and the rest of the world, the Pandemic which has been ravaging for the past year could seriously disrupt the Global Economy. In 2020, the global economic output shrank by 3.2%[1], which has adversely affected global economic activity and will bring about long-term socioeconomic consequences. Due to the severe lockdown measures that were implemented during the outbreak, developed economies have suffered output decline of 5.6%[2]. As compared to developing countries and least developed countries (LDCs), the impact was relatively milder, with output declining by 2.5 percent and 1.3 percent, respectively, in 2020[2].

Economic interventions have been made both fiscally and monetarily in response to the crisis. As a strategy for increasing liquidity and maintaining financial stability, many central banks introduced additional monetary and prudential measures. To support economic activity in the Emerging Markets and Developing Economies (EMDEs), central banks plan to purchase assets including government bonds to counteract financial market pressures caused by a pandemic. In the aftermath of the viral pandemic, education, sectoral reallocation, federal investment, and better governance will alleviate the traumatizing effects and lay the foundation for advanced long-term growth. In addition to promoting climate change alleviation, green infrastructure can contribute toward sustainable growth. The measures we have put in place should help to boost economic growth in the world going forward.

Europe

The pandemic caused a serious threat to public health and economy, in the euro area. Since COVID-19 infections have surged again and containment measures have been prolonged, the economic activity in the Euro area has been largely disrupted. The economy continues to develop unevenly across sectors. In contrast to the first wave of pandemic in early 2020, manufacturing activities have not been severely affected but service sector activities have been substantially curtailed.

Despite the strengthening pandemic, short-term economic prospects are likely to be dimmer than expected due to the contraction in Q4-2020. The euro zone's GDP growth in Q3-2020 declined by 4.3%, compared with its sharp drop of 14.7% in Q2-2020 . Economic conditions remain well below what they were prior to the pandemic.

The European Central Bank, in its latest report released in June 2021, has estimated decline of 6.8% in the euro area in 2020. Furthermore, the organisation has projected GDP growth for the region to rise by 4.6% in 2021. During the same period, inflation is expected to increase by 160 basis points to nearly 1.9, partly due to the upward pressures from commodity prices.

Latin America

The COVID-19 pandemic has been hardest on Latin America. Due to the health crisis, growth in the economy was sharply reduced, which had an enormous impact on social and economic indicators. In late 2019 there were major social unrests in several Latin American countries as well.

Economies in the Latin American region could have long-term negative effects from the crisis. In addition, low learning and employment levels will reduce future earnings, while high debt levels will depress economic growth. While the pandemic has had a major impact on Latin America and the Caribbean, the outlook for the region is showing positive signs.

During the current year, the Economic Commission for Latin America and the Caribbean (ECLAC) expects growth in the region to grow by 5.2% on average, which is an improvement over the severe contraction of 6.8% registered in 2020 due to the COVID-19 pandemic[4]. According to the UN organization, the new special report indicates that this expansion won't succeed in ensuring sustained growth due to the more acute social impacts and structural problems in the region during the recovery.

Asia

Asia, like elsewhere, has seen the virus ebb in some countries but surge in others. Despite nationwide lockdowns being lifted and replaced by more targeted containment measures, the global economy is beginning to recover after contracting sharply in the second quarter of 2020. It is predicted that the global economy will grow by 6.0 percent in 2021 and 4.9 percent in 2022[1].

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[1] IMF World Economic Outlook 2021, July 2021

[2] IMF World Economic Outlook 2021

[3] Report by Care Ratings - ECB Monetary Policy - January 2021

[4] https://www.cepal.org/en/pressreleases/growth-latin-america-and-caribbean-2021-will-not-manage-reverse-adverse-effects

In the first half of 2020, the COVID-19 pandemic plunged the world into a severe recession. In the service sector, which relies on person-to-person contact, activity was severely affected. Global trade plummeted as well, and manufacturing declined significantly. There are also tentative signs of recovery in Asia and the Pacific region, but they are happening at varying rates. Due to a sharper-than-expected downturn in key emerging markets, economic activity is expected to contract by 0.9% in 2020, to grow by 7.5% in 2021, and by 6.4% in 2022[1].

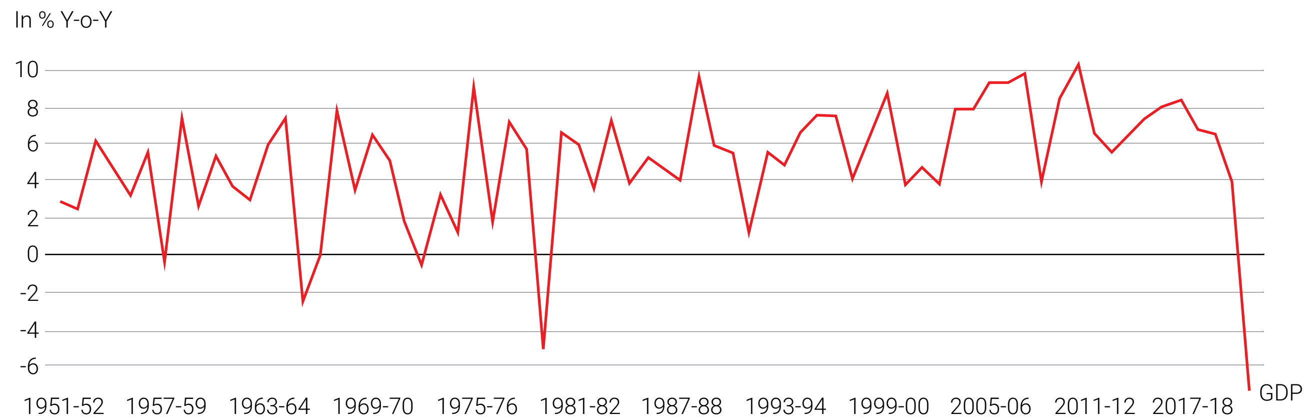
There is a potential for mobility and activity to return to normal faster in parts of Asia where viral transmission rates are low. The labour market has suffered a decline, and output and employment are expected to remain below pre-pandemic levels over the medium term, with those most vulnerable likely to be hurt most.

INDIAN ECONOMY OVERVIEW

Gross domestic product (GDP) although increased by 1.6% in March, but decreased by 7.3% during financial year[5]. This improvement can be attributed to calibrated and steady opening of the economy. After being ravaged by the novel coronavirus pandemic since March 2020, the GDP has shown growth for the second consecutive quarter. In October-December quarter, the Indian economy grew by 0.4%, recovering from a steep recession brought on by a pandemic earlier in the year[6].

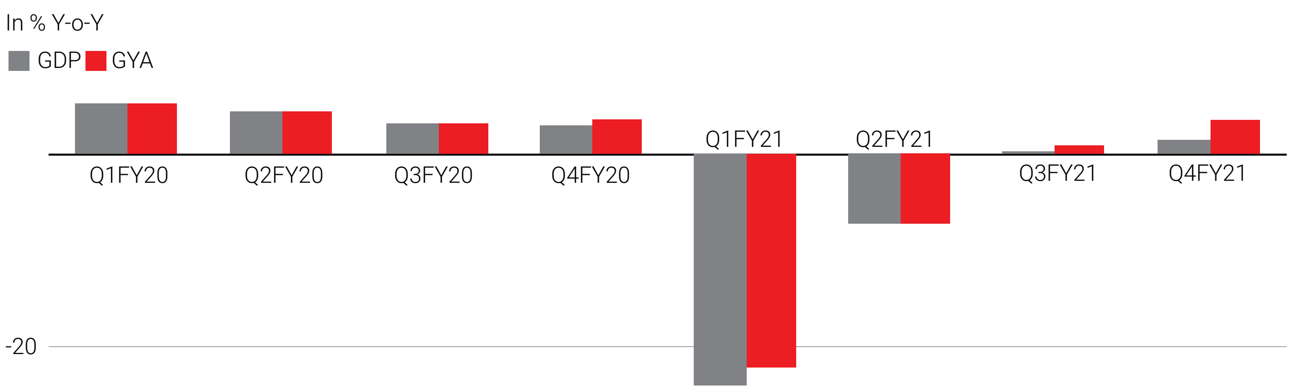
In Q4FY21, GDP increased by 1.6% as a result of the removal of the COVID-19 shock (of the first wave). It is a positive that a stringent nationwide lockdown was not imposed during the second wave of infections. An improvement in the GDP amidst lockdown should boost sentiments. As a result of the forecast, the GDP for the future is expected to improve over the previous quarters. The government spending, reform measures, and progressive unlocking are responsible for the growth rate to return to positive territory, which is consistent with most estimates. The improvement in the last two quarters is a bright sign of efforts by the government to improve infrastructure, while the construction segment has seen phenomenal improvements. A significant impact will be made by the steps taken to accelerate the vaccination drive on easing the lockdown and the economy. During Q4 FY21, GVA (Gross value Added) grew by 3.7% over the same period last year. Global economic growth for FY21 was 6.2% lower than last year[6].

Figure 1: India FY21 GDP Contracted by 7.3%



Source: MOSPI

Figure 2: India Q4 GDP Growth; GVA Growth



Source: MOSPI

[5] Ministry of Statistics & Programme Implementation (MOSPI)

[6] https://www.bloombergquint.com/business/india-q4fy21-gdp-gva-grew-by-37-gdp-by-16

The Covid-19 outbreak appeared to have temporarily dampened GDP growth. The severity of the second COVID-19 wave could limit India's GDP growth to 9.5% by 2022[1]. The second wave effects has been more noticeable to the consumer and to the mobility of individuals than to the economy. Vaccination would be the primary driver of the second wave of consumer spending, so the rebound would be more gradual than wave 1.

TWO-WHEELER INDUSTRY OVERVIEW

The two-wheeler market in India shrank significantly in 2020 due to the COVID-19 pandemic, resulting in several state and national-level lockdowns across the nation. Two wheelers are favoured for their ability to navigate congested roads, lower environmental emissions, better fuel economy, and affordability in comparison to three and four wheeled vehicles. The increasing urbanization, improving roads, and the increasing number of women consumers are also driving the demand for two-wheelers in India.

The two-wheeler segment has clocked positive growth for the eighth consecutive month, but the current growth rate of 72.7% can be attributed to the lockdown during the last week of March 2020. Scooters, motor cycles, and mopeds all posted increases in sales during the current month compared to the same period a year ago, with gains of 74.0%, 74.1%, and 36.2% respectively[9], but the rising price of petrol in the country and growing number of people working from home, may act as a constrain on the market's growth, especially in price-sensitive categories.

The growth of two-wheeler volume in FY22 will be moderated by a second wave of pandemic deeper and wider into the hinterland, temporary closures of dealerships, and an increase in channel inventories as compared to an earlier estimate of 18-20% growth[7].

In spite of the normal monsoon forecasts for the impending season, rural income levels and offtake are expected to be compromised due to the high incidence of Covid-19 infections during the first half of fiscal 2022. Additionally, the channel inventories for the industry were higher in April 2021 than in April 2020 as BS VI transition led to a 40-45 day channel inventory compared to 20-25 days in April 2020[10]. This means that channel filling will not be possible in FY22 due to the impact of the COVID wave abating in the second quarter of the year, resulting in lower growth.

Table 1: Two Wheelers vehicle sales in the month of March 2021

Vehicle Segment	March		
	2019-20	**2020-21**	**Growth %ge**
Scooters/Scooterette	263,070	457,677	74.0
Motor Cycles	570,858	993,996	74.1
Mopeds	32,808	44,688	36.2
Electric Two Wheelers	109	445	308.3
Total 2 Wheelers	**866,845**	**1,496,806**	**72.7**

Source: Industry POL and NG Consumption Report

HELMET INDUSTRY OVERVIEW

India is the largest market for 2-wheelers (e.g. scooterettes, mopeds, and motorcycles) as well as home to one of the world's most competitive manufacturers of 2-wheeler helmets with 35 million units produced each year. Despite disrupting the Indian economy badly, Covid-19 has also provided an opportunity for innovation. Manufacturers shut down their manufacturing plants for only a few days before starting to produce face shields, goggles, and masks.

The new norm of social distancing will definitely lead to people going back to their personal modes of transportation instead of using public transportation. Due to the fact that two wheelers are the most convenient form of transportation in India, this will lead to a rise in sales for them. In addition, used two wheelers will have a huge market in the country as well. The demand for helmets will certainly increase as a result.

In India, the market for two-wheeler helmet is expected to grow around 25% by 2022[8]. As consumers become more aware of safety, coupled with advanced safety features being introduced in two-wheeler helmets, the market for two-wheeler helmets is expected to grow significantly. Moreover, rising per capita income coupled with the rise in sales of luxury or premium two-wheeler vehicles is further expected to stimulate helmet sales by 2022.

Along with the introduction of some stringent government policies, the market is also expected to see a rise in demand. As per government data, about 3% of GDP is spent on road accidents, with the number of deaths in cases of road accidents equal to those of the current pandemic. By updating themselves regularly and enforcing new laws, the government works toward increasing rider safety. According to the Motor Vehicle Act, it is mandatory for all two-wheeler riders to wear helmets. Furthermore, the government has adopted a policy that prohibits the production, sale, and use of helmets that lack an ISI certification. The policy became effective on June 1, 2021. This will be a major step for improving the safety of riders of two-wheelers. The government has taken a number of steps aimed at ensuring the safety of riders, which is a positive development. The helmet industry will benefit from all these factors.

[7] https://www.crisil.com/en/home/newsroom/press-releases/2021/07/second-wave-impact-on-hinterland-to-restrict-two-wheelers-volume-growth-at-10-12-percent.html

[8] https://www.researchandmarkets.com/reports/4447132/india-two-wheeler-helmet-market-by-product-type

COMPANY OVERVIEW

The company began its operations in 1973. It is remarkable from where the company has come from, manufacturing 7 million helmets each year from a garage. It has continually innovated in the past five decades so that we remain focused on delivering safety to a two-wheeler rider. As a result, the company is the world's largest helmet manufacturer of helmets. During the entire existence, company have always adhered to a mantra of innovation without ceasing, and guaranteeing nothing but the best. This philosophy is reflected in wide variety of helmets and motorcycle accessories.

People are inspired by their dreams and are motivated to achieve their goals. In pursuit of this passion for fulfilling dreams of every individual, the company strive to deliver quality and innovation at all times. Dreams are what establish the good from the bad and STUDDS believe they are part of the journey to fulfill dreams of individuals. The company continue to ride on this trust, helping millions of people live safer, more comfortable, more stylish lives with our safe, innovative and comfortable products.

Human Resources

Human resources is a key pillar to the success of manufacturing industries to ensure maintaining a dedicated pool of skilled workforce. The advantage lies in building capabilities to overcome the challenges threatening the industry due to the interaction of macroeconomic variables and microeconomic issues. HR helps to ensure that staff are retained and create value and performance based reward systems. Another important role for HR in manufacturing businesses is to create better recruitment processes, on-boarding training, which help to eliminate the skill shortage gap. As of March 31, 2021, the Company had 1778 employees and 944 off-roll employees. During the period under review, 377 hours of training was imparted to staff and associates of the Company.

Operational Highlight

The company is one of the largest manufacturers of two-wheeler helmets and motorcycle accessories in the world. The company has over 40 years of experience in creating innovative products to ensure safety for two-wheeler riders. It offers a wide range of two-wheeler helmets and accessories and possesses state of the art manufacturing facilities, equipped to deliver over 13 million helmets per year. The four manufacturing facilities are located in Faridabad which is strategically situated in the vicinity of the market. The company also has a strong global presence across Europe, Asia, Latin America and the Middle East, spanning over 40 countries. The company's continuous emphasis on safety along with style, design and quality has etched its mark on customer's mind. During the year under review, the company manufactured 6418136 helmets while clocking sales of 6476783 units.

Financial Highlight

(Figures in Rs. millions)	FY 2020-21	FY 2019-20	YoY Change (in %)
Revenue from Operation	4842.10	4202.30	15.22%
EBITDA	1151.07	1036.20	11.09%
PBT	982.98	954.22	3%
PAT	739.96	745.38	(-) 0.73%
Net worth	2898.91	2160.26	34.19%

Key Ratios

Ratios	FY 2020-21	FY 2019-20
Interest Coverage Ratio (in times)	27.73	18.46
Current Ratio (in times)	1.41	1.22
Debt Equity Ratio (in %)	49.86%	61.03%
EBITDA Margin (in %)	23.77%	24.66%
PAT Margin (in %)	15.26%	17.75%
Return on Net Worth (in %)	29.25%	38.86%

MANAGEMENT OUTLOOK

The company wants to be the best helmet manufacturer in the world, ensuring that every two-wheeler rider is safe. A rider who is not only travelling but also carrying hopes, dreams that are connected to the person, family, community and nation. We believe dreams inspire people and bring the best out of every individual. This passion to realise each person's goals drives us to work diligently and consistently deliver on quality and innovation. We at STUDDS think that dreams separate the good from the great, and that is our modest contribution to the individual's quest to realise his dreams. Every year, we touch millions of people, and we continue to build on that trust by combining our passion for creating safe, creative, comfortable and high-quality products.

RISK MANAGEMENT

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

Directors' Report

To
Members
Studds Accessories Limited

Your directors have pleasure in presenting the 39th Directors' Report, together with the Audited Financial Statements, for the financial year ended March 31, 2021.

1. FINANCIAL PERFORMANCE

The standalone and consolidated financial statements for the financial year ended March 31, 2021, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The Company's financial performance during the financial year 2020-21 as compared to the previous financial year 2019-20 is summarized below:

(Rupees in millions)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	4796.15	4145.20	4796.15	4145.20
Other Income	45.95	57.10	45.95	57.10
Total Income	4842.10	4202.30	4842.10	4202.30
Profit before Finance Cost, Depreciation and Amortization Expenses	1151.07	1036.20	1151.05	1036.44
Finance Cost	34.64	9.14	34.64	9.14
Profit before Depreciation	1116.43	1027.06	1116.41	1027.30
Depreciation	133.45	72.84	133.45	72.84
Profit Before Tax	982.98	954.22	982.96	954.46
Tax Expenses				
Current Tax	227.01	243.39	227.01	243.46
Deferred Tax	37.53	(33.53)	37.53	(33.53)
Tax Related to earlier periods	(21.52)	(1.02)	(21.52)	(1.02)
Profit after tax	739.96	745.38	739.94	745.56
Transfer to General Reserve and Surplus	-	-	-	-
Face Value per Equity Share (in Rs.)	5/-	5/-	5/-	5/-
Earnings Per Share				
Basic EPS	37.61	37.88	37.61	37.89
Diluted EPS	37.61	37.88	37.61	37.89

2. COMPANY'S PERFORMANCE

The COVID-19 pandemic induced crises has caused enormous economic and social challenge across the world, despite these challenging circumstances your company has performing well during the current financial year as compared to previous financial year and this was achieved due to continuous effort of the Board to secure sustainable growth of the Company.

3. DIVIDEND

The Board recommends a dividend of Rs. 4/- per equity share of Rs. 5/- each for the year ended 31st March, 2021 amounting to Rs. 78.70 million. No amount was carried to General Reserve

4. RESERVES

During the financial year 2020-21, NIL amount has been transferred to General Reserve.

5. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have taken place during the financial year 2020-21 of the Company to which Balance Sheet and Board Report relate, which affects the financial position of the Company except elsewhere mentioned in this report.

6. CHANGE IN THE NATURE OF BUSINESS

During the financial year 2020-21, there is no change in the Nature of Business of the Company.

7. CREDIT RATINGS

CRISIL on December 07, 2020 granted financial credit rating of A/Positive (long term) and A1 (short term) on bank loan facilities.

8. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the during the financial year 2020- 21.

9. SHARE CAPITAL

During the financial year 2020-21, there is no change in the Share Capital of the Company.

10. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2021, the Company has one wholly owned subsidiary company SMK EUROPE UNIPESSOAL LDA which was incorporated on July 30, 2019.

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

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

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

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2021, the Board comprised two Executive Directors and three non-executive Independent Directors including one Woman Independent Director, during the period under review there is no change in composition of Board of Directors.

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

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"). In terms of section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2020.

In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the company's articles of association, Mr. Madhu Bhushan Khurana (DIN : 00172770), retires by rotation at the forthcoming Annual General Meeting (AGM) and is offering himself for re-appointment.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved revision of the remuneration of Mr. Madhu Bhushan Khurana, Chairman & Managing Director and Mr. Sidhartha Bhushan Khurana, Managing Director, of the Company subject to the approval of the members of the Company by passing special resolution in the forthcoming AGM. The relevant information and disclosures as per Section II(B) of Part II of Schedule V of the Companies Act, 2013 are mentioned in the notice of AGM under head explanatory statement under section 102(1) of the Companies Act, 2013 for item no. 4 and item no. 5 respectively.

Mr. Hitesh Wadhera has been appointed as a Company Secretary of the Company w.e.f August 25, 2021 in the Board Meeting of the Company held on August 25, 2021 in place of Mr. Saurav Kumar, Company Secretary who has resigned w.e.f March 8, 2021.

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

The Directors of the Company as on March 31, 2021:-

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

The other Key Managerial Personnel of the Company as on March 31, 2021:-

Sl. No	Name of the Director	Designation
1	Mr. Manish Mehta	Chief Financial Officer

13. INDEPENDENT DIRECTORS MEETING

During the year under review, a separate meeting of the Independent Directors of the Company was held on December 12, 2020, without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board in terms of Schedule IV of the Companies Act, 2013. All the Independent Directors of the Company were present in the meeting.

The Board reviewed the performance evaluation of independent directors, excluding the independent director being evaluated.

14. MEETING OF BOARD OF DIRECTORS

The Board met five (5) times during the financial year ended March 31, 2021 i.e. on July 11, 2020, August 08, 2020, August 31, 2020, December 12, 2020, and March 06, 2021.

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

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

15. DIRECTORS RESPONSIBILITY STATEMENT

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

1. in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;

2. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

3. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for prevention and detecting of fraud and other irregularities;

4. the annual accounts have been prepared on a going concern basis;

5. internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively; and

6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

16. COMMITTEES OF THE BOARD

Currently, the Board has following Committees:

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholder's Relationship Committee

(d) Corporate Social Responsibility Committee

(a) AUDIT COMMITTEE

Pursuant to the provision of Section 177 of the Companies Act, 2013, the Company has constituted an Audit Committee and that the composition of the Audit Committee as on March 31, 2021 is as under:

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

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

The Audit Committee met Four (4) times during the financial year 2020-21 viz. on July 11, 2020, August 31, 2020, December 12, 2020 and March 06, 2021.

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

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

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

(b) NOMINATION AND REMUNERATION COMMITTEE

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

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

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

The Nomination and Remuneration Committee met one (1) times during the financial year 2020-21 viz. on August 31, 2020. The Details regarding Attendance of members of the Committee are as follows:

Name	Director Identification Number	Designation	No of Nomination and Remuneration Committee Meetings Attended
Ms. Pallavi Saluja	07006557	Chairperson (Independent Director Non- Executive)	0
Mr. Shanker Dev Choudhry	07094705	Member (Independent Director Non Executive)	1
Mr. Pankaj Duhan	08093989	Member (Independent Director Non- Executive)	1
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)	1

(c) STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

The members of the Stakeholder's Relationship Committee are:

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

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

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The members of the Corporate Social Responsibility Committee are:

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

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

The Corporate Social Responsibility Committee met two (2) times during the financial year 2020-21 viz. on August 31, 2020 and March 30, 2021. The Details regarding Attendance of members of the Committee are as follows:

Name	Director Identification Number	Designation	No of Corporate Social Responsibility Committee Meetings Attended
Mr. Madhu Bhushan Khurana	00172770	Chairperson (Chairman and Managing Director)	2
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	2
Ms. Pallavi Saluja	07006557	Member (Independent Director Non- Executive)	0

17. AUDITORS

a) STATUTORY AUDITORS

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

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

Vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General has been done away with. Accordingly, no such item has been considered in notice of the 39th Annual General Meeting.

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

b) SECRETARIAL AUDITORS

M/s Manish K and Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for Financial Year 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for Financial Year 2020-21 is attached as Annexure -2 to this Report. The report of Secretarial Auditor is self-explanatory and therefore do not require further explanation or comments.

c) INTERNAL AUDITORS

Pursuant to section 138 of Companies Act, 2013, the Company had appointed Deloitte Haskins & Sells LLP as Internal Auditor for the Financial Year 2020-21.

18. DISCLOSURE ON INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

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

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

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

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

19. RELATED PARTY TRANSACTIONS

During the Financial Year 2020-21, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business.

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

20. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 and Rules made there under, the CSR policy formulated by the Company is available at the Website of the Company at https://www.studds.com/investor-relations and brief of the same is disclosed in Board Report.

The Annual Report on the CSR Activities undertaken by the Company during the financial year is enclosed as an Annexure-4 to this report.

21. LISTING OF SHARES

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

22. RISK MANAGEMENT POLICY

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

23. DISCLOSURES

(a) EXTRACT OF ANNUAL RETURN

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

(b) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

(c) NOMINATION AND REMUNERATION POLICY

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

(d) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

(e) COST RECORDS

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

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

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

The Board of Directors of the Company further state that the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Employees of the company at all work places are covered under the ICC constituted for respective workplace by the management having administrative control. No complaints pertaining to sexual harassment were received/pending during financial year.

(g) COMPLIANCE OF SECRETARIAL STANDARDS

You directors are also confirming that the Company is regularly complying with the applicable provisions of the Secretarial Standard –I & II issued by the Institute of Company Secretaries of India.

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

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. Members/ Shareholders are advised to visit the web-link https://www. studds.com/investor-relations to ascertain details of dividend/ shares liable for transfer to the IEPF Authority.

(i) DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING

SPECIFIED LIMITS

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

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

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

ACKNOWLEDGEMENT

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Annexure to Director's Report

ANNEXURE 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2021.

PART "A": SUBSIDIARY

1	Name of the Subsidiary	SMK EUROPE UNIPESSOAL LDA
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary.	EURO (Exchange rate Rs 85.84 as on March 31, 2021)
4	Share Capital	3,00,000 (EURO)
5	Reserve and Surplus	1,695.92 (EURO)
6	Total Assets (including investments)	301,695.92 (EURO)
7	Total Liabilities (other than equity)	NIL
8	Investments	NIL
9	Turnover (excluding other income)	NIL
10	Profit/(Loss) before taxation	(203.08) (EURO)
11	Provision for taxation	NIL
12	Profit after taxation	(203.08) (EURO)
13	Proposed Dividend	NIL
14	% of Shareholding	100%

PART "B": ASSOCIATES AND JOINT VENTURES

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

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

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Annexure to Director's Report

ANNEXURE 2

Secretarial Audit Report

FORM NO. MR - 3

For the Financial Year ended on 31st March, 2021

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

To,
The Members,
Studds Accessories Ltd,
23/7 Mathura Road Ballabgarh
Faridabad 121004, Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Studds Accessories Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 and made available to me, according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings (no event took place during the relevant financial year);

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

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

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

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

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

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

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

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

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For Manish K & Associates
Company Secretaries
Firm Registration number P2016DE087200

CS Vinita Rani
Partner
ACS: 38662/ C.P.No: 14678
UDIN: A038662C000820542

Place: New Delhi
Date: 25th August 2021

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

ANNEXURE A

To,
The Members,
Studds Accessories Ltd,

My report is to be read along with this letter.

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

For Manish K & Associates
Company Secretaries
Firm Registration number P2016DE087200

CS Vinita Rani
Partner
ACS: 38662/ C.P.No: 14678
UDIN: A038662C000820542

Place: New Delhi
Date: 25th August 2021

Annexure to Director's Report

ANNEXURE 3

Form AOC-2

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

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

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

S. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship.	Bikerz Inc (formerly known as STUDDS CANADA INC), relative of Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana, is having control over Bikerz Inc.
(b)	Nature of contracts/arrangements/transactions	Distribution agreement.
(c)	Duration of the contracts/arrangements/transactions	3 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Bikerz Inc (formerly known as STUDDS CANADA INC) was appointed as a distributor of the Company for sale of products in Canada.
(e)	Date(s) of approval by the Board, if any	July 11, 2020
(f)	Amount paid as advances, if any	Nil

* Note: Details of related party transactions as per applicable accounting standards are given in Note No. 39 to the Standalone Financial Statements forming part of this report.

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

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship.	Studds Foundation, Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and their relatives are able to exercise significant influence on Studds Foundation.
(b)	Nature of contracts/arrangements/transactions	For CSR projects/ activities.
(c)	Duration of the contracts/arrangements/transactions	For financial year 2020-21
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	N.A
(e)	Date(s) of approval by the Board, if any	N.A
(f)	Amount paid as advances, if any	Rs. 14.00 Million

*Note: Details of related party transactions as per applicable accounting standards are given in Note No. 39 to the Standalone Financial Statements forming part of this report.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Annexure to Director's Report

ANNEXURE 4

Annual Report on CSR Activities For Financial Year Ending on March 31, 2021

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

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

1. Promotion of promoting healthcare including preventive health care, sanitation.
2. Promotion of education including special education and employment enhancing vocation skills, especially amongst children, women, elderly and differently abled and livelihood enhancement projects, ensuring environmental sustainability, conversation of natural resources and maintaining quality of soil, air and water etc.

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

2. COMPOSITION OF CSR COMMITTEE:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Madhu Bhushan Khurana	Chairperson (Chairman and Managing Director)	2	2
2	Mr. Sidhartha Bhushan Khurana	Member (Managing Director)	2	2
3	Ms. Pallavi Saluja	Member (Independent Director Non-Executive)	2	0

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

https://www.studds.com/investor-relations

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

Not applicable to the Company for the time being.

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

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

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): Rs. 699.43 Millions

7.

(a)	Two percent of average net profit of the Company as per section 135(5).	:	Rs. 14.00 Millions
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	:	NIL
(c)	Amount required to be set off for the financial year, if any.	:	NIL
(d)	Total CSR obligation for the financial year (7a+7b- 7c)	:	Rs. 14.00 Millions

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

Total Amount Spent for the Financial Year (in Million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)*		
	Amount	Date of transfer	Name of the Fund	Amount (Rs. In Million)	Date of transfer
NIL	NIL	Not Applicable	14.00		

*The unutilized CSR fund amounting to Rs. 14.00 Million for the Financial Year 2020-21 will be transferred to the fund specified under Schedule VII as per second proviso to section 135(5) within the stipulated time.

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

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

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

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII of the Act	(4) Local Area (Yes/ No)	(5) Location of the Project		(6) Amount Spent for the Project (in Rs, Million)	(7) Mode of Implemen-tation – Direct (Yes/No)	(8) Mode of Implemen- tation – Through Implementing Agency	
				State	District			Name	CSR Regn. No.
NIL									

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

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

S. No.	Particular	Amount (Rs. in Million)
(i)	Two percent of average net profit of the Company as per section 135(5).	14.00
(ii)	Total amount spent for the Financial Year*	NIL
(iii)	Excess amount spent for the Financial Year[(ii)-(i)].	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	-
(v)	Amount available for set off in succeeding financial year [(iii) - (iv)].	-

*The unutilized CSR fund amounting to Rs. 14.00 Million for the Financial Year 2020-21 will be transferred to the fund specified under Schedule VII as per second proviso to section 135(5) within the stipulated time.

9. (a) **Details of Unspent CSR amount for the preceding three financial year**

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

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

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

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

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

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

Total CSR funds of Rs. 14.00 Million for financial year 2020-21, was transferred to Studds Foundation to undertake certain CSR projects/ activities in accordance with the CSR Policy of the Company. Pursuant to amendment in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) by Ministry of Corporate Affairs vide notification dated January 22, 2021, the Studds Foundation was not satisfying eligibility criteria to undertake CSR projects/ activities, therefore the CSR fund of Rs. 14.00 Million remained unutilized as on 31st March, 2021.

As per section 135(5) the unutilized CSR fund of Rs. 14.00 Million will be transferred to the fund specified under Schedule VII, within the stipulated time.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

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

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Annexure to Director's Report

ANNEXURE 5

Information Pursuant to Section 197 of The Companies Act, 2013 and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 as on March 31, 2021

(A) TOP 10 EMPLOYEES IN TERMS OF SALARY DRAWN DURING THE YEAR 2020-21

S. No.	Name of the Employees	Designation	Remuneration Drawn/ Paid (In Million)	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Supratik Chattopadhyay	Vice President	4.38	Bachelor of Engineering in Electronics	June 06, 2014	27	53	Varroc Polymers Private Limited	NIL	N.A
2	Mr. Gaurav Bhola	General Manager	4.51	Bachelor of Engineering Master in Business Administration	April 22, 2019	8	32	Coats Group	NIL	N.A
3	Mr. Manish Mehta	Chief Financial Officer	4.33	Chartered Accountant	August 10, 2018	13	50	AC Mehta & Co.	NIL	N.A
4	Mr. Ram Vikram Kumar	Assistant Vice President	3.32	Bachelor of Engineering in Electronics Master in Mechanical Engineering	July 04, 2016	11	34	Mahindra Defence Land Systems India Limited	NIL	N.A
5	Mr. Siddharth Srivastava	Deputy General Manager	3.08	Post Graduate Diploma in Mould Design Technology	August 16, 2016	19	40	Subros Limited	NIL	N.A
6.	Mr. Anurag Sharma	Creative Head	2.96	B. COM. + DIPLOMA (MULTIMEDIA)	14 November 2019	20	43	NETWORK 18	NIL	N.A
7	Mrs. Chand Khurana	Vice President	2.72	Post-Graduation	March 01, 2018	36	71	-	16,48,800	Relative of Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana
8	Mr. Ganpati Saratkar	Deputy General Manager	2.46	Bachelor of Science Post-Graduate Diploma in Plastics Processing and Testing	June 09, 2017	26	50	Alisha Torrent Closures India Private Limited	NIL	N.A
9	Harpreet Singh*	Plant Head	2.22	B. TECH (ELE	19 October 2019	16	39	Johnson Matthey India Pvt. Ltd.	NIL	N.A
10	Amit Sharma	SR. MANAGER	1.99	MBA	20 AUGUST 2019	13	37	Artsana India Pvt Ltd	NIL	N.A

* Note: Resigned during the financial year 2020-21, therefore remuneration drawn/ paid is up to January 28, 2021.

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

S. No.	Name of the Employees	Designation	Remuneration Paid (In Million)*	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Madhu Bhushan Khurana	Chairman and Managing Director	24.37	Bachelor Degree in Aeronautical Engineering	February 03, 1983	38	72	-	55.36%	Father of Mr. Sidhartha Bhushan Khurana
2	Mr. Sidhartha Bhushan Khurana	Managing Director	24.27	Bachelor Degree in Aeronautical Engineering	August 28, 1998	22	44	-	14.30%	Son of Mr. Madhu Bhushan Khurana

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

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

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Annexure to Director's Report

ANNEXURE 6

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

A. CONSERVATION OF ENERGY

1. Installed energy efficient screw chillers instead of conventional chillers with scroll compressors at our new plant, Plot 918.
2. All electrical motors beyond 7.5 HP capacity have been controlled through Variable Frequency Drives at our new plant, Plot 918.
3. Installed energy efficient Injection Moulding machines with servo motor & geared pumps at our new plant, Plot 918.
4. Installed Solar Power Plant of sufficient capacity at our new plant, Plot 918.

B. TECHNOLOGY ABSORPTION

1. Installed pick & place robot with injection moulding machines for productivity improvement.
2. Installed on-line granulators with injection moulding machines to improve net effective utilisation of Raw Material.
3. Installed vertical carousel system & conveyors for inter floor material movement to reduce manpower.
4. Improved productivity of Laser Cutting Machines by converting to double head machines from existing single head.
5. Installed automatic sludge trapping system (Hydro Pack system) to improve productivity of paint shop.
6. Installed Industrial Wet Scrubber for paint booth to trap carried over paint overspray (harmful pollutants) from process exhaust before they are released to the atmosphere. This is an Environmental Health & Safety measure.

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

Foreign Exchange earned: Rs. 415.32 million

Foreign Exchange outgo: Rs. 274.94 million

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770

SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788

Date: August 25, 2021
Place: Faridabad

Independent Auditor’s Report

To the Members of **Studds Accessories Limited**

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Studds Accessories Limited (‘the Company’), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in Equity for the year ended that date, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit/ loss (including 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India(ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and auditors’ report thereon

The Company’s Board of Directors is responsible for the preparation and presentation of its report (herein after called as “Board Report”) which comprises of various information required under section 134(3) of the Companies Act 2013 but does not include the Standalone Financial Statements and our auditor’s report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.

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 Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of accounts;
    d. In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act ;

e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

g. With respect to the other matters to be included in the Auditors's Report in accordance with the requirements of section 197(16) of the Act, as amended, 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 Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

(a) The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Additional Notes to the Standalone Financial Statements 40(ii) Contingent Liability;

(b) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Rajan Chhabra
Partner
M.No: 088276
UDIN:21088276AAAAHA9213

Faridabad
Date: 25th August, 2021

Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) Physical verification of inventory was conducted by the management at reasonable interval during the year.

In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and discrepancies noticed on physical verification by the Management have been properly adjusted in books of accounts.

(iii) According to the information and explanation given to us, the Company has not granted loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has compiled with the provisions of section 185 and 186 of the Act in respect of loans, guarantees and security with respect to the provisions of section 185 and 186 of Companies act 2013.

(v) The Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the business activities rendered by the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, excise and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Service Tax and GST have not been deposited by the company on account of disputes:

Name of statute	Name of the disputed dues	Amount (Rs. In Millions)	Period to which the amount relates	Forum where disputes are pending
The Finance Act, 1994	Service Tax	3.47	March 2017 to June 2017.	Joint Commissioner, GST Faridabad
GST Act, 2017	GST	2.05	FY 2017-18	GST Authority, Faridabad

(viii) In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings from any financial institutions, banks, Government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loans were availed during the year.

(x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly this point is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India act 1934.

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

CA Rajan Chhabra
Partner
M.No: 088276
UDIN:21088276AAAAHA9213

Faridabad
Date: 25th August, 2021

ANNEXURE-B

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

We have audited the internal financial controls over financial reporting of Studds Accessories Limited (“the Company”) as of 31 March, 2021 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajan Chhabra & Co.**
Chartered Accountants
FRN: 009520N

CA Rajan Chhabra
Partner
M. No. : 088276
UDIN:21088276AAAAHA9213

Place:Faridabad
Date: 25th August, 2021

Standalone Balance Sheet as at 31st March 2021

(Rupees in millions)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Property Plant& Equipment	3	2,609.16	1,554.69
Capital Work in Process (Tangible)	4	55.41	838.13
Right of use Assets	5	41.33	-
Intangible Assets	6	12.23	9.30
Intangible Assets under development	7	42.05	24.56
Financial Assets			
- Non-Current Investments	8	24.01	24.01
Total Non-Current Assets		**2,784.19**	**2,450.69**
Current Assets			
Inventories	9	289.86	189.22
Financial Assets			
- Trade Receivables	10	264.71	188.97
- Cash & Cash Equivalents	11	416.97	201.06
- Other Bank Balances	12	320.36	300.46
- Other Financial Assets	13	72.28	36.87
Other Current Assets	14	195.79	111.29
Total Current Assets		**1,559.97**	**1,027.87**
Total Assets		**4,344.16**	**3,478.56**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	98.38	98.38
Other Equity	16	2,800.53	2,061.88
Total Equity		**2,898.91**	**2,160.26**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	17	155.84	277.26
- Lease Liabilities		24.91	-
- Other Non-Current Financial Liabilities	18	24.34	106.34
Non-Current Provisions	19	28.12	19.93
Deferred Tax Liability (Net)	20	107.58	70.05
Total Non-Current Liabilities		**340.79**	**473.58**
Current Liabilities			
Financial Liabilities			
- Current Borrowings	21	121.43	121.99
- Lease Liabilities		18.61	-
- Trade Payables	22		
- Total outstanding dues of MSME		4.50	2.71
- Total outstanding dues of creditors other than MSME		623.30	336.81
- Other Current Financial Liabilities	23	162.66	236.45
Other Current Liabilities	24	94.21	65.91
Current Provisions	25	18.01	16.95
Current Tax Liabilities (Net)	26	61.74	63.90
Total Current Liabilities		**1,104.46**	**844.72**
Total Liabilities		**1,445.25**	**1,318.30**
Total Equity and Liabilities		**4,344.16**	**3,478.56**

See accompanying notes to financial statements

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Statement of Profit & Loss for the year ended 31st March 2021

(Rupees in millions)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations			
Revenue	27	4,796.15	4,145.20
Other Income	28	45.95	57.10
Total Revenue		**4,842.10**	**4,202.30**
EXPENSES			
Cost of Material Consumed	29	2,047.32	1,740.81
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	30	(44.57)	(19.25)
Employee Benefit Expense	31	559.68	464.09
Finance Cost	32	34.64	9.14
Depreciation and Amortisation Expense	33	133.45	72.84
Other Expenses	34	1,128.60	980.45
Total Expenses		**3,859.12**	**3,248.08**
Profit before Tax		982.98	954.22
Tax Expense:			
Current Tax		227.01	243.39
Deferred Tax		37.53	(33.53)
Tax relating to earlier periods		(21.52)	(1.02)
Total Tax Expense		**243.02**	**208.84**
Profit for the Period		739.96	745.38
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.09)	0.69
Income tax effect		0.27	(0.17)
Total other comprehensive income		**(0.82)**	**0.52**
Total Comprehensive Income for the year		**739.14**	**745.90**
Earnings per share (face value Rs. 5/-)	35		
- Basic EPS (in Rs.)		37.61	37.88
- Diluted EPS (in Rs.)		37.61	37.88
See accompanying notes to financial statement			

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

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Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2021

(i) Equity Share Capital

(Rupees in millions)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Equity share of Rs. 5/- each		
Balance at the beginning of the year	98.38	98.38
Movement during the year	-	–
Balance at the end of the year	**98.38**	**98.38**

(ii) Other Equity

(Rupees in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2019	**-**	**82.74**	**1,398.78**	**1,481.52**
Profit for the year	-	-	745.40	745.40
Other Comprehensive Income (net of tax)	-	-	0.52	0.52
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year	-	-	-	-
As at March 31, 2020	**-**	**82.74**	**1,979.14**	**2,061.88**
As at April 01, 2020	-	82.74	1,979.14	2,061.88
Profit for the year	-	-	739.96	739.96
Other Comprehensive Income (net of tax)	-	-	(0.82)	(0.82)
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(0.49)	(0.49)
Less: Utilised during the year	-	-	-	-
As at March 31, 2021	**-**	**82.74**	**2,717.79**	**2,800.53**

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

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Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Statement of Cash Flows for the year ended 31st March 2021

(Rupees in millions)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A Cash Flow from Operating Activities		
Profit before Tax	982.98	954.23
Adjustments for:		
Depreciation and Amortisation Expense	133.45	72.84
(Gain)/Loss in change in fair value of financial instruments	-	-
Finance Cost	34.64	9.14
Rent Income	(0.29)	(0.26)
Interest Income	(28.12)	(43.52)
Provision for doubtful debts	1.54	
Profit on Sale of Investments	-	-
Profit on sale of Property, Plant and Equipment	-	(0.83)
Loss on sale of Property, Plant and Equipment	-	-
Other Income	(10.85)	(12.48)
Operating Profit before working Capital changes	**1,113.35**	**979.11**
Working capital adjustments:		
Movement in trade & other payables	125.75	40.35
Movement in trade & other receivables	(197.19)	(86.89)
Movement in inventories	(100.64)	(58.03)
Cash Generated from Operations	**941.26**	**874.54**
Direct Taxes Paid and Taxes earlier years	(207.39)	(247.94)
Net Cash Flow from Operating Activities (A)	**733.87**	**626.60**
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(365.08)	(663.79)
Sale proceeds from sale of PPE	0.96	0.39
Investment In Fixed Deposits/Maturity	(19.90)	362.75
Rent Received	0.29	0.26
Investment In Non Current Investments	(0.00)	(23.99)
Interest Received	28.12	43.52
Other Income Received	10.85	12.48
Net Cash Flow from Investing Activities (B)	**(344.75)**	**(268.37)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	(121.99)	(84.26)
Dividend Including Dividend Distribution Tax	0.20	(165.17)
Repayment of lease liabilities	(16.78)	-
Interest Paid	(34.64)	(9.14)
Net Cash Flow from Financing Activities (C)	**(173.20)**	**(258.57)**
Net increase in Cash and Cash Equivalents (A+B+C)	**215.91**	**99.66**
Cash and Cash Equivalent at the beginning of the year	201.06	101.40
Cash and Cash Equivalent at the end of the year	**416.97**	**201.06**

Statement of Cash Flows for the year ended 31st March 2021

Change in Liability arising from financing activities

Particulars	Borrowing	Lease
As at 31-Mar-20	399.25	0.00
Cash Flows	(121.99)	(16.78)
Non-cash changes	-	60.31
As at 31-Mar-21	277.26	43.52

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

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flow"

(ii) During the period the Company has not spent any amount on CSR Expenses in accordance with the provision of the Companies Act, 2013.

(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 11

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

CA Rajan Chhabra
Partner
M No. : 088276

Place: Faridabad
Date: 25th August, 2021

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Notes to Financial Information for the year ended 31st March 2021

1. Corporate Information

STUDDS ACCESSORIES LIMITED ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at 23/7, Mathura Road, Ballabgarh, Faridabad 121004, Haryana.

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

2. Basis of Preparation, Measurement and Significant Accounting Policies

(a) Basis of Preparation and Measurement

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

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

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

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 25th August 2021.

Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

(b) Key Accounting Estimates and Judgements

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

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

(a) Measurement of defined benefit obligations

(b) Measurement and likelihood of occurrence of provisions and contingencies

(c) Recognition of deferred tax assets

(d) Key assumptions used in discounted cash flow projections

(e) Impairment of Goodwill and Intangible assets

(f) Indefinite useful life of certain intangible assets

(g) Measurement of Lease liabilities and Right of Use Asset

(h) Fair valuation of assets acquired and liabilities assumed as part of business combination

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

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

(c) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been

Notes to Financial Information for the year ended 31st March 2021

applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

(d) Current versus non-current classification

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

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

(e) Revenue Recognition

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

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

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

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

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

(f) Expenditure

Expenses are accounted on accrual basis.

(g) Foreign Currency

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

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

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

Notes to Financial Information for the year ended 31st March 2021

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

(h) Property, Plant and Equipment

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

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

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

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

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

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

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

(i) Intangible Assets

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

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

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

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

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

(j) Borrowing Costs

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

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

Notes to Financial Information for the year ended 31st March 2021

investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the period/year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

(k) Inventories

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

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

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

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

Scrap is valued at net realizable value.

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

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

(l) Provisions and Contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre- tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

(m) Employee Benefits

Short-Term Obligations

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

Other Long-Term Employee Benefit Obligations

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

Post-Employment Obligations

Defined Benefit Plans

The Company has defined benefit plans namely gratuity for employees. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the

Notes to Financial Information for the year ended 31st March 2021

reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

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

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

Re-measurement of gains and losses arising from experience, adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

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

Defined Contribution Plans

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

(n) Cash and Cash Equivalents

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

(o) Income Taxes

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

Current Tax

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

Deferred Tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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

(p) Leases

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

Notes to Financial Information for the year ended 31st March 2021

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. These short-term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

(q) Impairment of Non-Financial Assets

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

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

(r) Development expenses

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

(s) Fair Value Measurement

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

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

Notes to Financial Information for the year ended 31st March 2021

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

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

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

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

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

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

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

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

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

(t) Financial Instruments

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

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

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

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

Notes to Financial Information for the year ended 31st March 2021

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

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

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

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

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

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

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

Investments in Subsidiaries, Associates and Joint Venture:

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

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

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

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

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

Trade & Other Receivables

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Impairment of Financial Assets

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

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

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

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or

Notes to Financial Information for the year ended 31st March 2021

- full life time expected credit losses (expected credit losses that result from all possible default event over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

Classification of Debt or Equity

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

Equity Instruments

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

Trade and Other Payables

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

Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit Loss.

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

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

(u) Earnings Per Share:

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

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 3 Property Plant & Equipment

(Rs. in millions)

Description	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Office Appliances	Computers	Vehicles	Total
Cost								
As at 1 April 2019	**608.48**	**164.06**	**641.26**	**15.15**	**4.57**	**3.65**	**23.00**	**1460.17**
Additions	26.63	123.72	148.57	11.90	4.26	3.30	13.15	331.53
Disposals/write off	-	-	2.13	-	-	-	3.61	5.74
As at 31 March 2020	**635.11**	**287.78**	**787.70**	**27.05**	**8.83**	**6.95**	**32.54**	**1,785.96**
Additions	14.29	600.02	508.26	25.80	10.93	6.98	0.57	1,166.85
Disposals/write off	-	-	1.00	-	-	-	-	1.00
As at 31 March 2021	**649.40**	**887.80**	**1,294.96**	**52.85**	**19.76**	**13.93**	**33.11**	**2,951.81**
Accumulated Depreciation								
As at 1 April 2019	-	18.42	127.63	4.26	3.31	1.97	9.08	164.67
Charge for the year	-	9.70	54.54	2.30	0.74	0.76	3.06	71.10
Disposals/write off	-	-	2.00	-	-	-	2.52	4.52
As at 31 March 2020	**-**	**28.12**	**180.17**	**6.56**	**4.05**	**2.73**	**9.62**	**231.25**
Charge for the year	-	23.38	77.06	3.34	2.09	1.35	4.22	111.44
Disposals/write off	-	-	0.03	-	-	-	-	0.03
As at 31 March 2021	**-**	**51.50**	**257.20**	**9.90**	**6.14**	**4.08**	**13.84**	**342.65**
Net Book Value								
As at 31 March 2021	**649.40**	**836.30**	**1,037.76**	**42.95**	**13.62**	**9.85**	**19.27**	**2,609.16**
As at 31 March 2020	**635.11**	**259.65**	**607.53**	**20.48**	**4.78**	**4.22**	**22.92**	**1,554.69**

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

Note No: 4 Capital Work in Progress- Tangible

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balance at the beginning	838.13	569.84
Additions	34.44	476.79
Capitalised during the year	817.16	208.51
Reversal of Impairment	-	-
Balance at the end	55.41	838.13

Note No: 5 Right of Use

(Rupees in millions)

Particulars	Amount
Cost	
As at 1st April 2020	**-**
Additions	60.30
Disposals/write off	-
As at March 31, 2021	**60.30**
Accumulated Depreciation	
As at 1 April 2020	**-**
Additions	18.97
Disposals/write off	
As at 31 March 2020	**18.97**
Net Book Value	
As at 31 March 2021	**41.33**

Notes to Financial Information for the year ended 31st March 2021

Note No: 6 Other Intangible Assets

(Rs. in millions)

Particulars	Computer Software	Trademark	Techinical Know-How	Total
Cost				
As at 1 April 2019	**8.22**	**0.03**	**-**	**8.25**
Additions	3.60	0.35	2.57	6.53
Disposals/write off				
As at 31 March 2020	**11.82**	**0.38**	**2.57**	**14.77**
Additions	0.88	-	5.09	5.98
Disposals/write off	-	-	-	
As at March 31, 2021	**12.70**	**0.38**	**7.66**	**20.75**
Accumulated Depreciation				
As at 1 April 2019	3.75	-	-	3.75
Additions	1.61	0.02	0.09	1.72
Disposals/write off				
As at 31 March 2020	**5.36**	**0.02**	**0.09**	**5.48**
Additions	1.64	0.11	1.29	3.04
Disposals/write off				
As at March 31, 2021	**6.99**	**0.14**	**1.39**	**8.52**
Net Book Value				
As at 31 March 2021	**5.71**	**0.25**	**6.27**	**12.23**
As at 31 March 2020	**6.46**	**0.36**	**2.47**	**9.30**

Note No: 7 Intangible Assets under Development

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balance at the beginning	24.56	6.94
Additions	24.65	24.56
Capitalised during the year	4.59	6.94
Reversal of Impairmenr	-	-
Transfer to expense	2.58	-
Balance at the end	42.05	24.56

Note No: 8 Non Current Investments

(Rupees in millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Investment in Equity Shares				
A. In Others - At FVTPL				
- Bank of Maharashtra 10/-	1,900.00	0.02	1,900.00	0.02
- Investment in Equity Shares of 1 EURO SMK EUROPE UNIPESSOAL, LDA"	3,00,000.00	23.99	3,00,000.00	23.99
Total (B)	**3,00,000.00**	**23.99**	**3,00,000.00**	**23.99**
Total Investments	**3,01,900.00**	**24.01**	**3,01,900.00**	**24.01**
Aggregate Value of Unquoted Investments		23.99		23.99
Aggregate Value of Quoted Investments		0.02		0.02
Aggregate Market Value of Quoted Investments		0.02		0.02
Aggregate Amt of Impairment in Value of Investments		-		

Notes to Financial Information for the year ended 31st March 2021

Note No: 9 Inventories

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Raw Materials	179.22	143.23
Raw material in Transit	20.08	-
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	**289.86**	**189.22**

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

For Valuation, refer Note 2 k of Accounting Policies

Note No: 10 Trade Receivables

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
From Others*		
- Secured, considered good	3.89	0.03
- Unsecured, considered good	260.82	188.94
- With significant increase in credit risk	1.54	-
- credit impaired	(1.54)	-
Total	**264.71**	**188.97**

*No amount is due from Related parties.

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

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

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

Refer Note No 44 for ageing of Trade Receivables.

Note No: 11 Cash and Cash Equivalents

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Cash in hand	0.05	0.00
Balances with Bank		
- in Deposit having maturity for less than 3 months	380.51	107.11
- in Current accounts	36.41	93.95
Total	**416.97**	**201.06**

Note No: 12 Other Bank Balances

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	318.93	299.23
- in Unpaid Dividend account	1.43	1.23
Total	**320.36**	**300.46**

Notes to Financial Information for the year ended 31st March 2021

Note No: 13 Other Financial Assets

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
Unsecured, considered good		
Balances with Bank		
- in Deposit having maturity for more than 12 months	30.16	13.96
Security deposits	40.62	22.03
Advances to employees	1.49	0.88
Total	**72.28**	**36.87**

Note No: 14 Other Current Assets

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Unsecured, considered good		
Advance to Vendors		
- Vendors	148.09	94.97
- Others	14.00	
Duty Drawback receivable	3.00	0.65
Prepaid Expenses	8.41	8.98
Balance of Cenvat/GST	4.33	3.39
Other assets	17.97	3.30
Total	**195.79**	**111.29**

Note No: 15 Equity Share Capital

(Rupees in millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital				
Equity shares of Rs. 5/- each*	5,00,00,000	250.00	5,00,00,000	250.00
Issued Capital				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38
Subscribed and Fully Paid up				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38

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

A Reconciliation of Number of Equity Shares Outstanding

(Rupees in millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	1,96,76,700	98.38	1,96,76,700	98.38
Add: Effect due to Share Split	-	-	-	-
Add: Effect due to Bonus Issue	-	-	-	-
Less: Cancelled during the year	-	-	-	-
As at March 31, 2020	**1,96,76,700.00**	**98.38**	**1,96,76,700.00**	**98.38**

B Rights, Preferences and Restrictions attached to Equity Shares.

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 15 Equity Share Capital (Contd..)

B Details of Shareholders holding more than 5% Equity Shares

(Rupees in millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	%	No of Shares	%
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	55.36%	1,08,92,880	55.36%
Sidhartha Bhushan Khurana	28,14,480	14.30%	28,14,480	14.30%
Chand Khurana	16,48,800	8.38%	16,48,800	8.38%

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

Note No: 16 Other Equity

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.40	745.40
Other Comprehensive Income (net of tax)	-	-	0.52	0.52
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year	-	-	-	-
As at March 31, 2020	**-**	**82.74**	**1,979.14**	**2,061.88**
As at April 01, 2020	-	82.74	1,979.14	2,061.88
Profit for the year	-	-	739.96	739.96
Other Comprehensive Income (net of tax)	-	-	(0.82)	(0.82)
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(0.49)	(0.49)
Less: Utilised during the year	-	-	-	-
As at March 31, 2021	**-**	**82.74**	**2,717.79**	**2,800.53**

Note No: 17 Non-Current Borrowings

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	7.26	9.25
Other Term Loan	270.00	390.00
Total	**277.26**	**399.25**
Less: Current Maturities on Non Current Borrowings		
- Vehicle Loan	1.43	1.99
- Other Term Loan	120.00	120.00
Total	**121.43**	**121.99**
Total Non-Current Borrowings	**155.84**	**277.26**

A. Term Loan From HDFC (Sanctioned Rs. 480 Mn. Balance as on 31/03/2021 - Rs. 270 Mn)

Security Terms:

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

Interest Rates:

(6 Month MCLR + 10 bps)

Notes to Financial Information for the year ended 31st March 2021

Note No: 17 Non-Current Borrowings (Contd..)

Repayment Terms:

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

B. Vehicle Loans

Security Terms:

Secured against hypothecation of specified vehicles of the company.

Interest Rates:

Applicable rate of interest is 8.50% to 10.50%

Repayment Terms:

Vehicle loan repayable within 36/ 60 equal monthly installment.

Note No: 18 Other Non-Current Financial Liabilities

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
Security Deposit from Dealers	24.34	22.23
Payables on purchase of Property, Plant & Equipment	-	84.10
Total	**24.34**	**106.34**

Note No: 19 Non-Current Provisions

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Provision for Employee Benefits		
- Gratuity	21.27	14.66
- Leave Encashment	6.85	5.27
Total	**28.12**	**19.93**

Note No: 20 Deferred Tax Liabilities (Net)

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	130.15	79.31
Total Deferred Tax Liabilities	**130.15**	**79.31**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	22.57	9.26
Total Deferred Tax Assets	**22.57**	**9.26**
Net Deferred Tax Liabilities/(Asset)	**107.58**	**70.05**

Reconciliation of Deferred Tax Liabilities (Net)

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	79.31	114.41
Movement during the year	50.84	(35.10)
Closing Balance	**130.15**	**79.31**

Notes to Financial Information for the year ended 31st March 2021

Note No: 20 Deferred Tax Liabilities (Net) (Contd..)

Reconciliation of Deferred Tax Liabilities (Net) (Contd..)

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		-
Opening Balance	9.26	10.82
Movement during the year	13.31	(1.56)
Closing Balance	**22.57**	**9.26**
Net Deferred Tax Liabilities/(Asset)	**107.58**	**70.05**

Note No: 21 Current Borrowings

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Cash Credit	-	-
- Current Maturities on Borrowings from Banks (Refer Note No. 17)	121.43	121.99
Total	**121.43**	**121.99**

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

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

Note No: 22 Trade Payables

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	4.50	2.71
Dues of other than MSMEs	623.30	336.81
Total	**627.80**	**339.53**

*The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 36)

Note No: 23 Other Current Financial Liabilities

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Payables on purchase of Property, Plant & Equipment	78.89	121.41
Employee Related Liabilities	59.94	65.61
Expenses Payable	19.27	17.34
Others Payable	3.19	31.41
Unpaid Dividend	1.38	0.69
Total	**162.66**	**236.45**

Notes to Financial Information for the year ended 31st March 2021

Note No: 24 Other Current Liabilities

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Advances received from Customers	51.24	35.96
CSR PAYABLE	14.00	-
Statutory Dues	28.97	29.95
Total	**94.21**	**65.91**

Note No: 25 Current Provisions

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Provision for Employee Benefits		
- Gratuity	14.35	14.41
- Leave Encashment	3.66	2.54
Total	**18.01**	**16.95**

Note No: 26 Current Tax Liabilities

(Rupees in millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Income Tax Payable	61.74	63.90
Total	**61.74**	**63.90**

Note No: 27 Revenue from operations

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Sale of Goods		
- Inland Sales	4,422.57	3,961.00
- Exports Sales	538.74	351.36
Total Sales	**4,961.31**	**4,312.36**
Less : Discount & Incentives	165.16	167.16
Net Sales	**4,796.15**	**4,145.20**

Note No: 28 Other Income

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Other income - operative		
Interest Income	28.12	43.52
Rent Income	0.29	0.26
Miscellaneous Income	1.50	4.56
Export Incentive	9.35	7.92
Other income - non operative		
Profit on Sale of Fixed Assets	-	0.83
Profit on account of currency fluctuation	6.69	-
Total	**45.95**	**57.10**

Notes to Financial Information for the year ended 31st March 2021

Note No: 29 Cost of Material Consumed

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
ABS	522.35	329.97
Polycarbonate	192.38	147.51
Cloth	197.96	154.24
Paint	147.35	118.19
Thermocol	83.98	155.72
Buckle	58.63	39.78
EPSL	42.23	0.00
PPCP	20.94	21.92
Other Components	781.51	773.48
Total	**2,047.32**	**1,740.81**

Note No: 30 (Increase)/decrease in Inventories of Finished Goods and Work-in-Progress

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Inventory at the beginning of the year		
Finished Goods	41.04	23.23
Work in Progress	4.95	3.51
Total	**45.99**	**26.74**
Less: Inventory at the end of the year		
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	**90.56**	**45.99**
Net (Increase)/decrease	**(44.57)**	**(19.25)**

Note No: 31 Employee Benefit Expenses

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Salaries, Wages and Bonus	504.75	425.98
Contribution to Provident Fund & Other Fund	32.30	26.31
Employees Welfare Expenses	22.62	11.81
Total	**559.68**	**464.09**

Note No: 32 Finance Cost

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest on:		
- Term Loan	19.79	7.64
- Cash Credit / Overdraft	0.01	0.13
- Vehicle Loan	0.79	0.48
- Payment to MSME	0.03	0.01
- HSIIDC	8.51	-
- Dealer Security Deposit	1.13	0.89
- Lease Liability	3.58	-
- Others	0.80	-
Total	**34.64**	**9.14**

Notes to Financial Information for the year ended 31st March 2021

Note No: 33 Depreciation and Amortisation Expense

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Depreciation of Property,Plant & Equipment	111.44	71.11
Amortisation of Right of use assets	18.97	0.00
Amortisation of intangible assets	3.04	1.72
Total	**133.45**	**72.84**

Note No: 34 Other Expenses

(Rupees in millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Labour Charges	175.60	146.41
Packaging & Forwarding	219.30	236.83
Power & Fuel	172.99	147.87
Store Consumed	58.72	39.43
Cartage Outward	254.84	191.95
Insurance Expenses	11.42	6.66
Repair and Maintenance		
- Plant & Machinery	32.32	17.37
- Building	5.74	2.21
- Others	27.49	14.28
Payment to Auditors	0.85	0.55
Legal & Professional Expenses	28.81	33.61
Corporate Social Responsibility (CSR) expenses	14.00	10.10
Travelling & Conveyance Expenses	4.29	13.37
Loss on Currency Fluctuation	-	2.00
Commission on Sales	18.44	10.87
Advertisement & Sales Promotion	42.69	33.61
Provision for Bad Debts	1.54	0.00
Bank Charges	1.54	1.08
Miscellaneous Expenses	58.02	72.26
Total	**1,128.60**	**980.45**

Note No: 35 Earnings per share

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

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

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Profit after tax for calculation of EPS (Rs. in million) (A)	739.96	745.38
Number of equity shares post split	1,96,76,700	1,96,76,700
Add: Effect of Bonus issue	-	-
Number of equity shares for calculating basic & diluted EPS (B)	**1,96,76,700**	**1,96,76,700**
Face Value per share (Amount in Rs.)	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	**37.61**	**37.88**
Diluted Earning per share (Amount in Rs.) (A/B)	**37.61**	**37.88**

Notes to Financial Information for the year ended 31st March 2021

Note No: 36 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		-
- Principal amount due to MSME	4.50	0.27
- Interest due on above	0.03	
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.		-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.		-

Note No: 37 Segment Information

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

Note No: 38 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

In light of section 135 of the Companies act 2013, the Company has to carry out the following expenses on corporate social responsibility (CSR) aggregating to INR 14.00 millions for CSR activities which is still unspent as on 31st March, 2021:-

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
(i) Gross amount required to be spent by the Company during the year	14.00	10.10

(Rupees in millions)

Particulars	Paid	Unspent as on 31-Mar-21	Total
(ii) Amount to be spent during the year ending on March 31, 2021:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above		14.00	14.00
(iii) Amount spent during the year ending on March 31, 2020:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	10.10	-	10.10

As per Notification dated 22nd Jan, 2021 the above mentioned unspent amount shall be contributed to any fund specified under schedule VII as per second proviso to section 135(5) upto 30th September 2021

Notes to Financial Information for the year ended 31st March 2021

Note No: 39 Related Party Disclosures

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

Wholly Owned Foreign Subsidiary Company:

- SMK EUROPE-UNIPESSOAL, LDA

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

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

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana	Chairman
- Mrs. Chand Khurana	Wife of Chairman
- Mr. Sidhartha Bhushan Khurana	Managing Director
- Mrs. Garima Khurana	Wife of Managing Director
- Mr. Manish Mehta	Chief Financial Officer
- Mr. Saurav Kumar (resigned w.e.f 08/03/2021)	Company Secretary

Following transactions were carried out with related parties in the ordinary course of business for the Year Ended 31st March 2021:-

(Rupees in millions)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-21	Year Ended 31-Mar-20
1	**Wholly Owned Foreign Subsidiary**			
	SMK Europe-Unipessoal,LDA	Investment in Shares	-	23.99
	SMK Europe-Unipessoal,LDA	Reimbursement of charges paid as per Invoice	-	4.85
2	**Enterprise with Significant Influence**			
	Studds Foundation	CSR Expenditure	-	10.10
	Studds Foundation	Advance given	14.00	-
	Bikerz INC (formerly known as Studds Canada)	Sale of Goods	1.11	-
3	**Key Management Personnel & their Relatives**			
	Mr. Madhu Bhushan Khurana	**Director's Remuneration:**		
		- Short-term employee benefits	24.37	30.00
		- Post-employment benefits	-	-
		Dividend		76.25
		Rent	-	0.25
		Balance Receivable/(Payable)	(0.45)	(12.45)
	Mrs. Chand Khurana	**Salary:**		
		- Short-term employee benefits	2.72	2.51
		- Post-employment benefits	-	-
		Dividend		11.54
		Rent	-	0.25
		Balance Receivable/(Payable)	(0.14)	(0.14)
	Mr. Sidhartha Bhushan Khurana	**Director's Remuneration:**		
		- Short-term employee benefits	24.27	30.17
		- Post-employment benefits	-	-
		Dividend		19.70
		Balance Receivable/(Payable)	0.00	(12.45)

Notes to Financial Information for the year ended 31st March 2021

Note No: 39 Related Party Disclosures (Contd..)

(Rupees in millions)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-21	Year Ended 31-Mar-20
	Mrs. Garima Khurana	**Salary:**		
		- Short-term employee benefits	1.43	1.31
		- Post-employment benefits	-	-
		Dividend		0.25
		Balance Receivable/(Payable)		(0.08)
	Ms. Kanika Bhutani	Salary	-	0.47
	Mr. Manish Mehta	Salary	4.33	4.28
	Mr. Saurav Kumar	Salary	2.01	1.18

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31 March 2021 & 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No: 40 Commitments and Contingencies

(i) Commitments (Net of Advances)

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

(Rupees in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Estimated amount of contracts remaining to be executed on capital account and not provided for	33.36	22.01

(ii) Contingent Liabilities

(Rupees in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Sales Tax demand	-	0.46
Service Tax demand	3.47	16.72
Goods and Service Tax demand	2.05	2.05
Bank Guarantees	15.48	15.59
Letter of Credits	35.42	25.09

(a) The company does not expect any reimbursements in respect of the above contingent liabilities.

(b) The company has a ongoing legal dispute against Haryana State pollution Control Board and Anr which has raised demand of Rs.95,15,625.00. Company has filed appeal against the raised demand to Appellate Authority under the water act at Chandigarh.

(c) It is not practicable for the Company to estimate the timings of cash outlows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits

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

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Employer's Contribution to Provident Fund & Pension*	23.92	18.33
Employer's Contribution to ESI*	7.86	7.53

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 31).

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

The Company has defined benefit plan Namely gratuity plan which is governed by payment of Gratuity Act 1972 and other long term benefits Namely Leave Encashment and Compensated Absences. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present value of obligation as at the beginning	29.07	26.06
Current service cost	3.98	2.85
Past Service Cost	-	-
Interest cost	1.95	1.95
Re-measurement (or Actuarial) (gain) / loss	1.09	(0.69)
Benefits paid	(0.47)	(1.10)
Present Value of Obligation as at the end	**35.63**	**29.07**
Current Liability	**14.35**	**14.41**
Non-Current Liability	**21.27**	**14.66**

(ii) Fair Value of Plan Assets:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Fair Value of Plan Assets as at the beginning	-	-
Interest Income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets as at the end	**-**	**-**

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present Value of Obligation at the end	35.63	29.07
Fair Value of Plan Assets at the end	-	-
Amount Recognised in Balance Sheet	**35.63**	**29.07**

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Current service cost	3.98	2.85
Past service cost	-	-
Net interest cost on net defined benefit liability	1.95	1.95
Net benefit expense recognized in statement of Profit and Loss	**5.93**	**4.80**

(v) Amount recognised in Other Comprehensive Income:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (gains)/losses	(0.39)	(1.35)
Difference in Present Value of Obligations	1.48	0.66
Components of defined benefit costs recognised in other comprehensive income	**1.09**	**(0.69)**

(vi) Funding Pattern

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
	Nil	Nil

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Discount rate	6.76% p.a	6.76% p.a
Attrition Rate	15.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2012-14

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(1.33)	(0.75)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	1.48	0.82

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

(viii) A quantitative sensitivity analysis for significant assumption (Contd..)

(b) Salary growth rate

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (1 % p.a. increase)		
Impact on defined benefit obligation	2.96	2.54
Change in assumption (1 % p.a. decrease)		
Impact on defined benefit obligation	(2.50)	(2.06)

(c) Attrition Rate

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(0.66)	(0.53)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	0.77	0.65

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Within the next 12 months	14.47	14.55
Between 2 and 5 years	11.49	10.42
Between 5 and 10 years	9.78	5.72
After 10 years	14.14	5.89

(x) Risk exposure

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

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria . It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

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

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present value of obligation as at the beginning	7.81	4.91
Current service cost	5.32	3.96
Interest cost	0.38	0.24
Re-measurement (or Actuarial) (gain) / loss	0.02	2.31
Benefits paid	(4.38)	(3.60)
Present Value of Obligation as at the end	9.15	7.81
Current Liability	**2.31**	**2.54**
Non-Current Liability	**6.85**	**5.27**

(b) Net employee benefit expense (recognized in Employee Cost):

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Current service cost	5.32	3.96
Past service cost	-	-
Interest cost	0.38	0.24
Re-measurement (or Actuarial) (gain) / loss	0.02	2.31
Net benefit expense recognized in statement of Profit and Loss	**5.72**	**6.51**

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Discount rate	6.76% p.a.	6.76% p.a.
Attrition Rate	15.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2012-14

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

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	9.15	7.81
Amount Recognised in Balance Sheet	9.15	7.81

Notes to Financial Information for the year ended 31st March 2021

Note No: 42 Lease related disclosures

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

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

A) Lease payments not included in measurement of lease liability

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

(Rupees in millions)

Particulars	Year Ended 31-Mar-21
Short term leases & low value assets	-
Total	**-**

B) Lease under Ind AS 116 for the year ended 31 March 2021

The Details of the right-of-use assets held by the Company is as follows:

Particulars	Depreciation charge for the year	Net carrying amount
Building & Warehousing facilities	18.97	41.33
Total	**18.97**	**41.33**

C) Amount recognised in Statements of Profit & Loss:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Depreciation on right-of-use assets	-	-
Interest on lease liabilities	3.58	-
Rental expenses relating to short term leases and Low value assets	-	-
Total	**3.58**	**-**

D) Amount recognised in Statements of cash flows:

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Total Cash out flow for the leases	**(16.78)**	**-**

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

F) Maturity of lease liabilities

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

31 March 2021	Minimum lease payments due			Total
	Within 1 year	1-2 years	2-3 years	
Lease payments	21.21	22.13	4.06	47.40
Interest expense	2.60	1.24	0.04	3.88
Net present values	**18.61**	**20.89**	**4.02**	**43.52**

Notes to Financial Information for the year ended 31st March 2021

Note No: 43 Fair Values

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

A. Financial Assets

(Rupees in millions)

Particulars	31-Mar-21		31-Mar-20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	24.01	24.01	24.01	24.01
Trade Receivables	264.71	264.71	188.97	188.97
Cash & Cash Equivalents	416.97	416.97	201.06	201.06
Other Bank Balances	320.36	320.36	300.46	300.46
Other Financial Assets	72.28	72.28	36.87	36.87
Total Financial Assets	**1098.32**	**1098.32**	**751.37**	**751.37**

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

B. Financial Liabilities

(Rupees in millions)

Particulars	31-Mar-21		31-Mar-20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	155.84	155.84	277.26	277.26
Other Non-Current Financial Liabilities	24.34	24.34	106.34	106.34
Current Borrowings	121.43	121.43	121.99	121.99
Trade Payables	627.80	627.80	339.53	339.53
Other Current Financial Liabilities#	162.66	162.66	236.45	236.45
Total Financial Liabilities	**1092.07**	**1092.07**	**1081.56**	**1081.56**

#including current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

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

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

Level 1

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

Level 2

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

Level 3

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

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 43 Fair Values (Contd..)

C. Fair value measurement hierarchy for Assets and Liabilities (Contd..)

(Rupees in millions)

Particulars	31-Mar-21	31-Mar-20
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.02
Investment in UnQuoted Shares (Level 1)	23.99	23.99

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

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

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

Note No: 44 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.

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

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 2020.

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

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

Interest Rate Risk

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

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

(Rupees in millions)

Particulars	Increase/decrease in basis points	Year Ended 31-Mar-21	Year Ended 31-Mar-20
INR Loans*	+ 50 Basis Points	1.73	0.46
INR Loans*	- 50 Basis Points	(1.73)	(0.46)

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

Foreign Currency Risk

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

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

Liabilities/Assets	FOREIGN CURRENCY	
	As at 31-Mar-21	As at 31-Mar-20
Liabilities		
USD	1.00	0.36
EURO	0.14	0.07
Assets		
USD	0.69	0.37
EURO	0.02	0.06

Liabilities/Assets	INR	
	As at 31-Mar-21	As at 31-Mar-20
Liabilities		
USD	73.00	27.08
EURO	12.17	5.57
Assets		
USD	50.16	28.10
EURO	1.59	4.67

Foreign Currency Sensitivity

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

Currency	Change in rate	Effect on profit before tax for the year	
		31-Mar-21	31-Mar-20
USD	Appreciation in INR by 5%	0.11	(0.01)
USD	Depreciation in INR by 5%	(0.01)	0.00
EURO	Appreciation in INR by 5%	0.05	0.00
EURO	Depreciation in INR by 5%	(0.01)	(0.00)

Credit Risk

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

Trade Receivables

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

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

The management believes that the trade receivables as on 31 March 2021 and 2020 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

(Rupees in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
0-6 Months past due	261.08	185.66
6-12 Months past due	1.77	1.50
More than 12 months	1.85	1.82
Total	**264.71**	**188.97**

Balances with Banks

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 2020 is the carrying amounts of balances with banks.

Liquidity Risk

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

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

(Rs. in millions)

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2020				
Borrowings	-	277.26	-	277.26
Other Non-Current Financial Liabilities	-	106.34	-	106.34
Current Borrowings	121.99	-	-	121.99
Trade Payables	339.53	-	-	339.53
Other Current Financial Liabilities	236.45	-	-	236.45
	697.97	**383.60**	**-**	**1,081.56**

Note No: 45 Capital Management

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

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

(Rupees in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Borrowings	277.26	399.25
Trade Payables	627.80	339.53
Less: Cash and cash equivalents	416.97	201.06
Net Debt (A)	**488.10**	**537.71**
Equity (B)	**2898.91**	**2,160.25**
Net Debt/ Equity Ratio (A/B)	**16.84%**	**24.89%**

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

Note No: 46 Significant accounting judgments, estimates and assumptions

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

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

A. Judgments

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 46 Significant accounting judgments, estimates and assumptions (Contd..)

Lease

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

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Contingent liabilities

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

(ii) Impairment of financial assets

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

(iii) Impairment of Assets

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

(iv) Gratuity benefits

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

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

(v) Taxes

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

Notes to Financial Information for the year ended 31st March 2021

Note:47 Distributions made and Proposed

(Rupees in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (Rs. In millions) (A)	-	94.39
Per Share Dividend (Amount in Rs.)	-	4.00
Proposed Dividend (Rs. in million) (B)*	78.71	-
Per Share Dividend (Amount in Rs.)	4.00	-
Total Dividend (A+B)	**78.71**	**94.39**

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

The Board has recommended annual dividend @80% on paid up share capital of the company i.e. Rs. 4.00 per paid up equity shares for the FY 20-21.

Note No: 48 Investment in Subsidiary

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

Note No: 49

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

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Independent Auditor’s Report

To the Members of **Studds Accessories Limited**

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Studds Accessories Limited (herein referred to as “the Holding Company”) and its subsidiary SMK Europe,Unipessoal,LDA ('the Holding Company and the subsidiary together referred to as the Group') which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and the consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of separate financial statements of the subsidiary company referred to in the other matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, the consolidated profit/loss (including comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

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

Information other than the Consolidated Financial Statements and auditors’ report thereon

The Holding Company’s Board of Directors are responsible for the preparation and presentation of its report (herein after called as “Board Report”) which comprises of various information required under section 134(3) of the Companies Act, 2013 but does not include the Consolidated Financial Statements and our auditor’s report thereon.

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

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

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; for selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the group are also responsible for overseeing the group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design the audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

We have not audit the financial statements of subsidiary namely SMK Europe,Unipessoal,LDA, whose financial statements reflect total assets of Rs. 25.89 Million as at March 31, 2021, total Revenue/ (Expenditure) of Rs. 0.00/ (0.02) Million respectively for the year ended March 31, 2021 as considered in the Financial Statements. In respect of the said Foreign subsidiary whose Financial Statements are unaudited and have been furnished to us by the management and our opinion on these consolidated financial statements is so far, as it relates to the amounts and disclosures included in respect of the subsidiary is solely based on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these unaudited financial information is not material to the group. Our opinion is not modified on this matter.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Holding company and the representation received from the auditor of the subsidiary company.

   (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      (a) The group has disclosed the impact of pending litigations on its consolidated Ind AS financial position in its financial statements – Refer Additional Notes to the financial statements 40(ii), Contingent Liability;

      (b) The group has made provisions, as required under the applicable law or accounting

      standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Rajan Chhabra
Partner
M.No: 088276
UDIN:21088276AAAAHB1800

Place: Faridabad
Date:25th August, 2021

Annexure-A

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

We have audited the internal financial controls over financial reporting of Studds Accessories Limited (“the Company”) as of 31 March, 2021 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matters

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

Opinion

In our opinion, the Company has, in all material respects, except for the possible effects of the matter described in others matter paragraph, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Rajan Chhabra
Partner
M.No: 088276
UDIN:21088276AAAAHB1800

Place: Faridabad
Date:25th August, 2021

Consolidated Balance Sheet as at 31st March 2021

(Rs. In millions)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Property Plant& Equipment	3	2,609.16	1,554.69
Capital Work in Process (Tangible)	4	55.41	838.13
Right of use Assets	5	41.33	-
Intangible Assets	6	12.23	9.30
Intangible Assets under development	7	42.05	24.56
Financial Assets			
- Non-Current Investments	8	0.02	0.02
Total Non-Current Assets		**2,760.20**	**2,426.70**
Current Assets			
Inventories	9	289.86	189.22
Financial Assets			
- Trade Receivables	10	265.71	189.94
- Cash & Cash Equivalents	11	441.85	220.39
- Other Bank Balances	12	320.36	300.46
- Other Financial Assets	13	72.28	36.87
Other Current Assets	14	195.80	111.29
Total Current Assets		**1,585.86**	**1,048.17**
Total Assets		**4,346.06**	**3,474.87**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	98.38	98.38
Other Equity	16	2,802.42	2,062.93
Total Equity		**2,900.80**	**2,161.31**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	17	155.84	277.26
- Lease Liabilities		24.91	-
- Other Non-Current Financial Liabilities	18	24.34	106.34
Non-Current Provisions	19	28.12	19.93
Deferred Tax Liability (Net)	20	107.58	70.05
Total Non-Current Liabilities		**340.79**	**473.58**
Current Liabilities			
Financial Liabilities			
- Current Borrowings	21	121.43	121.99
- Lease Liabilities		18.61	-
- Trade Payables	22		
- Total outstanding dues of MSME		4.50	2.71
- Total outstanding dues of creditors other than MSME		623.30	336.84
- Other Current Financial Liabilities	23	162.66	231.60
Other Current Liabilities	24	94.21	65.91
Current Provisions	25	18.01	16.95
Current Tax Liabilities (Net)	26	61.75	63.98
Total Current Liabilities		**1,104.47**	**839.98**
Total Liabilities		**1,445.26**	**1,313.56**
Total Equity and Liabilities		**4,346.06**	**3,474.87**

See accompanying notes to financial statements

As per our report of even date attached

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

CA Rajan Chhabra
Partner
M No. : 088276

Place: Faridabad
Date: 25th August, 2021

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Consolidated Statement Of Profit & Loss

for the year ended 31st March 2021

(Rs. In millions)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations			
Revenue	27	4,796.15	4,145.20
Other Income	28	45.95	57.10
Total Revenue		**4,842.10**	**4,202.30**
EXPENSES			
Cost of Material Consumed	29	2,047.32	1,740.81
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	30	(44.57)	(19.25)
Employee Benefit Expense	31	559.68	464.09
Finance Cost	32	34.64	9.14
Depreciation and Amortisation Expense	33	133.45	72.84
Other Expenses	34	1,128.62	980.21
Total Expense		**3,859.14**	**3,247.84**
Profit before Tax		982.96	954.46
Tax Expense:			
Current Tax		227.01	243.46
Deferred Tax		37.53	(33.53)
Tax relating to earlier periods		(21.52)	(1.02)
Total Tax Expense		**243.02**	**208.91**
Profit for the Period		739.94	745.55
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(1.09)	0.69
Income tax effect		0.27	(0.17)
Items that will not be reclassified to profit or loss			
Foreign Currency Translation Reserve		0.86	0.90
Income tax effect		-	-
Total other comprehensive income		**0.04**	**1.42**
Total Comprehensive Income for the year		**739.98**	**746.97**
Profit attributable to:			
- Owners		**739.98**	**746.97**
- Non-Controlling Interests		-	-
Earnings per share (face value Rs. 5/-)	35		
- Basic EPS (in Rs.)		37.61	37.89
- Diluted EPS (in Rs.)		37.61	37.89
See accompanying notes to financial statement			

As per our report of even date attached

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

CA Rajan Chhabra
Partner
M No. : 088276

Place: Faridabad
Date: 25th August, 2021

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

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Chairman and Managing Director
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Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2021

(i) Equity Share Capital

(Rs. In millions)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Equity share of Rs. 5/- each*		
Balance at the beginning of the year	98.38	98.38
Movement during the year	-	-
Balance at the end of the year	**98.38**	**98.38**

*The Equity shares were of face value of Rs. 10 each till the Financial year 31-03-2018. After 31st March, 2018, these shares were subsequently converted into shares of face value of Rs. 5 each.

(ii) Other Equity

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2019	**-**	**82.74**	**1,398.78**	**1,481.52**
Profit for the year	-	-	745.55	745.55
Other Comprehensive Income (net of tax)	-	-	1.42	1.42
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year	-	-	-	-
As at March 31, 2020	**-**	**82.74**	**1,980.19**	**2,062.93**
As at April 01, 2020	-	82.74	1,980.19	2,062.93
Profit for the year	-	-	739.94	739.94
Other Comprehensive Income (net of tax)	-	-	0.04	0.04
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(0.49)	(0.49)
Less: Utilised during the year	-	-	-	-
As at March 31, 2021	**-**	**82.74**	**2,719.68**	**2,802.42**

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

(Rs. In millions)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A Cash Flow from Operating Activities		
Profit before Tax	982.96	954.46
Adjustments for:		
Depreciation and Amortisation Expense	133.45	72.84
Foreign Currency Translation Reserve	0.86	0.90
Finance Cost	34.64	9.14
Rent Income	(0.29)	(0.26)
Interest Income	(28.12)	(43.52)
Provision for doubful debts	1.54	
Profit on sale of Property, Plant and Equipment	-	(0.83)
Loss on sale of Property, Plant and Equipment	-	-
Other Income	(10.85)	(12.48)
Operating Profit before working Capital changes	**1,114.18**	**980.24**
Working capital adjustments:		
Movement in trade & other payables	130.57	35.52
Movement in trade & other receivables	(197.29)	(87.85)
Movement in inventories	(100.64)	(58.03)
Cash Generated from Operations	**946.82**	**869.88**
Direct Taxes Paid and Taxes earlier years	(207.39)	(247.94)
Net Cash Flow from Operating Activities (A)	**739.43**	**621.94**
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(365.08)	(663.79)
Sale proceeds from sale of PPE	0.96	0.39
Sale proceeds from sale of Investments		-
(Investment) In Fixed Deposits/Maturity	(19.90)	362.75
Rent Received	0.29	0.26
(Investment) In Non Current Investments	(0.00)	-
Interest Received	28.12	43.52
Other Income Received	10.85	12.48
Net Cash Flow from Investing Activities (B)	**(344.75)**	**(244.38)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	(121.99)	(84.26)
Proceeds/(Repayment) from Current Borrowings (Net)		-
Dividend Including Dividend Distribution Tax	0.20	(165.17)
Repayment of lease liabilities	(16.78)	-
Interest Paid	(34.64)	(9.14)
Net Cash Flow from Financing Activities (C)	**(173.20)**	**(258.57)**
Net increase in Cash and Cash Equivalents (A+B+C)	**221.46**	**118.99**
Cash and Cash Equivalent at the beginning of the year	220.39	101.40
Cash and Cash Equivalent at the end of the year	**441.85**	**220.39**

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

Change in Liability arising from financing activities

Particulars	Borrowing	Lease
As at 31-Mar-20	399.25	0.00
Cash Flows	(121.99)	(16.78)
Non-cash changes	-	60.31
As at 31-Mar-21	**277.26**	**43.52**

(i) The above Cash Flow Statement has been prepared under the ""Indirect Method"" as set out in Indian Accounting Standard (Ind AS) 7 ""Statement of Cash Flow""

(ii) During the period the Company has not spent any amount on CSR Expenses in accordance with the provision of the Companies Act, 2013

(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 11

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
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DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

Annexure-V Notes to Consolidated Financial Information

1. Corporate Information

STUDDS ACCESSORIES LIMITED ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at 23/7, Mathura Road, Ballabgarh, Faridabad 121004, Haryana.

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

2. Significant Accounting Policies

(a) Statement of Compliance

The Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2021 and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended March 31, 2021 and Other Consolidated Financial Information (together referred as 'Consolidated Financial Information') have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

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

(b) Basis of Consolidation and Equity Accounting

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

The Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Financial Information. Accounting policies of consolidated companies have been changed where necessary to ensure consistency with the policies adopted by the group.

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

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

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 25th August 2021.

Subsidiaries

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

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

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

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

Changes in Ownership Interests

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

Annexure-V Notes to Consolidated Financial Information

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

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

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

Particulars of Subsidiary Company consolidated

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

(c) Key Accounting Estimates and Judgements

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

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

(a) Measurement of defined benefit obligations

(b) Measurement and likelihood of occurrence of provisions and contingencies

(c) Recognition of deferred tax assets

(d) Key assumptions used in discounted cash flow projections

(e) Impairment of Goodwill and Intangible assets

(f) Indefinite useful life of certain intangible assets

(g) Measurement of Lease liabilities and Right of Use Asset

(h) Fair valuation of assets acquired and liabilities assumed as part of business combination

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

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

(d) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the

Annexure-V Notes to Consolidated Financial Information

Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

(e) Current versus non-current classification

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

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

(f) Revenue Recognition

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

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

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

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

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

(g) Expenditure

Expenses are accounted on accrual basis.

(h) Foreign Currency

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

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

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

Annexure-V Notes to Consolidated Financial Information

(i) Property, Plant and Equipment

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

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

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

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

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

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

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

(j) Intangible Assets

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

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

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

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

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

(k) Borrowing Costs

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

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

Annexure-V Notes to Consolidated Financial Information

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

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

(l) Inventories

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

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

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

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

Scrap is valued at net realizable value.

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

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

(m) Provisions and Contingencies

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre- tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, is not recognized but disclosed in the financial statements.

(n) Employee Benefits

Short-Term Obligations

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

Other Long-Term Employee Benefit Obligations

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

Annexure-V Notes to Consolidated Financial Information

Post-Employment Obligations

Defined Benefit Plans

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

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

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

Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

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

Defined Contribution Plans

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

(o) Cash and Cash Equivalents

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

(p) Taxes

Taxes comprise of current income tax and deferred tax.

Current Income Tax

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

Deferred Tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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

Annexure-V Notes to Consolidated Financial Information

(q) Leases

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

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. These short-term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

(r) Impairment of Non-Financial Assets

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

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

(s) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

(t) Financial Instruments

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

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

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

Annexure-V Notes to Consolidated Financial Information

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

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

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

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

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

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

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

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

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

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

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

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

Trade & Other Receivables

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

Impairment of Financial Assets

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

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Annexure-V Notes to Consolidated Financial Information

Financial Liabilities

Classification of Debt or Equity

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

Equity Instruments

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

Financial liabilities

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

Trade and Other Payables

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

Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit Loss.

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

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

(u) Earnings Per Share:

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

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 3 Property Plant & Equipment

(Rs. in millions)

Description	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Office Appliances	Computers	Vehicles	Total
Cost								
As at 1 April 2019	**608.48**	**164.06**	**641.26**	**15.15**	**4.57**	**3.65**	**23.00**	**1460.17**
Additions	26.63	123.72	148.57	11.90	4.26	3.30	13.15	331.53
Disposals/write off	-	-	2.13	-	-	-	3.61	5.74
As at 31 March 2020	**635.11**	**287.78**	**787.70**	**27.05**	**8.83**	**6.95**	**32.54**	**1,785.96**
Additions	14.29	600.02	508.26	25.80	10.93	6.98	0.57	1,166.85
Disposals/write off	-	-	1.00	-	-	-	-	1.00
As at 31 March 2021	**649.40**	**887.80**	**1,294.96**	**52.85**	**19.76**	**13.93**	**33.11**	**2,951.81**
Accumulated Depreciation								
As at 1 April 2019	-	18.42	127.63	4.26	3.31	1.97	9.08	164.67
Charge for the year	-	9.70	54.54	2.30	0.74	0.76	3.06	71.10
Disposals/write off	-	-	2.00	-	-	-	2.52	4.52
As at 31 March 2020	**-**	**28.12**	**180.17**	**6.56**	**4.05**	**2.73**	**9.62**	**231.25**
Charge for the year	-	23.38	77.06	3.34	2.09	1.35	4.22	111.44
Disposals/write off	-	-	0.03	-	-	-	-	0.03
As at 31 March 2021	**-**	**51.50**	**257.20**	**9.90**	**6.14**	**4.08**	**13.84**	**342.65**
Net Book Value								
As at 31 March 2021	**649.40**	**836.31**	**1,037.76**	**42.95**	**13.63**	**9.85**	**19.27**	**2,609.16**
As at 31 March 2020	**635.11**	**259.65**	**607.53**	**20.48**	**4.78**	**4.22**	**22.92**	**1,554.69**

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

Note No: 4 Capital Work in Progress- Tangible

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balance at the beginning	838.13	569.84
Additions	34.44	476.79
Capitalised during the year	817.16	208.51
Reversal of Impairment	-	-
Balance at the end	**55.41**	**838.13**

Note No: 5 Right of Use

(Rs. In millions)

Particulars	Amount
Cost	
As at 1st April 2020	**-**
Additions	60.30
Disposals/write off	-
As at March 31, 2021	**60.30**
Accumulated Depreciation	
As at 1 April 2020	**-**
Additions	18.97
Disposals/write off	
As at 31 March 2020	**18.97**
Net Book Value	
As at 31 March 2021	**41.33**

Notes to Financial Information for the year ended 31st March 2021

Note No: 6 Other Intangible Assets

(Rs. in millions)

Particulars	Computer Software	Trademark	Techinical Know- How	Total
Cost				
As at 1 April 2019	**8.22**	**0.03**	**-**	**8.25**
Additions	3.60	0.35	2.57	6.53
Disposals/write off				
As at 31 March 2020	**11.82**	**0.38**	**2.57**	**14.77**
Additions	0.88	-	5.09	5.98
Disposals/write off	-	-	-	
As at March 31, 2021	**12.70**	**0.38**	**7.66**	**20.75**
Accumulated Depreciation				
As at 1 April 2019	3.75	-	-	3.75
Additions	1.61	0.02	0.09	1.72
Disposals/write off				
As at 31 March 2020	**5.36**	**0.02**	**0.09**	**5.48**
Additions	1.64	0.11	1.29	3.04
Disposals/write off				
As at March 31, 2021	**6.99**	**0.13**	**1.39**	**8.52**
Net Book Value				
As at 31 March 2021	**5.71**	**0.25**	**6.27**	**12.23**
As at 31 March 2020	**6.46**	**0.36**	**2.47**	**9.30**

Note No: 7 Intangible Assets under Development

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balance at the beginning	24.56	6.94
Additions	24.65	24.56
Capitalised during the year	4.59	6.94
Reversal of Impairmenr	-	-
Transfer to expense	2.58	-
Balance at the end	42.05	24.56

Note No: 8 Non Current Investments

(Rs. In millions)

Particulars		As at 31st March, 21		As at 31st March, 20	
		No of Shares	Amount	No of Shares	Amount
Investment in Equity Shares					
A. In Others - At FVTPL					
- Bank of Maharashtra	10/-	1,900.00	0.02	1,900.00	0.02
Total Investments		**1,900.00**	**0.02**	**1,900.00**	**0.02**
Aggregate Value of Unquoted Investments			-		-
Aggregate Value of Quoted Investments			0.02		0.02
Aggregate Market Value of Quoted Investments			0.02		0.02
Aggregate Amt of Impairment in Value of Investments			-		

Notes to Financial Information for the year ended 31st March 2021

Note No: 9 Inventories

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Raw Materials	179.22	143.23
Raw material in Transit	20.08	-
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	**289.86**	**189.22**

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

For Valuation, refer Note 2 I of Accounting Policies

Note No: 10 Trade Receivables

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
From Others*		
- Secured, considered good	3.89	0.03
- Unsecured, considered good	261.83	189.91
- With significant increase in credit risk	1.54	-
- credit impaired	(1.54)	-
Total	**265.71**	**189.94**

*No amount is due from Related parties.

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

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

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

Refer Note No 44 for ageing of Trade Receivables

Note No: 11 Cash and Cash Equivalents

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Cash in hand	0.05	0.00
Balances with Bank		
- in Deposit having maturity for less than 3 months	380.51	107.11
- in Current accounts	61.29	113.28
Total	**441.85**	**220.39**

Note No: 12 Other Bank Balances

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	318.93	299.23
- in Unpaid Dividend account	1.43	1.23
Total	**320.36**	**300.46**

Notes to Financial Information for the year ended 31st March 2021

Note No: 13 Other Financial Assets

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
Unsecured, considered good		
Balances with Bank		
- in Deposit having maturity for more than 12 months	30.16	13.96
Security deposits	40.62	22.03
Advances to employees	1.49	0.88
Total	**72.28**	**36.87**

Note No: 14 Other Current Assets

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Unsecured, considered good		
Advance to Vendors		
- Vendors	148.09	94.97
- Others	14.00	-
Duty Drawback receivable	3.00	0.65
Prepaid Expenses	8.41	8.98
Balance of Cenvat/GST	4.33	3.39
Other assets	17.97	3.30
Total	**195.80**	**111.29**

Note No: 15 Equity Share Capital

(Rs. In millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital				
Equity shares of Rs. 5/- each*	5,00,00,000	250.00	5,00,00,000	250.00
Issued Capital				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38
Subscribed and Fully Paid up				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38

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

A Reconciliation of Number of Equity Shares Outstanding

(Rs. In millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	1,96,76,700	98.38	1,96,76,700	98.38
Add: Effect due to Share Split	-	-	-	-
Add: Effect due to Bonus Issue	-	-	-	-
Less: Cancelled during the year	-	-	-	-
As at March 31, 2020	**1,96,76,700.00**	**98.38**	**1,96,76,700.00**	**98.38**

B Rights, Preferences and Restrictions attached to Equity Shares.

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 15 Equity Share Capital (Contd..)

C Details of Shareholders holding more than 5% Equity Shares

(Rs. In millions)

Particulars	As at 31st March, 21		As at 31st March, 20	
	No of Shares	Amount	No of Shares	Amount
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	55.36%	1,08,92,880	55.36%
Sidhartha Bhushan Khurana	28,14,480	14.30%	28,14,480	14.30%
Chand Khurana	16,48,800	8.38%	16,48,800	8.38%

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

Note No: 16 Other Equity

(Rs. in millions)

Particulars	Reserve & Surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.55	745.55
Other Comprehensive Income (net of tax)	-	-	1.42	1.42
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year	-	-	-	-
As at March 31, 2020	**-**	**82.74**	**1,980.19**	**2,062.93**
As at April 01, 2020	-	82.74	1,980.19	2,062.93
Profit for the year	-	-	739.94	739.94
Other Comprehensive Income (net of tax)	-	-	0.04	0.04
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(0.49)	(0.49)
Less: Utilised during the year	-	-	-	-
As at March 31, 2021	**-**	**82.74**	**2,719.68**	**2,802.42**

Note No: 17 Non-Current Borrowings

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	7.26	9.25
Other Term Loan	270.00	390.00
Total	**277.26**	**399.25**
Less: Current Maturities on Non Current Borrowings		
- Vehicle Loan	1.43	1.99
- Other Term Loan	120.00	120.00
Total	**121.43**	**121.99**
Total Non-Current Borrowings	**155.84**	**277.26**

A. Term Loan From HDFC (Santioned Rs. 480 Mn. Balance as on 31/03/2021 - Rs. 270 Mn)

Security Terms:

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

Interest Rates:

(6 Month MCLR + 10 bps)

Notes to Financial Information for the year ended 31st March 2021

Note No: 17 Non-Current Borrowings (Contd..)

Repayment Terms:

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

B. Vehicle Loans

Security Terms:

Secured against hypothecation of specified vehicles of the company.

Interest Rates:

Applicable rate of interest is 8.50% to 10.50%

Repayment Terms:

Vehicle loan repayable within 36/ 60 equal monthly installment.

Note No: 18 Other Non-Current Financial Liabilities

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Carried at Amortised Cost		
Security Deposit from Dealers	24.34	22.23
Payables on purchase of Property, Plant & Equipment	-	84.10
Total	**24.34**	**106.34**

Note No: 19 Non-Current Provisions

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Provision for Employee Benefits		
- Gratuity	21.27	14.66
- Leave Encashment	6.85	5.27
Total	**28.12**	**19.93**

Note No: 20 Deferred Tax Liabilities (Net)

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	130.15	79.31
Total Deferred Tax Liabilities	**130.15**	**79.31**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	22.57	9.26
Total Deferred Tax Assets	**22.57**	**9.26**
Net Deferred Tax Liabilities/(Asset)	**107.58**	**70.05**

Reconciliation of Deferred Tax Liabilities (Net)

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	79.31	114.41
Movement during the year	50.84	(35.10)
Closing Balance	**130.15**	**79.31**

Notes to Financial Information for the year ended 31st March 2021

Note No: 20 Deferred Tax Liabilities (Net) (Contd..)

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		-
Opening Balance	9.26	10.82
Movement during the year	13.31	(1.56)
Closing Balance	**22.57**	**9.26**
Net Deferred Tax Liabilities/(Asset)	**107.58**	**70.05**

Note No: 21 Current Borrowings

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Cash Credit	-	-
- Current Maturities on Borrowings from Banks (Refer Note No. 17)	121.43	121.99
Total	**121.43**	**121.99**

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

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

Note No: 22 Trade Payables

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	4.50	2.71
Dues of other than MSMEs	623.30	336.84
Total	**627.80**	**339.55**

*The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 36)

Note No: 23 Other Current Financial Liabilities

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
At Amortised Cost		
Payables on purchase of Property, Plant & Equipment	78.89	121.41
Employee Related Liabilities	59.94	65.61
Expenses Payable	19.27	12.49
Others Payable	3.19	31.41
Unpaid Dividend	1.38	0.69
Total	**162.66**	**231.60**

Notes to Financial Information for the year ended 31st March 2021

Note No: 24 Other Current Liabilities

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Advances received from Customers	51.24	35.96
CSR PAYABLE	14.00	-
Statutory Dues	28.97	29.95
Total	**94.21**	**65.91**

Note No: 25 Current Provisions

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Provision for Employee Benefits		
- Gratuity	14.35	14.41
- Leave Encashment	3.66	2.54
Total	**18.01**	**16.95**

Note No: 26 Current Tax Liabilities

(Rs. In millions)

Particulars	As at 31st March, 21	As at 31st March, 20
Income Tax Payable	61.75	63.90
Total	**61.75**	**63.90**

Note No: 27 Revenue from operations

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Sale of Goods		
- Inland Sales	4,422.57	3,961.00
- Exports Sales	538.74	351.36
Total Sales	**4,961.31**	**4,312.36**
Less : Discount & Incentives	165.16	167.16
Net Sales	**4,796.15**	**4,145.20**

Note No: 28 Other Income

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Other income - operative		
Interest Income	28.12	43.52
Rent Income	0.29	0.26
Miscellaneous Income	1.50	4.56
Export Incentive	9.35	7.92
Other income - non operative		
Profit on Sale of Fixed Assets	-	0.83
Profit on account of currency fluctuation	6.69	-
Total	**45.95**	**57.10**

Notes to Financial Information for the year ended 31st March 2021

Note No: 29 Cost of Material Consumed

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
ABS	522.35	329.97
Polycarbonate	192.38	147.51
Cloth	197.96	154.24
Paint	147.35	118.19
Thermocol	83.98	155.72
Buckle	58.63	39.78
EPSL	42.23	0.00
PPCP	20.94	21.92
Other Components	781.51	773.48
Total	**2,047.32**	**1,740.81**

Note No: 30 (Increase)/decrease in Inventories of Finished Goods and Work-in-Progress

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Inventory at the beginning of the year		
Finished Goods	41.04	23.23
Work in Progress	4.95	3.51
Total	**45.99**	**26.74**
Less: Inventory at the end of the year		
Finished Goods	75.33	41.04
Work in Progress	15.24	4.95
Total	**90.56**	**45.99**
Net (Increase)/decrease	**(44.57)**	**(19.25)**

Note No: 31 Employee Benefit Expenses

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Salaries, Wages and Bonus	504.75	425.98
Contribution to Provident Fund & Other Fund	32.30	26.31
Employees Welfare Expenses	22.62	11.81
Total	**559.68**	**464.09**

Note No: 32 Finance Cost

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest on:		
- Term Loan	19.79	7.64
- Cash Credit / Overdraft	0.01	0.13
- Vehicle Loan	0.79	0.48
- Payment to MSME	0.03	0.01
- HSIIDC	8.51	-
- Dealer Security Deposit	1.13	0.89
- Lease Liability	3.58	-
- Others	0.80	-
Total	**34.64**	**9.14**

Notes to Financial Information for the year ended 31st March 2021

Note No: 33 Depreciation and Amortisation Expense

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Depreciation of Property,Plant & Equipment	111.44	71.11
Amortisation of Right of use assets	18.97	0.00
Amortisation of intangible assets	3.04	1.72
Total	**133.45**	**72.84**

Note No: 34 Other Expenses

(Rs. In millions)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Labour Charges	175.60	146.41
Packaging & Forwarding	219.30	236.83
Power & Fuel	172.99	147.87
Store Consumed	58.72	39.43
Cartage Outward	254.84	191.95
Insurance Expenses	11.42	6.66
Repair and Maintenance		
- Plant & Machinery	32.32	17.37
- Building	5.74	2.21
- Others	27.49	14.28
Payment to Auditors	0.85	0.55
Legal & Professional Expenses	28.81	33.61
Corporate Social Responsibility (CSR) expenses	14.00	10.10
Travelling & Conveyance Expenses	4.29	13.37
Loss on Currency Fluctuation	-	2.00
Commission on Sales	18.44	10.87
Advertisement & Sales Promotion	42.69	33.61
Provision for Bad Debts	1.54	0.00
Bank Charges	1.54	1.08
Miscellaneous Expenses	58.04	72.02
Total	**1,128.62**	**980.21**

Notes to Financial Information for the year ended 31st March 2021

Note No: 35 Earnings per share

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

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

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Profit after tax for calculation of EPS (Rs. in million) (A)	739.94	745.55
Number of equity shares post split	1,96,76,700	1,96,76,700
Add: Effect of Bonus issue	-	-
Number of equity shares for calculating basic & diluted EPS (B)	**1,96,76,700**	**1,96,76,700**
Face Value per share (Amount in Rs.)	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	**37.60**	**37.89**
Diluted Earning per share (Amount in Rs.) (A/B)	**37.60**	**37.89**

Note No: 36 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		-
- Principal amount due to MSME	4.50	0.27
- Interest due on above	0.03	
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.		-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.		-

Note No: 37 Segment Information

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 38 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

In light of section 135 of the Companies act 2013, the Company has to carry out the following expenses on corporate social responsibility (CSR) aggregating to INR 14.00 millions for CSR activities which is still unspent as on 31st March, 2021:-

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
(i) Gross amount required to be spent by the Company during the year	14.00	10.10

(Rs. In millions)

Particulars	Paid	Unspent as on 31-Mar-21	Total
(ii) Amount to be spent during the year ending on March 31, 2021:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above		14.00	14.00
(iii) Amount spent during the year ending on March 31, 2020:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	10.10	-	10.10

As per Notification dated 22nd Jan, 2021 the above mentioned unspent amount shall be contributed to any fund specified under schedule VII as per second proviso to section 135(5) upto 30th September 2021.

Note No: 39 Related Party Disclosures

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

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

- Studds Foundation

- Bikerz INC (formerly known as Studds Canada)

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana	Chairman
- Mrs. Chand Khurana	Wife of Chairman
- Mr. Sidhartha Bhushan Khurana	Managing Director
- Mrs. Garima Khurana	Wife of Managing Director
- Mr. Manish Mehta	Chief Financial Officer
- Mr. Saurav Kumar (resigned w.e.f 08/03/2021)	Company Secretary

Following transactions were carried out with related parties in the ordinary course of business for the Year Ended 31st March 2021:-

(Rs. in millions)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-21	Year Ended 31-Mar-20
1	Enterprise with Significant Influence			
	Studds Foundation	CSR Expenditure	-	10.10
	Studds Foundation	Advance given	14.00	-
	Bikerz INC (formerly known as Studds Canada)	Sale of Goods	1.11	-
2	Key Management Personnel & their Relatives			
	Mr. Madhu Bhushan Khurana	**Director's Remuneration:**		
		- Short-term employee benefits	24.37	30.00
		- Post-employment benefits	-	-
		Interest on Loan		-

Notes to Financial Information for the year ended 31st March 2021

Note No: 39 Related Party Disclosures (Contd..)

(Rs. in millions)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-21	Year Ended 31-Mar-20
		Dividend		76.25
		Rent	-	0.25
		Loan Taken		-
		Loan Repaid		-
		Loan Receivable/(Payable)		-
		Balance Receivable/(Payable)	(0.45)	(12.45)
	Mrs. Chand Khurana	**Salary**:		
		- Short-term employee benefits	2.72	2.51
		- Post-employment benefits	-	-
		Interest on Loan		-
		Dividend		11.54
		Rent	-	0.25
		Loan Repaid		-
		Loan Receivable/(Payable)		-
		Balance Receivable/(Payable)	(0.14)	(0.14)
	Mr. Sidhartha Bhushan	**Director's Remuneration:**		
	Khurana	- Short-term employee benefits	24.27	30.17
		- Post-employment benefits	-	-
		Dividend		19.70
		Balance Receivable/(Payable)	0.00	(12.45)
	Mrs. Garima Khurana	**Salary:**		
		- Short-term employee benefits	1.43	1.31
		- Post-employment benefits	-	-
		Dividend		0.25
		Balance Receivable/(Payable)		(0.08)
5	**Alpine Apparels Private Limited**	Advance given against service contract		0
		Advance received back with interest		0
		Interest received on advance		0
	Ms. Kanika Bhutani	Salary	-	0.47
	Mr. Manish Mehta	Salary	4.33	4.28
	Mr. Saurav Kumar	Salary	2.01	1.18

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31 March 2021 & 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No: 40 Commitments and Contingencies

(i) Commitments (Net of Advances)

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

(Rs. In millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Estimated amount of contracts remaining to be executed on capital account and not provided for	33.36	22.01

Notes to Financial Information for the year ended 31st March 2021

Note No: 40 Commitments and Contingencies (Contd..)

(ii) Contingent Liabilities

(Rs. In millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Sales Tax demand	-	0.46
Service Tax demand	3.47	16.72
Goods and Service Tax demand	2.05	2.05
Bank Guarantees	15.48	15.59
Letter of Credits	35.42	25.09

(a) The company does not expect any reimbursements in respect of the above contingent liabilities.

(b) The company has a ongoing legal dispute against Haryana State pollution Control Board and Anr which has raised demand of Rs.95,15,625.00. Company has filed appeal against the raised demand to Appellate Authority under the water act at Chandigarh.

(c) It is not practicable for the Company to estimate the timings of cash outlows, if any, in respect of the above pending resolution of the respective proceedings.

Note No: 41 Employee Benefits

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

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Employer's Contribution to Provident Fund & Pension*	23.92	18.33
Employer's Contribution to ESI*	7.86	7.53

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 31).

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

The Company has defined benefit plan Namely gratuity plan which is governed by payment of Gratuity Act 1972 and other long term benefits Namely Leave Encashment and Compensated Absences. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present value of obligation as at the beginning	29.07	26.06
Current service cost	3.98	2.85
Past Service Cost	-	-
Interest cost	1.95	1.95
Re-measurement (or Actuarial) (gain) / loss	1.09	(0.69)
Benefits paid	(0.47)	(1.10)
Present Value of Obligation as at the end	**35.63**	**29.07**
Current Liability	**14.35**	**14.41**
Non-Current Liability	**21.27**	**14.66**

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

(ii) Fair Value of Plan Assets:

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Fair Value of Plan Assets as at the beginning	-	-
Interest Income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets as at the end	**-**	**-**

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

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present Value of Obligation at the end	35.63	29.07
Fair Value of Plan Assets at the end	-	-
Amount Recognised in Balance Sheet	**35.63**	**29.07**

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Current service cost	3.98	2.85
Past service cost	-	-
Net interest cost on net defined benefit liability	1.95	1.95
Net benefit expense recognized in statement of Profit and Loss	**5.93**	**4.80**

(v) Amount recognised in Other Comprehensive Income:

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (gains)/losses	(0.39)	(1.35)
Difference in Present Value of Obligations	1.48	0.66
Components of defined benefit costs recognised in other comprehensive income	**1.09**	**(0.69)**

(vi) Funding Pattern

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
	Nil	Nil

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Discount rate	6.76% p.a	6.76% p.a
Attrition Rate	15.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2012-14

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

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

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(1.33)	(0.75)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	1.48	0.82

(b) Salary growth rate

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (1 % p.a. increase)		
Impact on defined benefit obligation	2.96	2.54
Change in assumption (1 % p.a. decrease)		
Impact on defined benefit obligation	(2.50)	(2.06)

(c) Attrition Rate

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(0.66)	(0.53)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	0.77	0.65

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Within the next 12 months	14.47	14.55
Between 2 and 5 years	11.49	10.42
Between 5 and 10 years	9.78	5.72
After 10 years	14.14	5.89

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

(x) Risk exposure

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

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria . It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

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

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

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Present value of obligation as at the beginning	7.81	4.91
Current service cost	5.32	3.96
Interest cost	0.38	0.24
Re-measurement (or Actuarial) (gain) / loss	0.02	2.31
Benefits paid	(4.38)	(3.60)
Present Value of Obligation as at the end	9.15	7.81
Current Liability	**2.31**	**2.54**
Non-Current Liability	**6.85**	**5.27**

(b) Net employee benefit expense (recognized in Employee Cost):

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Current service cost	5.32	3.96
Past service cost	-	-
Interest cost	0.38	0.24
Re-measurement (or Actuarial) (gain) / loss	0.02	2.31
Net benefit expense recognized in statement of Profit and Loss	**5.72**	**6.51**

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Discount rate	6.76% p.a.	6.76% p.a.
Attrition Rate	15.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2012-14

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 41 Employee Benefits (Contd..)

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

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	9.15	7.81
Amount Recognised in Balance Sheet	9.15	7.81

Note No: 42 Lease related disclosures

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

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

A) Lease payments not included in measurement of lease liability

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

(Rs. In millions)

Particulars	Year Ended 31-Mar-21
Short term leases & low value assets	-
Total	**-**

B) Lease under Ind AS 116 for the year ended 31 March 2021

The Details of the right-of-use assets held by the Company is as follows:

Particulars	Depreciation charge for the year	Net carrying amount
Building & Warehousing facilities	18.97	41.33
Total	**18.97**	**41.33**

C) Amount recognised in Statements of Profit & Loss:

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Depreciation on right-of-use assets	-	-
Interest on lease liabilities	3.58	-
Rental expenses relating to short term leases and Low value assets	-	-
Total	**3.58**	**-**

D) Amount recognised in Statements of cash flows:

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Total Cash out flow for the leases	**(16.78)**	**-**

Notes to Financial Information for the year ended 31st March 2021

Note No: 42 Lease related disclosures (Contd..)

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

F) Maturity of lease liabilities

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

(Rs. in millions)

31 March 2021	Minimum lease payments due			Total
	Within 1 year	1-2 years	2-3 years	
Lease payments	21.21	22.13	4.06	47.40
Interest expense	2.60	1.24	0.04	3.88
Net present values	**18.61**	**20.89**	**4.02**	**43.52**

Note No: 43 Fair Values

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

A. Financial Assets

(Rs. in millions)

Particulars	31-Mar-21		31-Mar-20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	0.02	0.02	0.02	0.02
Trade Receivables	265.71	265.71	189.94	189.94
Cash & Cash Equivalents	441.85	441.85	220.39	220.39
Other Bank Balances	320.36	320.36	300.46	300.46
Other Financial Assets	72.28	72.28	36.87	36.87
Total Financial Assets	**1100.22**	**1100.22**	**747.68**	**747.68**

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

B. Financial Liabilities

(Rs. in millions)

Particulars	31-Mar-21		31-Mar-20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	155.84	155.84	277.26	277.26
Other Non-Current Financial Liabilities	24.34	24.34	106.34	106.34
Current Borrowings	121.43	121.43	121.99	121.99
Trade Payables	627.80	627.80	339.55	339.55
Other Current Financial Liabilities#	162.66	162.66	231.60	231.60
Total Financial Liabilities	**1092.07**	**1092.07**	**1076.74**	**1076.74**

#ncluding current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

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

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

Level 1

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

Level 2

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 43 Fair Values (Contd..)

Level 3

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

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

(Rs. in millions)

Particulars	31-Mar-21	31-Mar-20
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.02
Investment in UnQuoted Shares (Level 1)	-	-

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

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

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

Note No: 44 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.

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

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 2020.

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

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

Interest Rate Risk

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

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

(Rs. in millions)

Particulars	Increase/decrease in basis points	Year Ended 31-Mar-21	Year Ended 31-Mar-20
INR Loans*	+ 50 Basis Points	1.73	0.46
INR Loans*	- 50 Basis Points	-1.73	-0.46

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

Foreign Currency Risk

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

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

Liabilities/Assets	FOREIGN CURRENCY	
	As at 31-Mar-21	As at 31-Mar-20
Liabilities		
USD	1.00	0.36
EURO	0.14	0.07
Assets		
USD	0.69	0.37
EURO	0.02	0.06

Liabilities/Assets	INR	
	As at 31-Mar-21	As at 31-Mar-20
Liabilities		
USD	73.00	27.08
EURO	12.17	5.57
Assets		
USD	50.16	28.10
EURO	1.59	4.67

Foreign Currency Sensitivity

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

Currency	Change in rate	Effect on profit before tax for the year	
		31-Mar-21	31-Mar-20
USD	Appreciation in INR by 5%	0.11	(0.01)
USD	Depreciation in INR by 5%	(0.01)	0.00
EURO	Appreciation in INR by 5%	0.05	0.00
EURO	Depreciation in INR by 5%	(0.01)	(0.00)

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

Credit Risk

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

Trade Receivables

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

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

The management believes that the trade receivables as on 31 March 2021 and 2020 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

(Rs. in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
0-6 Months past due	261.08	185.66
6-12 Months past due	1.77	1.50
More than 12 months	2.86	1.82
Total	**265.71**	**188.97**

Balances with Banks

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 2020 is the carrying amounts of balances with banks.

Liquidity Risk

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

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

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2021				
Borrowings		155.84		155.84
Other Non-Current Financial Liabilities	-	24.34		24.34
Current Borrowings	121.43	-	-	121.43

Notes to Financial Information for the year ended 31st March 2021

Note No: 44 Financial risk management objectives and policies (Contd..)

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
Trade Payables	627.80	-	-	627.80
Lease Liabilities	18.61	24.91	-	43.52
Other Current Financial Liabilities	162.66	-	-	162.66
Total	**930.50**	**205.09**	**-**	**1,135.59**

(Rs. in millions)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2020				
Borrowings	-	277.26	-	277.26
Other Non-Current Financial Liabilities	-	106.34	-	106.34
Current Borrowings	121.99	-	-	121.99
Trade Payables	339.55	-	-	339.55
Other Current Financial Liabilities	231.60	-	-	231.60
	693.14	**383.60**	**-**	**1,076.74**

Note No: 45 Capital Management

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

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

(Rs. in millions)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Borrowings	277.26	399.25
Trade Payables	627.80	339.55
Less: Cash and cash equivalents	441.85	220.39
Net Debt (A)	**463.22**	**518.41**
Equity (B)	**2900.80**	**2,160.25**
Net Debt/ Equity Ratio (A/B)	**15.97%**	**24.00%**

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

Note No: 46 Significant accounting judgments, estimates and assumptions

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 46 Significant accounting judgments, estimates and assumptions (Contd..)

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

A. Judgments

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

Lease

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

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Contingent liabilities

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

(ii) Impairment of financial assets

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

(iii) Impairment of Assets

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

(iv) Gratuity benefits

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

Notes to Financial Information for the year ended 31st March 2021

Note No: 46 Significant accounting judgments, estimates and assumptions (Contd..)

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

(v) Taxes

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

Note:47 Distributions made and Proposed

(Rs. in millions)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (Rs. In millions) (A)	-	94.39
Per Share Dividend (Amount in Rs.)	-	4.00
Proposed Dividend (Rs. in million) (B)*	78.71	-
Per Share Dividend (Amount in Rs.)	4.00	-
Total Dividend (A+B)	**78.71**	**94.39**

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

The Board has recommended annual dividend @80% on paid up share capital of the company i.e. Rs. 4.00 per paid up equity shares for the FY 20-21.

Note No: 48

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

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA Rajan Chhabra
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Pallavi Saluja
Independent Director
DIN: 07006557

Place: Faridabad
Date: 25th August, 2021

Manish Mehta
Chief Financial Officer

Hitesh Wadhera
Company Secretary

STUDDS ACCESSORIES LIMITED

Regd Office: 23/7, Mathura Road, Ballabgarh, Faridabad-121004, Haryana
CIN: U25208HR1983PLC015135
Website: www.studds.com/ **Email:** secretarial@studds.com
Ph.No - 0129 - 4296500

NOTICE is hereby given that the 39th (Thirty Nine) Annual General Meeting ("AGM") of the members of Studds Accessories Limited ("the Company") will be held on Tuesday, September 28, 2021 at 4:00 PM (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone and Consolidated Financial Statement for the financial year ended 31st March, 2021, including audited Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To declare Final Dividend of Rupees Four (Rs. 4/-) per Equity Shares (i.e. 80% on Paid up Value of Rupees 5/- each) for the Financial Year 2020-21.

3. To appoint a Director in place of Mr. Madhu Bhushan Khurana (DIN : 00172770) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. REVISION OF REMUNERATION OF MR. MADHU BHUSHAN KHURANA, CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members by way of a special resolution be and is hereby accorded for the revision in the remuneration of Mr. Madhu Bhushan Khurana (DIN: 00172770), Chairman & Managing Director of the Company with effect from September 1, 2021, for remaining term of his appointment on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the remuneration.

FURTHER RESOLVED THAT the overall managerial remuneration payable to Mr. Madhu Bhushan Khurana shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee but not exceeding 11% of the net profits of the company for each financial year or part thereof computed in accordance with the provision of Section 198 of the Companies Act, 2013 at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Chairman & Managing Director be varied/altered/ revised within said overall limit, in such manner as may be required.

FURTHER RESOLVED THAT wherein any financial year, during the term of office of Mr. Madhu Bhushan Khurana. (DIN. 00172770), Chairman and Managing Director, the Company has no profits or its profits are inadequate, Mr. Madhu Bhushan Khurana (DIN 00172770), Chairman and Managing Director shall continue to get the same remuneration as minimum remuneration subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

FURTHER RESOLVED THAT Directors and Company Secretary of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

5. REVISION OF REMUNERATION OF MR. SIDHARTHA BHUSHAN KHURANA, MANAGING DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members by way of a special resolution be and is hereby accorded to the revision in the remuneration of Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director of the Company on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the remuneration.

FURTHER RESOLVED THAT the overall managerial remuneration payable to Mr. Sidhartha Bhushan Khurana shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee but not exceeding 11% of the net profits of the company for each financial year or part thereof computed in accordance with the provision of Section 198 of the Companies Act, 2013 at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/altered/revised within said overall limit, in such manner as may be required.

RESOLVED FURTHER THAT wherein any financial year, during the term of office of Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, the Company has no profits or its profits are inadequate, Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director shall continue to get the same remuneration as minimum remuneration subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

FURTHER RESOLVED THAT Directors and Company Secretary of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

By the order of Board
For **Studds Accessories Limited**

Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Date: August 25, 2021
Place: Faridabad

NOTES:

1. In view of the situation arising due to Covid-19 pandemic, as per guidelines issued by the Ministry of Corporate Affairs, Government of India vide Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated 13 January, 2021 ('MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members/Shareholders at a common venue. In compliance with the provisions of the Act, and MCA Circulars, the 39th AGM of the Company is being held through VC/OAVM facility.

   The Deemed Venue for the 39th AGM shall be the Registered Office of the Company.

2. The explanatory statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of this Notice.

3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members/ Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Members/Shareholders will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members/Shareholders intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant board resolution to the Company

4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

6. The attendance of the Members/Shareholders attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In terms of Section 152 of the Companies Act, 2013 Mr. Madhu Bhushan Khurana (DIN : 00172770), Chairman and Managing Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his reappointment.

8. At the 36th AGM held on September 28, 2018 the Members/ Shareholders approved appointment of M/s. Rajan Chhabra & Co., Chartered Accountants (ICAI Firm Registration no. 009520N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members/Shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 39th AGM.

9. The recording/ transcripts of the forthcoming AGM scheduled on September 28, 2021, shall also be made available on the website of the Company https://www.studds.com/investor-relations.

10. The relevant details, as required under Secretarial Standard-2, of persons seeking re-appointment as Directors at the Annual General Meeting ('AGM') are furnished herewith and forms part of the Notice.

11. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID secretarial@studds.com till the date of AGM.

12. During the AGM, Members/Shareholders may access Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act through writing a mail to secretarial@studds.com.

13. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members/ Shareholders who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members/ Shareholders who have not registered their e-mail address with the Company can now register the same by sending an email to Company Secretary and Compliance Officer of the Company at secretarial@ studds.com and/or by sending a request to Link Intime India Private Limited Registrar and Share Transfer Agent ('RTA') through email delhi@linkintime.co.in or contact 011-49411000. Members/ Shareholders holding Shares in demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.

14. Members/Shareholders may note that this Notice of AGM and Annual Report will also be available on Company's website https://www.studds.com/investor-relations.

15. The Notice of AGM and Annual Report will be sent to those Members/ Shareholders whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on August 27, 2021. The voting rights of the shareholders/ beneficial owner shall be reckoned on the equity shares held by them as at September 21, 2021.

16. Members/Shareholders desiring any information/ clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at secretarial@studds.com at least seven days in advance to enable the management to keep information ready at the

AGM. Members/Shareholders desiring to seek information/ clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by Link Intime India Private Limited.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members/ Shareholders holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members/Shareholders holding shares in physical form, if any, can submit their PAN to the Registrar and Share Transfer Agent ("RTA") Link Intime India Private Limited.

18. Ministry of Corporate Affairs vide its notifications dated September 10, 2018, mandated that securities of unlisted public companies can be transferred only in dematerialized form w.e.f. October 02, 2018. Accordingly, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members/ Shareholders are requested to dematerialize the shares held by them in physical form. The ISIN No. for the Equity Shares of the Company is INE00Q601028.

19. Members/Shareholders holding shares in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-13 in terms of Section 72 of the Companies Act, 2013 to the RTA. Members/ Shareholders holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company's website https://www.studds.com/investor-relations. Members/Shareholders who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.

20. Non-Resident Indian Members/Shareholders are requested to inform RTA, immediately of: (a) Change in their residential status on return to India for permanent settlement; (b) Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.

21. If the dividend as recommended by the Board of Directors is declared at the Annual General Meeting, payment of such dividend will be made as per the provisions of the Companies Act, 2013 as under:

    (a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on September 28, 2021; and

    (b) To all Members in respect of shares held in physical form as of the close of business hours on September 28, 2021.

22. As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the dividend at rates prescribed in the Income Tax Act, 1961, if the dividend as recommended by the Board of Directors is declared at the Annual General Meeting.

23. Attention of the Members/Shareholders is drawn to the provisions of Section 124 of the Companies Act, 2013 which require a company to transfer in the name of Investor Education and Protection Fund (IEPF) Authority, company is required to transfer the due unclaimed dividends to the Investor Education and Protection Fund (IEPF) established by the Central Government, on completion of seven year period from the date of transfer of the dividend to Unpaid Dividend Account. In case of those members who have not claimed or encashed the dividend warrant(s) consecutively for last seven consecutive financial years, the Company will proceed to transfer the respective shares to Investor Education and Protection Fund (IEPF) account in terms of IEPF rules. The details of such shareholders are uploaded on the web-link https://www. studds.com/investor-relations.

24. The Board of Directors have appointed CS Manish Kumar Partner of Manish K & Associates, Company Secretaries the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The scrutinizer's report along with result declared shall be placed on website of the company www.studds.com.

25. All correspondence including share transfer documents should be addressed to the RTA of the Company viz. Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Tel: 011 - 49411000, e-mail: delhi@linkintime.co.in.

26. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. close of business hours on September 21, 2021, only shall be entitled to avail the facility of remote e-voting / voting.

27. The remote e-voting facility will be available during the following period:

    i. Commencement of remote e-voting: From 9.00 a.m. (IST) on September 25, 2021.

    ii. End of remote e-voting: Up to 5.00 p.m. (IST) on September 27, 2021.

    The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by RTA upon expiry of aforesaid period.

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

A. Process and manner of attending the Annual General

Meeting through InstaMeet

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "Company" and 'Event Date' and register with your following details: -

  A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

  B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

  C. Mobile No.: Enter your mobile number.

  D. Email ID: Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company on the secretarial@studds.com in following format:

   SPEAKER REGISTRATION FORM *

   a) Name of Shareholder (including joint holder):

   b) DPID-CLID /Folio Number:

   c) Permanent Account Number (PAN):

   d) Mobile Number:

   e) Query in brief:

   *All fields are mandatory

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/.

B. Remote e-Voting Instructions for shareholder post change in Login Mechanism for shareholders holding shares in demat mode

Pursuant to Section 108 of the Companies Act, 2013 read with rules made thereunder, shareholders may cast their vote through remote e-voting on the business set out in AGM notice. Further shareholders holding securities in demat mode can 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 to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

	• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.
	• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
	• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
	• Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
	A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.
	B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
	C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
	D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
	• Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
	• Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
	• Click "confirm" (Your password is now generated).
	2. Click on 'Login' under 'SHARE HOLDER' tab.
	3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
	4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
	5. E-voting page will appear.
	6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

	7.	After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Instructions for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

By the order of Board
For **Studds Accessories Limited**

Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Date: August 25, 2021
Place: Faridabad

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 04

Mr. Madhu Bhushan Khurana, was re- appointed and designated as Chairman & Managing Director of the Company by the Members at its Annual General Meeting held on September 29, 2020 for a period of 5 years i.e. from October 01, 2020 to September 30, 2025. Further, Mr. Madhu Bhushan Khurana has attained the age of 72 year (approximately) considering his contribution and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on August 25, 2021 approved the revision in the remuneration of Mr. Madhu Bhushan Khurana effective from September 1, 2021 on terms and conditions as set out in the Resolution and the details enumerated below:

Mr. Madhu Bhushan Khurana, Chairman & Managing Director of the Company shall be entitled to receive tax-free remuneration as mentioned hereunder:

a) Salary

Basic salary of INR 5.00,000/- p.m with authority to the Board (which expression shall include a committee thereof), to revise his salary from time to time

b) Perquisites & Allowances

In addition to salary, the Chairman and Managing Director shall also be entitled to perquisites and allowances upto such amount as detailed below:

i. Special Allowance upto INR 250,000/- (50% of Basic Salary) payable monthly.

ii. Leave Travel Concession: Leave Travel Concession for self and family subject to a ceiling of three months basic salary.

Explanation: Family means the spouse, dependent children and dependent parents.

iii. Medical reimbursement: Reimbursement of the expenses incurred for self and family subject to a ceiling of three month basic salary every year and such actual expenses as prescribed under the proviso to section 17(2) of the Income Tax Act

iv. Provident Fund, Bonus, Gratuity as per the rules of the Company.

v. Motor Cars: Company maintained two motors cars with chauffeurs for official & personal use.

vi. Club Membership Annual Fees subject to four Clubs.

vii. Coverage under Medical claim Insurance, Group Personal Accident Insurance & Term Insurance as per company policy.

viii. Round the clock one armed security guard to be provided by the Company at his residence.

ix. Telephone: Telephone provided at residence to be paid by Company and Mobile phone Expenses as per the rules of the Company.

x. Actual Electricity and Water Charges of his residence

xi. Actual annual maintenance cost of air conditioners and generators of his residence.

xii. Actual fuel charges of generators of his residence.

xiii. Hard and Soft Furnishing at residence equivalent to three(3) Months basic salary every year.

c) Commission

Upto 5% of the Net Profits (Inclusive of the payment made under Salary and Perquisites & Allowances mentioned above in point a and point b) of the Company for each Financial year or part thereof Net Profit to be computed in accordance with the provisions of section 198 of the Companies Act, 2013.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

I.	General Information	
1.	Nature of industry	Manufacturing
2.	Date or expected date of commencement of commercial production/ transactions	February 1983
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4.	Financial performance based on given indicators	The Financial performance of the Company for Financial Year ended on 31st March, 2021 is as under: (Amount in Rs. Million) Turnover/Net Sales: 4796.15 Other Income: 45.95 Total Expenditure: 3859.12 Profit/(Loss) before tax: 982.98

5.	Foreign investments or collaborations, if any.	Company has one foreign subsidiary company SMK EUROPE UNIPESSOAL LDA.
II.	**Information about the appointee:**	
1.	Background details	Mr. Madhu Bhushan Khurana has been associated with the Company since incorporation. Prior to incorporating Company, he was an entrepreneur and had commenced the business of manufacturing motorcycle helmets. He has over 38 years of experience in the field of business administration, finances, strategies and manufacturing.
2.	Past remuneration	Rs. 24.37 Million (during financial year 2020-21)
3.	Recognition or awards	N.A
4.	Job profile and his suitability	Mr. Madhu Bhushan Khurana is an Alumni of Punjab Engineering College, Chandigarh. Mr. Madhu Bhushan Khurana is associated with the Company since Incorporation and that Company has gone to a new level and reach new heights under his Directorship.
5.	Remuneration proposed	The Remuneration proposed shall be on the terms as set out in the Resolution and explanatory statement under section 102 of the Companies Act, 2013 for item no. 4 which consists of Salary, Perquisites and Commission on profits.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration of remuneration of Chairman and Managing Directors in the industry in general has gone up manifold. The remuneration proposed to the Chairman & Managing Director of the Company is purely on the basis of merit keeping in view the profile of the Chairman & Managing Director, responsibilities being shouldered by him, remuneration being paid by other comparable Companies in the Industry, Industry remuneration benchmarks,Company's Nomination and Remuneration policy as finalised by Nomination and Remuneration Committee constituted by the Board.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving Director's remuneration, Mr. Madhu Bhushan Khurana is holding 10892880 Share of Rs. 5/- each of the Company.
III.	**Other information:**	
1.	Reasons of loss or inadequate profits	The Company is passing a Special Resolution pursuant to provisions of section 197 read with Schedule V as a matter of abundant precaution as the profitability of the company may be adversely impacted in future due to business environment.
2.	Steps taken or proposed to be taken for improvement	NA
3.	Expected increase in productivity and profits in measurable terms	NA
IV.	**Disclosures**	
1.	all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	As per the terms and conditions as set out in the resolution and the details enumerated above in the explanatory statement under section 102(1) of the Companies Act, 2013 for item no 4.
2.	details of fixed component. and performance linked incentives along with the performance criteria	
3.	service contracts, notice period, severance fees; a	
4.	stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Not applicable

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and their relatives, none of the promoters, directors, key managerial personnel and their relatives is considered to be concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 04 of the Notice.

ITEM NO. 05

Mr. Sidhartha Bhushan Khurana was appointed as Managing Director for a period of 5 years with effect from April 1, 2018 on the terms and conditions including remuneration, as approved by the shareholders at the Extraordinary General Meeting held on April 26, 2018. Hence his tenure as Managing Director is valid upto March 31, 2023. Mr. Sidhartha Bhushan Khurana provides valuable insights and vision for the Company's sustained growth initiatives and plans. Mr. Sidhartha Bhushan Khurana constantly provides leadership and guidance to qualified and well experienced professionals across all key organizational functions to enable them to add value to the Company's growth. He is an instrumental and driving force for growth of the Company and in order to avail benefits of his vast experience and expertise, on recommendation of Nomination and Remuneration Committee the Board of Directors at their meeting held August 25, 2021 approved the revision in the remuneration of Mr. Sidhartha Bhushan Khurana effective from September 1, 2021 on terms and conditions as set out in the Resolution and the details enumerated below:

Mr. Sidhartha Bhushan Khurana, Managing Director of the Company shall be entitled to receive tax-free remuneration as mentioned hereunder:

a) Salary

Basic salary of INR 5.00,000/- p.m with authority to the Board (which expression shall include a committee thereof), to revise his salary from time to time.

b) Perquisites

In addition to salary, the Managing Director shall also be entitled to perquisites and allowances upto such amount as detailed below:

i. Special Allowance upto INR 250,000/- (50% of Basic Salary) payable monthly.

ii. Leave Travel Concession: Leave Travel Concession for self and family subject to a ceiling of three months basic salary.

   Explanation: Family means the spouse, dependent children and dependent parents.

iii. Medical reimbursement: Reimbursement of the expenses incurred for self and family subject to a ceiling of three month basic salary every year and such actual expenses as prescribed under the proviso to section 17(2) of the Income Tax Act

iv. Provident Fund, Bonus, Gratuity as per the rules of the Company.

v. Motor Cars: Company maintained two motors cars with chauffeurs for official & personal use.

vi. Club Membership Annual Fees subject to four Clubs.

vii. Coverage under Medical claim Insurance, Group Personal Accident Insurance & Term Insurance as per company policy.

viii. Round the clock one armed security guard to be provided by the Company at his residence.

ix. Telephone: Telephone provided at residence to be paid by Company and Mobile phone Expenses as per the rules of the Company.

x. Actual Electricity and Water Charges of his residence

xi. Hard and Soft Furnishing at residence equivalent to three(3) Months basic salary every year.

c) Commission

Upto 5% of the Net Profits (Inclusive of the payment made under Salary and Perquisites & Allowances mentioned above in point a and point b) of the Company for each Financial year or part thereof Net Profit to be computed in accordance with the provisions of section 198 of the Companies Act, 2013.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

I.	**General Information**	
1.	Nature of industry	Manufacturing
2.	Date or expected date of commencement of commercial production/ transaction	February 1983
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA

4.	Financial performance based on given indicators	The Financial performance of the Company for Financial Year ended on 31st March, 2021 is as under: (Amount in Rs. Million) Turnover/Net Sales: 4796.15 Other Income: 45.95 Total Expenditure: 3859.12 Profit/(Loss) before tax: 982.98
5.	Foreign investments or collaborations, if any.	Company has one foreign subsidiary company SMK EUROPE UNIPESSOAL LDA
II.	**Information about the appointee:**	
1.	Background details	Mr. Sidhartha Bhushan Khurana has been on Board of the Company since 1998 and has over 24 years of experience in the field of business administration, finances, strategies and manufacturing. He constantly provides leadership and guidance to qualified and well experienced professionals across all key organizational functions to enable them to add value to the Company's growth.
2.	Past remuneration	Rs. 24.27 Million (during financial year 2020-21)
3.	Recognition or awards	N.A
4.	Job profile and his suitability	Mr. Sidhartha Bhushan Khurana is an Alumni of Punjab Engineering College, Chandigarh. Mr. Sidhartha Bhushan Khurana is associated with the Company since last 24 years and the Company has gone to a new level and reach new heights under his Directorship
5.	Remuneration proposed	The Remuneration proposed shall be on the terms as set out out in the Resolution and explanatory statement under section 102 of the Companies Act, 2013 for item no. 5 which consists of Salary, Perquisites and Commission on profits.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration of remuneration of Managing Directors in the industry in general has gone up manifold. The remuneration proposed to the Managing Director of the Company is purely on the basis of merit keeping in view the profile of the Managing Director, responsibilities being shouldered by him, remuneration being paid by other comparable Companies in the Industry, Industry remuneration benchmarks, Company's remuneration policy as finalised by Nomination and Remuneration Committee constituted by the Board.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving Director's remuneration, Mr. Sidhartha Bhushan Khurana is holding 2814480 Share of Rs.5/- each of the Company.
III.	**Other information:**	
1.	Reasons of loss or inadequate profits	The Company is passing a Special Resolution pursuant to provisions of section 197 read with Schedule V as a matter of abundant precaution as the profitability of the company may be adversely impacted in future due to business environment.
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increase in productivity and profits in measurable terms	Not Applicable
IV.	**Disclosures**	
1.	all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	As per the terms and conditions as set out in the resolution and the details enumerated above in the explanatory statement under section 102(1) of the Companies Act, 2013 for item no 5.
2.	details of fixed component. and performance linked incentives along with the performance criteria	
3.	service contracts, notice period, severance fees; a	

4.	stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Not applicable

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except Mr. Sidhartha Bhushan Khurana, Mr. Madhu Bhushan Khurana and their relatives , none of the promoters, directors, key managerial personnel and their relatives is considered to be concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 05 of the Notice.

PURSUANT TO THE SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, THE FOLLOWING INFORMATION IS FURNISHED:

Name of the Director	Mr. Sidhartha Bhushan Khurana (DIN: 00172788)	Mr. Madhu Bhushan Khurana (DIN: 00172770)
Date of Birth & Age	July 20, 1977 44 years	December 24, 1948 72 years
Qualification	Bachelor Degree in Aeronautical Engineering	Bachelor Degree in Aeronautical Engineering
Terms and Conditions of appointment/ re-appointment	Managing Director, liable to retire by Rotation	Chairman and Managing Director, liable to retire by Rotation
Details of Remuneration sought to be paid	The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.	The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.
Last Remuneration drawn (Per Annum)	Rs. 24.27 Million	Rs. 24.37 Million
Date of first appointment on the Board	August 28, 1998	February 03, 1983
No. of shares held	2814480	10892880
Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	Mr. Madhu Bhushan Khurana (Chairman & Managing Director) and Mr. Sidhartha Bhushan Khurana (Managing Director), who are related to each other as father and son.	Mr. Madhu Bhushan Khurana (Chairman & Managing Director) and Mr. Sidhartha Bhushan Khurana (Managing Director), who are related to each other as father and son.
Number of Board Meetings attended during the Financial Year 2019-20	5 (five)	5 (five)
Directorships held in other Companies	None	None
Chairman/ Member of the Committee of the Board of Directors of the Company	1. Audit Committee (Member) 2. Stakeholder's Relationship Committee (Member) 3. Corporate Social Responsibility (Member)	1. Nomination and Remuneration Committee (Member) 2. Stakeholder's Relationship Committee (Member) 3. Corporate Social Responsibility (Chairperson)
Committees position held in other Companies	None	None

By the order of Board
For **Studds Accessories Limited**

Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770

Date: August 25, 2021
Place: Faridabad

STUDDS ACCESSORIES LIMITED

CORPORATE IDENTIFICATION NO.: U25208HR1983PLC015135

Regd. Office: 23/7, Mathura Road, Ballabgarh,
Faridabad-121004, Haryana, India

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